Smart Meters:
The consumer view

Research by ECTA Training

ecta

About ECTA Training

ECTA is a UK leader in trade skills courses. We offer professional training and assessment in a wide range of trade skills.

Established in 2005, East Cheshire Training and Assessment (ECTA) is a UK leader in trade skills courses.

ECTA is a national trainer of operatives and operational staff within the gas, utilities and facilities management industries.

Headquartered in Stockport, Greater Manchester, we offer a comprehensive suite of gas, electric, water and renewable energy courses run by industry professionals.

We also deliver smart meter training to assist in developing the qualified workforce needed to hit the Government's target of providing smart meters to over 27 million households by 2020.

ECTA provides an extensive range of training and auditing services together with bespoke consultancy services, which are delivered at our in-house training and assessment centre.

ECTA offer professional training and assessment in a wide range of trade skills. We've been training the pros for years, and some of the biggest companies in the UK trust us to train their teams.

Introduction

> The roll-out of smart meters in the UK is one of the biggest national infrastructure projects in a generation

The roll-out of smart meters in the UK is one of the biggest national infrastructure projects in a generation, with more than four million already installed across the country.

The UK Government has pledged a target to install about 53 million new meters in close to 30 million homes by 2020 to help tackle climate change.

This mass installation will bring an end to estimated billing and enable consumers to more easily switch between suppliers, according to the Department of Energy and Climate Change.

It will also make it easier for utility companies to track energy waste and help households to become more energy efficient.

But an emerging skills gap in the engineering sector has the potential to stifle the Government's pledge on smart meter installations, with projections suggesting an extra 6,500 new engineers are still required if the target is to be met on schedule.

With so much already invested in public communication and infrastructure projects as part of this smart meter transition, warnings have been sounded that it would be a "costly failure" if the Government failed to meet its installation targets.

But is the skills gap the only obstacle to meeting the Government's target? Or is there also a problem with consumer awareness, and do consumers properly understand the benefits of having a smart meter installed in their home?

In this report we examine:

- Consumers' views of smart meters and their potential benefits
- How the "smart skills" gap is impacting the Government's roll-out pledge
- Consumer attitudes to sharing energy usage information with third party websites

The highlights

44%

44% of consumers say **their energy bills have reduced** after having a smart meter installed

20%

Nearly one in five consumers have **experienced a delay in having a smart meter installed** because of a lack of available engineers

33%

A third of consumers are **concerned about the lack of trained engineers** because it means they could be missing out on savings

53%

More than half of consumers (53%) would be **happy to share current and historic energy use data** with price comparison websites to compare tariffs

52%

More than half (52%) of consumers think **energy companies should pay engineers to be trained** in "smart skills", compared to 21% who believe the Government should pay

15%

15% of consumers **are concerned that the skills gap** could delay meeting EU carbon emission targets

A lack of understanding

> More needs to be done to better educate consumers about the benefits of having a smart meter installed in their home.

Installing a smart meter enables consumers to monitor their energy usage in real time, and makes it easier to view the impact of reducing the energy they are using, both in terms of general usage and in the cost of bills.

Smart meters also remove the need for estimated bills and manual meter readings as energy companies are able to monitor energy use in real time and take accurate meter readings.

But this research suggests this message is not being translated to consumers, with 44% of those questioned saying they would not have a smart meter because they didn't understand the benefits.

According to the Government and energy companies, installing a smart meter not only helps consumers save energy and reduce the cost of their current bills, they also make it more convenient for consumers to switch between energy suppliers by increasing competition. By providing accurate meter readings, consumers are able to receive more accurate quotes via price comparison websites.

But despite online information and marketing material promoting smart meters as a means of making switching easier, nearly one in 10 consumers who took part in this research feared upgrading to a smart meter would stop them being able to switch companies at all, while more than one in 10 revealed they didn't know they could have a smart meter installed.

Their main reasons not to have a smart meter installed:

- **29% said** they did not like energy companies being able to monitor what they are doing at home
- **44% said** they did not see the benefits of having a smart meter
- **6% believed** a smart meter would be a risk to their family's health
- **8% thought** it would stop them being able to switch energy companies
- **13% did not** know they could have a smart meter installed because they are on a pre-payment meter

"The fact that **44% don't know the benefits of a smart meter** and that nearly 10% think it would stop them switching energy providers proves messaging about the benefits is not getting through."

Reasons to switch

What are the reasons consumers switch to smart meters

More than 10% of consumers in this survey confirmed they have already had a smart meter installed in their home, while 55% said they wanted one installed in the future.

Saving money on energy bills was the most popular reason for consumers to want a smart meter with more than half confirming they would have a smart meter for this reason.

Nearly a third of consumers said they would want a smart meter if it stopped them receiving estimated bills and being required to take manual meter readings.

Being able to monitor energy usage and make their homes greener was also a popular reason to install a smart meter for consumers, with 15% saying they would install one to make their home greener and use less energy.

Consumers also revealed they would install a smart meter to monitor how their energy is used, and also to monitor which appliances used the most energy in their home.

Their main reasons to have a smart meter installed

32% said they want to stop estimated bills and manual meter readings

51% said they wanted to save money on their bill

15% wanted to make their homes greener by using less energy

"Consumers are clearly open to the prospect of having a smart meter installed in their home with **55% telling us they would be interested in an upgrade."**

Regional views

Different views to smart meters around the country

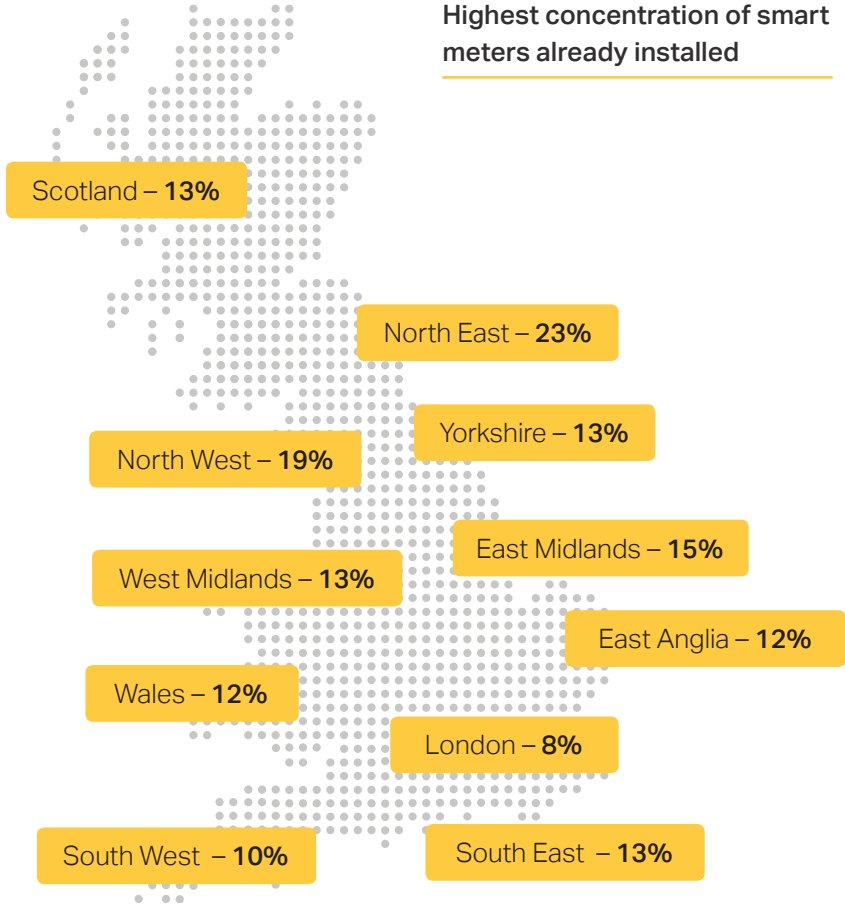
According to this research the North East currently has the largest concentration of smart meters, with nearly a quarter of consumers revealing they have already have a new meter installed. This is compared to just eight per cent of consumers in London.

The North West has the second highest concentration of smart meters with nearly a fifth of consumers confirming they have had a meter installed, while more than half plan to have a new meter installed in the future.

Consumers in Wales and the North East are most interested in having a smart meter installed with 63% and 58% respectively, indicating they plan to arrange an installation in the future.

London has the highest concentration of consumers who don't plan to install a smart meter with 36% saying they currently have no plans, although 56% say they would have a smart meter installed.

The West Midlands (35%) and the wider South East region (34%) were also rated among the regions with the highest concentration of consumers with no interest of upgrading to a smart meter.



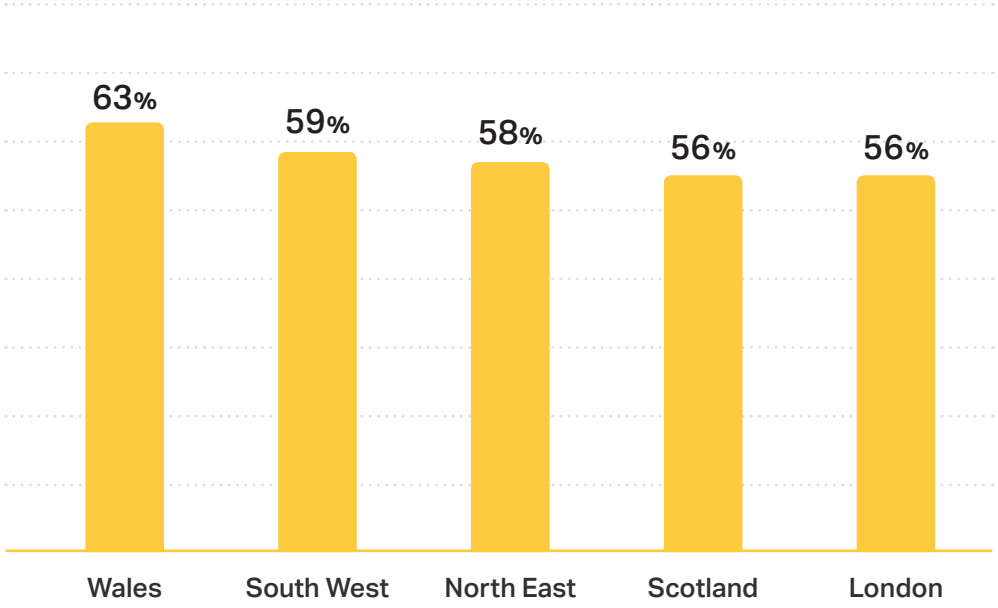
Regional views

Different views to smart meters around the country

There is clearly a high demand for smart meters in the UK but this research suggests a regional gap between the North and South of the country in terms of actual uptake.

Those in the North West and North East are far ahead of their counterparts in London and the South East in having installations, suggesting some consumers in these areas remain unaware of the benefits.

Highest demand for smart meter installation



Saving consumers money

Smart meters found to help consumers save money and become more energy efficient

Homes with smart meters already installed are seeing reduced energy bills, while consumers say they are more likely to monitor their energy usage at home, this report has found.

More than 40% of consumers who took part in the survey said they had seen a reduction in their energy bills since having a smart meter installed.

But this number could be even higher with nearly a quarter of consumers admitting they had failed to check if their bills had reduced.

Being able to monitor energy usage also proved beneficial for consumers, with 43% revealing they were more likely to turn down their heating or switch-off lights in the home when they were not necessary.

Nearly one in five consumers also said they were more likely to time their energy usage to coincide with cheaper, off-peak periods.

Those living in Scotland and Yorkshire and Humber were revealed to have experienced more savings with 56% of consumers in these areas saying they had experienced reductions on their energy bills.

These findings show that properly educating consumers about the benefits of smart meters is likely to lead to a reduction in household energy usage, helping to meet EU carbon emissions targets.

How are smart meters affecting consumer bills and behaviour

43% are more likely to turn down the heating and switch off lights since having a smart meter installed

17% now time energy use to fall within cheaper off peak periods

44% have noticed a fall in the price of energy bills since having a smart meter installed

"The fact that more than 40% of consumers with a smart meter have **noticed a drop in their energy bills** just highlights that arranging an upgrade can have financial benefits to be communicated consumers."

Sharing data

> The majority of consumers are happy to share their information if it means a better deal

The majority of consumers would be happy to have their current and historic energy usage details shared with price comparison websites, if it meant they could find out about cheaper tariffs.

But concerns remain among some consumers about having their information shared beyond their current energy provider.

53% of those surveyed revealed they would happy to share their information to compare tariffs if it could help them get a better deal, compared to 47%.

"Privacy is always going to be an issue, but the fact that the majority of consumers are **happy to share their information if it means a reduction in tariffs**, will help to promote competition between energy companies."

Installation delays

> The Government's pledge to roll-out smart meters to 30 million homes by 2020 could be delayed because of a lack of qualified engineers.

Nearly one in five consumers revealed they had arranged for a smart meter to be installed in their homes, only to experience a delay because there were not enough engineers available to carry out the work.

Consumers have also called on more money to be invested in training to increase the number of qualified engineers.

More than half of consumers believe that energy companies themselves should be putting more money into training schemes for staff, while more than 20% believe the Government should invest more money as part of its smart meter target pledge.

Consumers also revealed concerns that they could be missing out on reductions to their energy bills because they were being forced to wait longer for an installation.

More than 30% said delays are potentially costing some consumer's money on their bills while they waited for an installation, while 15% said they are concerned the Government would miss its target of meeting EU requirements on cutting carbon emissions if delays continued.

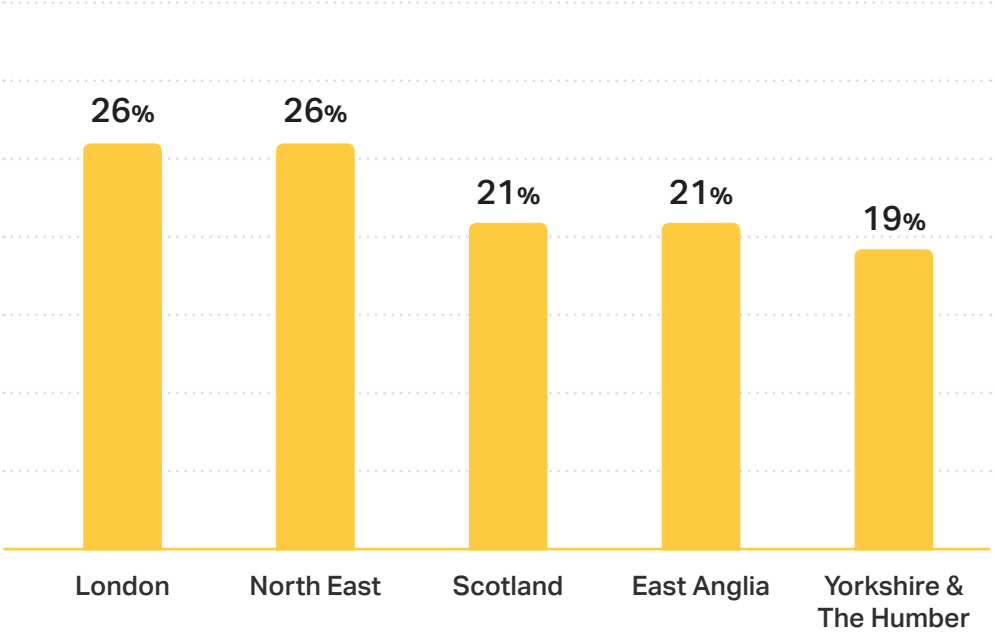
Consumers in the North East and London are more likely to experience a delay, according to this research, with 26% of people in these regions revealing they had experienced problems.

More than one in five consumers in East Anglia and Scotland also revealed they had experienced delays in having a smart meter installed in their home.

North East consumers are more concerned about missing out on reductions in energy bills with nearly 40% saying this was an issue they thought about. This was followed closely by consumers in the East Midlands and Yorkshire.

Installation delays

Areas most experiencing delays in smart meter installation due to lack of qualified engineers



Consumers reveal concerns about smart meter skills gap

33%

33% concerned skills gap is **delaying potential cuts** to energy bills

15%

15% concerned skills gap **could delay meeting EU targets** to cut carbon emissions

"Consumers revealed concerns that interruptions in installing a smart meter in their home **was costing them money** by delaying any reductions in energy bills."

Conclusion

> Delays to smart meter installations caused by a lack of qualified engineers is denying consumers the chance to reduce the cost of their energy bills.

It also raises concerns that a failure to properly educate consumers on the benefits of smart meters, coupled with the growing skills gap, could derail the Government's pledge to install new meters in 30 million homes by 2020 and leave it unable to meet EU targets on reducing climate change.

This research has also found that energy companies need to do more to recruit and train qualified engineers to meet the demand for smart meter installations, with nearly one in five consumers revealing they have experienced delays in having their new meter installed.

The deadline is fast approaching for the Government's installation target, and it is vital that energy companies do more to promote careers in engineering while the sector, and the Government, need to examine means of funding extra training and development opportunities within the current and future work force.

With the vast majority of consumers revealing they plan to have a smart meter installed in the future, or already have one, there is clearly a desire among customers to upgrade their energy reading systems.

But while most customers are already seeing the benefit, both in energy and cost reductions, clearly more needs to be done to highlight the benefits a smart meter brings.

Despite energy companies and the Government promoting smart meters as an effective money saving tool, too many customers remain confused about the benefits they bring.

Customers are either unaware of the benefits, or are failing to understand that smart meters could allow them to switch suppliers more easily, rather than tie them to a supplier for the long term.

Nearly one in 10 consumers said they thought having a smart meter installed would stop them from being able to switch energy suppliers, and more than one in 10 consumers revealed they did not know they could have a smart meter installed at all.

Get in touch

If you would like to find out more, please get in touch with a member of our team

Phone:
0161 480 5656

Email:
hello@ectatraining.co.uk

Website:
www.ectatraining.co.uk

Training centre:
1st Floor Hadfield House, Gordon Street, Stockport, Cheshire SK4 1RR

ecta