

## Equality and Social Justice Committee Fuel poverty and the Warm Homes Programme

## Response from Smart Energy GB January 2022

Any questions regarding this document or any requests for additional information to support this consultation response should be directed to:

Head of Public Affairs, Fflur Lawton Smart Energy GB Email: <a href="mailto:Fflur.Lawton@smartenergygb.org">Fflur.Lawton@smartenergygb.org</a>



## 1. Introduction

Smart Energy GB is pleased to respond to the Equality and Social Justice Committee's enquiry on fuel poverty and the Warm Homes Programme. Smart Energy GB is the national non-profit campaign tasked with engaging consumers in the smart meter rollout. In March 2021, only 3% of the population said that they were unaware of what a smart meter is.<sup>1</sup>

Smart meters are the next generation of gas and electricity meter. They aid consumers in managing their energy bills by displaying their consumption in pounds and pence on a portable in-home display and send automatic readings to the supplier. Smart prepayment meters offer consumers additional benefits by providing greater visibility of the credit balance, and the opportunity to top up online or over the phone.

In 2020 our organisation, alongside the smart meter rollout, was extended to 2025. Under this extension, we welcomed further obligations in our licencing conditions to enable us to support consumers who 'have low incomes or prepayment meters, or who due to their particular circumstances or characteristics, may encounter additional barriers in being able to realise the benefits of the Smart Metering System'.<sup>2</sup>

As a part of this work, we have been engaging with landlords, letting agents and tenants to ensure that those who want a smart meter, can install one. We will therefore be responding to the question pertaining to these audiences.

2. Smart Energy GB's response to specific questions in the consultation

<sup>&</sup>lt;sup>1</sup> Populus for Smart Energy GB, (March 2021), Smart Energy Outlook, p.2

<sup>&</sup>lt;sup>2</sup> Business, Energy and Industrial Strategy Department, (2021), <u>Smart Energy GB Communication Licence</u>



## How can private sector landlords be encouraged to tackle fuel poverty amongst tenants?

During our campaign, we have seen consistently low ownership of smart meters amongst renters compared to those who own their own homes and those in housing associations despite this audience having high level of 'seek and accept'. We define seek and accept as those who report that they are actively seeking a smart meter and would accept one if offered.

We launched a project in 2020 to understand why this was the case and a specific campaign in 2021 to

- understand the barriers in installing smart meters in the Private Rented Sector (PRS),
- increase the number of smart meters in the PRS though policy and
- increase awareness and engagement of how to arrange a smart meter installation and the benefits of smart meters amongst landlords, letting agents and tenants.

We began the project by commissioning qualitative and quantitative research amongst landlords and letting agents in Great Britain.<sup>3</sup> We were pleased that the research found that 72% of landlords would agree to getting a smart meter however, although it is the billpayers right to install a smart meter, confusion was split as to whose responsibility it is.<sup>4</sup>

Our research further identified that landlords, as they don't often become the billpayer during the tenancy and in void periods, have little opportunity to arrange the installation themselves. Lastly, we identified a significant barrier present with tenancy agreements. Our research found that 49% of letting agents had added a clause requiring the consent of the landlord prior to installation. Not only does this go against the right as the consumer to choose how they pay for their energy but dissuades tenants from asking the landlord as they presume that they do not want an installation.

The launch of our campaign last year sought to raise awareness of the right of the billpayer to install a smart meter and address any areas of concern. During our engagement, we launched two PR campaigns and held a Smart Meter Awareness Week, hosting webinars and sharing tailored resources with landlords, letting agents and renters. In addition, we worked with letting agents and associated bodies to request that they remove clauses in tenancy agreements requiring the consent of the landlord prior to installation and updated their guidance on smart meters.

We have had a positive response to our engagement amongst landlords and letting agents. However, we have identified that both these audiences are struggling to understand how and why

<sup>&</sup>lt;sup>3</sup> The Behavioural Architects, (February 2021), Landlord and Letting Agent Research, available on request. Qualitative sample size: 9 letting agents and 9 landlords and quantitative sample size: 902 landlords and 81 letting agents

<sup>&</sup>lt;sup>4</sup> 40% of landlords believe it is their responsibility to install a smart meter and 39% believe it is the tenants. 38% of letting agents believe it is the responsibility of the landlord to install a smart meter and 51% believe it is the tenants.

<sup>&</sup>lt;sup>5</sup> 79% of landlord said that their void periods are 4 weeks or under and only 25% always or often become the billpayer



they need to make their property more energy efficient, and why they would engage with their tenant on energy, as this has traditionally been the responsibility of the tenant.

In our engagement we make the case that if the tenant is more aware of how much energy they are using and the cost by installing a smart meter, they are more likely to budget effectively and less likely to fall into rent arrears. We also highlight the changes in the user experience of prepayment meters for renters and landlords. Smart meters can change between prepayment and credit over the air at the request of the billpayer meaning tenants have more ways to pay for their energy and can top up online or over the phone. We have a number of tailored resources on our website that can be used to engage landlords and letting agents and will continue our campaign this year.

We would recommend advice is shared with landlords and agents on how to install a smart meter, how to improve the energy efficiency of the property and information for tenants and what services provide support for those in or at risk of falling into fuel poverty. We suggest a good mechanism to achieve this would be through communications from Rent Smart Wales and we would welcome the opportunity to support this.

In engaging landlords, letting agents and renters in energy over the long term, we would recommend that resources are made readily available and sent out alongside the tenancy agreement. We would further recommend that in the upcoming publication of the Welsh Government's Model Tenancy Agreement, guidance pertaining to metering recognise the right of the billpayer to change the meter and do not require the consent of the landlord.

We were pleased to see that the Climate Change, Environment and Rural Affairs Committee's Fuel Poverty report included a recommendation that support is given by the Welsh Government to the implementation of the smart metering framework<sup>6</sup>, and was included in the Tackling Fuel Poverty Strategy 2021 to 2035.<sup>7</sup> We hope the Equality and Social Justice Committee will provide further support to the above proposals.

If you have any questions about this response, or would like any additional information, please contact Head of Public Affairs, Fflur Lawton at fflur.lawton@smartenergygb.org.

<sup>&</sup>lt;sup>6</sup> Climate Change, Environment and Rural Affairs Committee, (April 2020), <u>Fuel Poverty in Wales</u>, Recommendation 15, p.8

<sup>&</sup>lt;sup>7</sup> Environment, Energy and Rural Affairs, (March 2021), <u>Tackling Fuel Poverty 2021 to 2035</u>, p.12