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Date: 23 June 2025

Dear Sam,

Thank you for your letter dated 28 May 2025 regarding the phase-out of the Radio Teleswitch (RTS) service. We greatly value Consumer Scotland's continued engagement and your constructive contributions at recent stakeholder meetings.

We fully agree that the full regulatory toolkit must be deployed to ensure a smooth and fair transition for all RTS customers. Ofgem has made clear to suppliers that their existing obligations under the licence conditions apply fully in the context of RTS, and we will shortly publish consumer guidance on what these obligations consist of on our website. Furthermore, we are actively considering where RTS-specific enhancements may be necessary. Ahead of the Phase-Out, suppliers have been required to provide us with written assurance to demonstrate that they understand which customers will be affected, whether those customers may be vulnerable and how they may be affected by changes in the provision of heating and hot water, have the capacity to respond in a swift manner, and have already contacted customers numerous times to offer an RTS meter upgrade.

### **Risk-based phase-out approach**

A carefully managed, small-scale Phase-Out of the RTS service will commence on 30 June 2025. This initial phase will be deliberately limited to a select number of Group Codes (GCs) that will impact approximately 500 customers, rather than entire geographic regions, to ensure a controlled and risk-mitigated rollout. The selection of these GCs is based on a combination of factors, including low RTS meter density and the readiness of suppliers to respond effectively in those areas. This targeted approach allows suppliers to concentrate resources, test operational readiness, and refine response protocols in a manageable environment.

The primary objective of this first stage is to gather real-time insights into the operational impacts of RTS deactivation and to validate the robustness of supplier and Distribution Network Operator (DNO) contingency plans. Ofgem will closely monitor supplier performance, customer outcomes, and system resilience throughout this periods. This includes tracking response times, customer communications, and the effectiveness of escalation pathways.

Following this initial phase, and only if the response is deemed effective and consumer protections are demonstrably upheld, we will consider whether and how to scale up the phase-out. This may involve expanding to additional GCs in a phased manner, with continued oversight and the ability to pause or adjust the rollout as needed. This measured, data-driven approach ensures that any emerging issues are identified and addressed early, reducing the risk of widespread disruption and safeguarding consumer interests particularly those in vulnerable circumstances. Further detail on the approach and when specific regions will be affected and when is due to be communicated shortly.

### **Supplier assurances and contingency planning**

Suppliers are required to develop and maintain comprehensive contingency plans to ensure continuity of service and consumer protection throughout the RTS phase-out. These plans are especially critical for households that are heavily reliant on electric heating, located in rural or remote areas, or living in energy-inefficient properties where the impact of service disruption can be particularly severe.

At a minimum, these contingency plans must include:

- **Proactive customer engagement:** Suppliers must identify, and contact affected customers in advance of any RTS-related changes, providing clear information about the potential impacts and available support. This includes tailored communications for vulnerable consumers and those on the Priority Services Register (PSR).
- **Clear and tested escalation pathways:** Suppliers must establish and routinely test escalation protocols—both internally and with DNOs to ensure that issues are swiftly addressed and that customers receive timely support.
- **Sufficient engineering capacity:** Suppliers must demonstrate that they have the operational capacity to respond rapidly to urgent cases, including the ability to deploy engineers for emergency meter replacements or service restoration, particularly in high-risk or hard-to-reach areas.

To ensure these plans are not only in place but also effective, Ofgem has conducted detailed assurance reviews, as noted above, with all RTS suppliers and DNOs. These reviews include scenario-based testing, stress-testing of escalation procedures, and evaluation of customer support readiness. The goal is to ensure that all parties are fully prepared to respond swiftly and effectively to any disruption, and that consumers—especially those in vulnerable circumstances—remain protected at every stage of the transition.

### **Action in the event of a power interruption**

We recognise that some consumers may not become aware that their RTS signal has been lost until prompted by an external event such as a power outage, seasonal clock change, or a sudden disruption to their heating or hot water supply. This latent risk is particularly concerning if the consumer's meter has not yet been replaced by the time their GC is deactivated, as it may result in unexpected loss of service and increased vulnerability, especially during colder months or in remote areas.

To mitigate these risks, Ofgem has implemented a multi-layered strategy focused on prevention, preparedness, and rapid response. This includes:

#### **1. Accelerated meter replacement**

Suppliers are required to prioritise the timely replacement of RTS meters, with a particular focus on high-risk and hard-to-reach areas. As of 30 May 2025, there remain 105,879 RTS meters in operation across Scotland. Encouragingly, recent efforts in the Highlands and Islands have shown significant progress. During the spring sprint from 7 March to 30 May, 14,116 RTS meters were successfully exchanged, reducing the total in that region to 33,987. This positive momentum is vital and must be maintained to ensure a continued and accelerated reduction in active RTS meters, particularly in advance of the upcoming GC deactivations.

### **Robust contingency planning**

All suppliers must have comprehensive contingency plans in place to manage residual risks. These plans must include proactive customer identification, monitoring systems, and clearly defined escalation procedures. Suppliers are expected to maintain sufficient engineering capacity to respond swiftly to any service interruptions, particularly where vulnerable consumers are involved.

#### **2. Emergency metering solutions**

Suppliers are responsible for ensuring that consumers have appropriate metering

arrangements to accurately measure electricity consumption. Where necessary, they must provide emergency metering replacement solutions especially for consumers who rely on electric heating or live in rural or energy-inefficient homes. These emergency provisions are critical to maintaining safety and comfort, and we expect that they should engage with DNOs regarding the deployment of portable heaters, blankets, or access to alternative facilities such as showers, if required.

### **3. Escalation protocols with DNOs**

Through the RTS Taskforce, we have established formal escalation pathways with DNOs to ensure that RTS customers are prioritised in the event of a power interruption or partial loss of supply. These protocols are designed to enable DNOs to quickly identify affected RTS customers and coordinate with suppliers to restore service or provide emergency support, minimising the need for multiple site visits.

### **4. Enforcement and accountability**

Where suppliers fail to meet these expectations, Ofgem will consider appropriate remedies, including compliance action and financial penalties, in line with our established enforcement guidelines. We have requested detailed contingency plans from all suppliers and are actively monitoring their implementation through regular reporting and assurance reviews.

This comprehensive approach is designed to ensure that consumers—particularly those in vulnerable circumstances remain protected throughout the RTS phase-out, and that any disruption is swiftly and effectively addressed.

## **Support for consumers in vulnerable circumstances**

We have been unequivocal with suppliers that they must prioritise consumers in vulnerable situations, including those on the PSR within the overall RTS cohort. They must take efforts to proactively identify and engage these individuals to inform them of any potential impacts arising from the RTS Phase-Out and clearly explain their available options. In line with their obligations, suppliers have been reminded that they must take appropriate steps to support these consumers and ensure their actions are fully aligned with all relevant regulatory requirements.

Under SLC 31G.3B, suppliers are required to implement robust procedures to prioritise enquiries from, or on behalf of, consumers in vulnerable situations. Where vulnerability is present, we expect that suppliers will have trained staff available to identify and escalate

urgent RTS-related issues, ensuring that representatives such as carers or support workers acting on behalf of vulnerable individuals are appropriately recognised.

Suppliers are responsible for providing consumers with an appropriate metering arrangement to ascertain consumption of electricity. As such, it is our expectation that suppliers provide emergency metering replacement solutions where necessary. Suppliers are responsible for the level of, and operational deployment of their engineer resource, and it is for suppliers to ensure that they have sufficient engineering capacity to respond in an urgent manner to those consumers who may be particularly vulnerable.

We remain fully committed to ensuring a smooth, fair, and consumer-focused transition for all RTS meter users. We will continue to work closely with stakeholders, including Consumer Scotland, throughout this process and beyond the 30 June 2025 when the Phase-Out process will commence.

Please contact us at [SmartMetering@Ofgem.gov.uk](mailto:SmartMetering@Ofgem.gov.uk) if you would like to provide any further questions to this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Charlotte Friel', written in a cursive style.

**Charlotte Friel**

Director, Retail Pricing and Systems