
Ofgem decision to Approve MP219: Accessing Consumption Data on Behalf of SEC Parties

Decision:	The Authority ¹ determines that this modification ² should be made ³
Target audience:	Large Suppliers, Small Suppliers, Electricity Network Parties, Gas Network Parties, Other SEC Parties
Date of publication:	16 May 2025
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Background

Smart Energy Code (SEC) Parties can gain Appropriate Permission to access a consumer's Consumption Data if they are the Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor or Gas Transporter for a particular Smart Metering System.^{4,5,6,7,8} These SEC Parties may employ a third-party Other User to act on their behalf to obtain Consumption Data from the consumers those SEC Parties serve.⁹ SEC Parties have provided numerous reasons why they would choose to use this sub-contracting approach, including undergoing internal system changes, a lack of internal system integration, or to relieve internal pressure. The SEC currently states that these third-party Other Users require Unambiguous Consent from each energy consumer in order to obtain their Consumption Data.¹⁰

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² 'Change' and 'modification' are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.

⁴ All capitalised terms are, unless otherwise stated, definitions taken directly from, and therefore have the same meaning given to such terms within, the Smart Energy Code.

⁵ [Current SEC Parties - Smart Energy Code](#)

⁶ [Appropriate Permission - Smart Energy Code](#)

⁷ [Consumption Data - Smart Energy Code](#)

⁸ [Smart Metering System - Smart Energy Code](#)

⁹ [Other User - Smart Energy Code](#)

¹⁰ [Unambiguous Consent - Smart Energy Code](#)

The modification proposal

On 10 October 2022, n3rgy Data Ltd (the Proposer) raised SECMP219 – ‘Accessing Consumption Data on behalf of SEC Parties’.¹¹ SECMP219 is intended to change SEC Section I (‘Data Privacy’) and amend the definition of ‘Appropriate Permission’ to allow contracted Other Users, on behalf of SEC Parties, to collect the Consumption Data of consumers without obtaining their Unambiguous Consent. Changes are proposed to both the definition of ‘Appropriate Permission’ and SEC Section I1.2 of the SEC - ‘Data Privacy’ - to enable Other Users to collect Consumption Data without first gaining the Unambiguous Consent of the consumer. Additional safeguards have been proposed for the Privacy Controls Framework (PCF) to ensure that the consumer’s privacy remains protected.¹² These include a mechanism through which the consumer can withdraw permission for the processing of their data by an Other User. They also include details, sent to the consumer, on how long the Other User will be processing their data, the purposes for which the Consumption Data is to be processed by the Other User, how to withdraw permission, and confirmation that the Other User is acting on behalf of the employing Party.

On 6 October 2023, the initial proposal for this modification was sent back by the Authority.¹³ We decided to send back the proposal because we deemed that we had not been provided the following:

- a sufficient level of evidence regarding the issues that the modification was trying to resolve;
- the impacts on the Data Communication Company (DCC)’s network traffic;
- an understanding of how the current processes are insufficient; and
- an explanation of how the safeguards for consumers provided by the current process would be protected if the modification were to be implemented.

On 29 May 2024, the proposal was resubmitted to the Authority with the above information provided; this included evidence regarding the issues that the modification was aiming to resolve, including one Large Supplier noting that after employing an Other User to collect Consumption Data for them,¹⁴ approximately 50% of consumers did not complete the process

¹¹ [Accessing Consumption Data on behalf of SEC Parties - Smart Energy Code](#)

¹² [Privacy Controls Framework - Smart Energy Code](#)

¹³ [Authority Send back - SEC MP219 'Accessing Consumption Data on behalf of SEC Parties' | Ofgem](#)

¹⁴ [Large Supplier Party - Smart Energy Code](#)

due to issues relating to consent provision. The updated report also contained more information on the impact that the modification's approval would have on the DCC's network traffic, which was estimated to be 1% by the Proposer and a maximum of 2% by the Smart Energy Code Administrator and Secretariat (SECAS) based upon a 70% increase in household participation in the Demand Flexibility Service (DFS).¹⁵ Lastly, the updated report included an explanation of the insufficiency of current processes and protections for consumers via strict wording within the SEC itself and, as aforementioned, amendments to the auditory processes and safeguards within the PCF.

On 29 November 2024, the updated proposal for this modification was sent back by the Authority.¹⁶ We decided to send back the proposal because, whilst we supported the intent of the modification (and associated report), we considered amendments were required to the proposed legal text so that it better reflected the scope of the proposal as detailed in the the modification report.

On 28 March 2025, the proposal was resubmitted to the Authority with updated wording for the proposed changes to the SEC.

If this modification were approved, the changes would be to the SEC itself and the PCF. The new PCF requirements would be introduced as arrangements and evidence for which the Independent Privacy Auditor (IPA) would look during privacy assessments. In order to ensure the Other User does not use a consumer's Consumption Data for any purpose other than to collect data for the employing Party, these IPA assessments determine whether the exception to allow them to collect this data without obtaining Unambiguous Consent applies. The FMR makes clear that if an Other User were found to have collected Consumption Data without Appropriate Permission, they may have their rights suspended under the SEC. This could result in restrictions on their ability to have representation on sub-committees, vote in Panel Member elections, submit modification proposals, and restrict their access to the DCC's systems and data. It could also result in the SEC Party's expulsion from the SEC.

¹⁵ [Demand Flexibility Service \(DFS\) | National Energy System Operator](#)

¹⁶ [Smart Energy Code Modification Proposal 219: Accessing Consumption Data on behalf of SEC Parties | Ofgem](#)

The Proposer believes that this modification proposal better facilitates the first and third General SEC Objectives,^{17,18} as it enables Other Users to access consumer data, make this data available to SEC Parties and, in turn, make the data available to those same consumers through services such as the DFS. The Proposer believes this modification could help consumers make more informed decisions about their usage. After consultation, the Change Board submitted the modification with the consideration that SECMP219 better facilitated the first and third General SEC Objectives.

SEC Change Board recommendation

At the SEC Change Board meeting on 26 March 2025, a majority of the Change Board considered that SECMP219 would better facilitate the first and third General SEC Objectives and the Change Board therefore recommended its approval.

Our decision

We have considered the issues raised by the proposal and the Final Modification Report (FMR) submitted to us on 28 March 2025.¹⁹ We have also considered and taken into account the votes of the SEC Change Board on the proposal. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the General SEC Objectives,²⁰ and
- directing that the change is approved is consistent with the Authority's principal objective and statutory duties.²¹

Reasons for our decision

We consider this modification proposal will better facilitate the first and third General SEC Objectives.

¹⁷ The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers premises within Great Britain.

¹⁸ the third General SEC Objective is to facilitate Energy Consumers management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems;

¹⁹ [Accessing Consumption Data on behalf of SEC Parties - Smart Energy Code](#)

²⁰ The Objectives in accordance with DCC Licence 22.10-22.17

²¹ The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 (as amended) and the Gas Act 1986 (as amended).

We also consider this modification will be best facilitated following the launch of the proposed Consumer Consent Solution,²² as the review and potential withdrawal of permission will be better enabled and standardised for consumers. However, after careful consideration, and due to the Consumer Consent Solution not being delivered until the end of 2026, we consider the parameters set by the legal text in the SEC and the PCF's auditory processes sufficiently robust for this modification's approval.

The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

Enabling Other Users to collect Consumption Data on behalf of Suppliers and Network Parties without obtaining Unambiguous Consent, in line with UK GDPR, better facilitates the efficient operation of Smart Metering Systems. This modification better facilitates the first General SEC Objective as it enables SEC Parties to gather Consumption Data more efficiently, with reduced friction, for the purposes of serving their customers. These reduced barriers will save time for SEC Parties, resulting in a more efficient provision and operation of their services.

The third General SEC Objective is to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems.

We consider the improved efficiency with which consumers will be able to opt in to services and schemes, such as the DFS, sufficient to improve the consumer's management of their use of energy. Consumers will still need to opt in to services such as the DFS, however they will not need to both opt in with their supplier and provide Unambiguous Consent to a third party.

Consumers will receive similar information as they would have received prior to the modification when Unambiguous Consent was being requested, however their permission will already be granted under the employing Party's Appropriate Permission. Instead of needing to provide Unambiguous Consent after reading the necessary information, the consumer will have the information needed and the option to withdraw permission when notified of the Other User's transaction.

²² [Consumer Consent decision | Ofgem](#)

This modification will slightly improve the consumer journey for energy consumers as regards management of their use of energy, as they will not need to provide Unambiguous Consent for a third party with which they have little familiarity, thus reducing friction and better facilitating management of their use of energy. However, although the consumer would no longer need to go through the process of providing Unambiguous Consent, this improvement to the consumer journey will be marginal as the information presented to the consumer, and the obligation set upon them to read it, will be comparable to the information and obligation currently presented to them.

The sixth General SEC Objective is to ensure the protection of Data and the security of Data and Systems in the operation of this Code.

We note the contrasting views on the impact of SECMP219 on this General SEC Objective. We have considered all views presented and concluded that this modification will have a neutral impact on the sixth General SEC Objective.

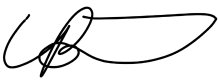
Although an additional party is involved in the processing of Consumption Data than is strictly necessary (based upon the Appropriate Permission of SEC Parties), which can cause security issues through data transfer and increased exposure to data breaches, this is already the case prior to this modification. The difference lies in how permission for this processing is obtained. Additionally, alongside UK GDPR, we consider the standards and strict parameters set in the changes to the SEC and the PCF sufficient to ensure the continued protection and security of data in the operation of this code.

One SEC Party raised a concern regarding this modification's impact upon the sixth General SEC Objective, stating it would have a negative effect upon this Objective and a detrimental impact upon the reputation of the Smart Metering Implementation Programme (SMIP).²³ However, although this modification allows contracted Other Users to collect Consumption Data of consumers on behalf of SEC Parties, without obtaining Unambiguous Consent, we consider the transparency with which Consumption Data must be retrieved and processed by the third party, alongside the consumer's ability to withdraw permission upon request, sufficiently robust to ensure consumer trust in the protection and security of their data.

²³ [Smart Metering Implementation Programme - Smart Energy Code](#)

Decision notice

In accordance with standard licence condition 23 of the Smart Meter Communication licence, the Authority hereby determines that modification proposal SECMP219: 'Accessing Consumption Data on behalf of SEC Parties' be made.



Liam Bennett

Head of Energy System Digitalisation

Signed on behalf of the Authority and authorised for that purpose