

Nicola Garland
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

By email only: switching.programme@ofgem.gov.uk

26 January 2022

Dear Nic,

RECCo response to consultations on proposals to modify licence conditions related to the Switching Programme

We welcome the opportunity to respond to the above consultation. This response represents the views of the Retail Energy Code Company (RECCo) and we are happy for this to be published on Ofgem's website.

About RECCo

RECCo was formed as the corporate vehicle for ensuring the proper, effective, and efficient implementation and ongoing management of Retail Energy Code (REC) and to promote innovation, competition, and positive customer outcomes.

Upon the Central Switching Service going live this summer, its governance will transfer to the REC pursuant to the DCC licence and in accordance with the REC version 3.0 provisions to be introduced by Ofgem through the Significant Code Review process. We will assume responsibility for Central Switching Service operational costs from 1 April 2023, with the costs of any future change to the CSS being assessed and determined through REC change management procedures. We therefore have a particular interest in this consultation and RECCo is therefore providing this response in line with its mission statement and strategic aims.

RECCo response

RECCo are pleased to be part Ofgem's faster, more reliable Switching Programme and welcome the continued engagement and transparency with stakeholders to ensure that the programme provides positive outcomes for consumers and market participants. We note the proposed changes to the Electricity Supply Standard Licence Conditions and the Gas Supply Standard Licence Conditions. We believe them to be complete, and have to additional comments on the detailed drafting.

There were a number of references to the role of the REC and RECCo more broadly within the consultation and address these below.

Performance Assurance Board (PAB)

SLC14A and the amendments to the definition of 'Relevant Date'

We agree with Ofgem's view that the REC PAB should *'monitor supplier performance in terms of meeting the five Working Day SLA, including ensuring that parties retain relevant evidence and to*

intervene as necessary if appropriate. The adherence to the give working day SLA will be critical to ensuring the success of faster, more reliable switching. We will continue to consider how to best deliver this as part of the performance assurance regime.

Switch annulments

We note Ofgem's view that the REC PAB *'should closely and carefully monitor any priority risks to consumers, including monitoring the use of the annulments process, particularly for large industrial and commercial consumers where the potential for misuse may be greater.'*

We understand that close monitoring could be of assistance in this regard, and we will work with the Code Manager and the PAB to integrate appropriate risk indicators into the performance assurance regime.

Misuse of erroneous transfer flag

We welcome the opportunity to discuss the role the PAB could play in monitoring apparent or actual misuse of this process. As with monitoring switching annulments, monitoring of misuse of erroneous transfers will also require development of clear risk indicators. We need to ensure the PAB are appropriately empowered to address any potential breaches, and that there are clear lines of escalation where necessary.

Consumer Journey Forum and Price Comparison Websites (PCWs)

We note Ofgem has referenced the use of the Consumer Journey Forum to assist with collaboration on consistent consumer across different Suppliers and Price Comparison Websites (PCWs). We recognise that continued engagement with Suppliers and PCWs is of key importance in the run up to switching programme implementation and following the Forum's development of a closure report. The outputs and recommendations of that report are being reviewed by the RECCo Board, which will consider the appropriate ownership of relevant actions now that the REC Code Management function is fully operational.

We can confirm that engagement with all PCWs and relevant third party intermediaries will form part of the Code Manager's Switching Programme engagement plan.

We would be happy to discuss the content of this letter or the Switching Programme more generally, either via info@retailenergycode.co.uk or directly with our usual Switching Programme support contacts in the first instance.

Yours sincerely

Suchitra Hammond
Senior Strategy Manager