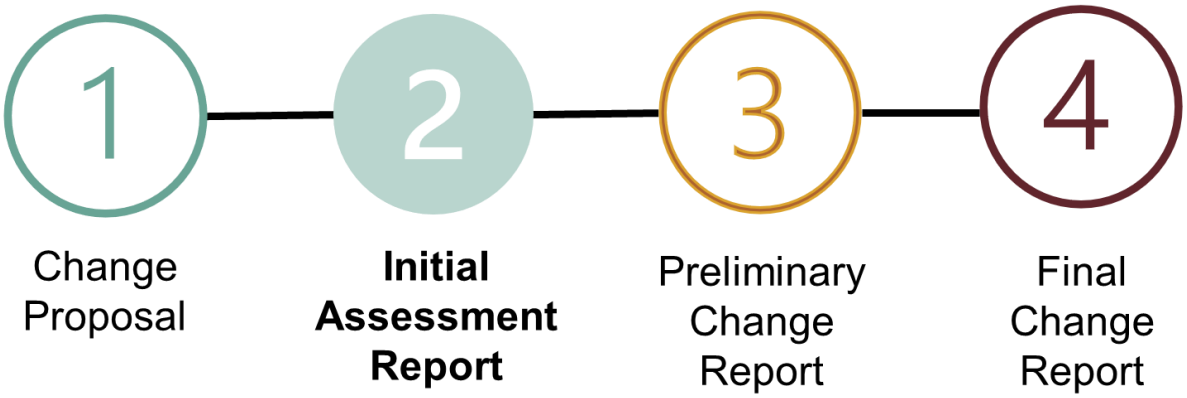
RETAIL ENERGY CODE

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Information is for public, unrestricted dissemination and publication.

INITIAL ASSESSMENT REPORT



PURPOSE:	This is a written report from the Code Manager setting out their initial assessment of the Change Proposal and planned next steps for progressing the proposal.
NOTES:	The Initial Assessment Report is accompanied by a Change Proposal Plan, which describes the Code Manager's plan for progressing this Change Proposal. The solution will not be finalised until the publication of the Preliminary Change Report.
NEXT STEPS:	The Change Proposal Plan will set out the next steps for progressing this Change Proposal. The Code Manager will either propose additional activities to develop and/or assess the solution, or immediately prepare and publish the Preliminary Change Report.

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01	Initial Assessment Report
02	Preliminary Change Report
03	Final Change Report

INITIAL ASSESSMENT REPORT

R0030 – ERRONEOUS TRANSFER CANCELLATIONS

DOCUMENT VERSION	1.0
DATE ISSUED	18/02/2022
DOCUMENT APPROVAL STATUS	APPROVED BY REC CHANGE PANEL
RESPONSIBLE COMMITTEE	CHANGE PANEL

CHANGE OVERVIEW

Erroneous Transfers are currently being cancelled without a defined process or full audit trail.

This Change Proposal seeks to introduce a defined process for Energy Suppliers to be able to cancel an Erroneous Transfer (ET) in specific scenarios.

	High Impact: Energy Suppliers
	Medium Impact: REC Code Manager
	Low Impact: N/A

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1 SUMMARY

An Erroneous Transfer (ET) occurs where a Consumer has been switched to an Energy Supplier with whom they do not have an Energy contract. The process to rectify this is currently defined within the Supply Point Administration Agreement (SPAA) and Master Registration Agreement (MRA) Transition Schedules and is included in the Consumer Facing Switching and Billing (CFSB) Schedule which will go live in REC v3.0 (An Erroneous Transfer will be known as an Erroneous Switch post REC v3.0).

The existing process does not allow Suppliers to cancel an ET once it has been initiated. The proposer has identified a need for Suppliers to be able to cancel an ET in the event of a Supplier of Last Resort (SoLR) being appointed or when a Change of Occupier occurs after an ET has been initiated.

Suppliers are currently cancelling ETs outside of a defined industry agreed process as there is no mechanism to use the industry Market Messages to inform other suppliers of a cancellation and the reason for it.

It is proposed to amend the D0301 and the RET Market Messages to allow the Gaining Supplier to cancel the ET as this will allow a clear audit trail of any actions completed and the reasons for them. The use of Market Messages to communicate a cancellation, will also enable the REC Performance Assurance Board (PAB) to have visibility of the additional resolution steps in the ET process. It is also proposed to provide clear guidance for Suppliers on the appropriate use of an ET cancellation.

2 PROBLEM STATEMENT

Erroneous Transfers are being cancelled by Suppliers, which is currently not permitted under the REC. There is no consistent defined process or audit trail.

In the event of a Supplier of Last Resort (SoLR) being appointed, or on a Change of Occupier at a premise, the Gaining Supplier currently has no way to formally cancel an ET after it has been initiated.

This can cause Switching and/or Billing delays for Consumers whilst Energy Suppliers attempt to resolve an outstanding or open ET.

For Energy Suppliers this can mean they are supplying Consumers with whom they have no Valid Contract, resulting in additional Guaranteed Standards of Performance (GSOP) Payments and increased Consumer dissatisfaction.

The Performance Assurance Board (PAB) has no way to identify the difference between the process legitimately closing without resolution, and an Energy Supplier not meeting their obligations in the code to properly resolve an ET. As a result, the PAB are unable to differentiate the performance of Energy Suppliers between those that are closed down legitimately or those being closed inappropriately.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Consumer, when I move into a new home, I want to be supplied by the Energy Supplier of my choice and if the supply has previously been switched incorrectly, I want to be able to request my Supplier to terminate the Erroneous Transfer process and this to be resolved in a timely manner.
C2	As a Consumer I want to receive my bills when expected, from the Supplier of my choice without delays caused by being switched incorrectly and not being resolved in a timely manner.
C3	As a Consumer, in the event that my Supplier has exited the market and my supply cannot be returned to my original Supplier, I want the Gaining ET Supplier to have the ability to terminate any ET process that has already been initiated so that I am able to choose my preferred Supplier and switch without delay or penalty.
C4	As a Consumer, if Energy Suppliers need to share my data to resolve a switching issue, I want Suppliers to share my personal data securely so that my data is protected.
MARKET PARTICIPANT USER STORIES	
M1	As an Energy Supplier, where appropriate, I need to be able to cancel an ET effectively and efficiently, so that I can bill my Consumers accurately and timely.
M2	As an Energy Supplier, where appropriate, I need to be able to cancel an ET so that I supply Consumers with whom I have a valid contract.
M3	As The Code Manager I need to be able to identify when an ET has been cancelled so that I have a clear audit trail and can monitor performance effectively.

4 IMPACTS

REC PARTIES AND SERVICE USERS
Energy Suppliers

RECCO AND REC CODE MANAGER
The Code Manager

CONSUMERS
All Domestic Consumers and Non-Domestic NHH Consumers

REC DOCUMENTS / PRODUCTS
Schedule 1: Interpretations and Definitions
Schedule xx: Resolution of CFSB Problems
Performance Assurance: Report Catalogue (PARC)
Performance Assurance: Retail Risk Register

Market Message Catalogue: • MM00234 (D0301) - Erroneous Transfer Communication • MM40007 (RET) – RET Flow
Data Item Catalogue: • DI50998 (J1672) Status of Erroneous Transfer • DI40213 (B0030) Status Response

The impacts identified are based on the proposed solution from the proposer.

The Proposer's solution would result in an update to the Erroneous Transfer Communication, Market Message MM00234 (D0301) and the RET Flow MM40007 (RET), resulting in changes to DI50998 (J1762) for electricity and the DI40213 (B0030) for gas by creating a new Data Item Enumeration, which would impact Energy Suppliers that send/receive these messages.

Impacts are anticipated to Schedule 1 - Interpretations and Definitions Schedule as there may be a requirement to add Erroneous Switch Cancellation as a defined term.

Impacts are anticipated to Schedule xx - Resolution of CFSB Problems as the Resolution of Erroneous Switches process is defined in Section B of this Schedule and may result in an additional resolution method/process to be defined within this section. This Change Proposal is being developed on the assumption that if implemented it would be designed against REC V3.0.

Erroneous Transfers are actively monitored, and this Change Proposal may impact risk monitoring, requiring an update to the Risk Register and Performance Assurance Reporting Catalogue (PARC) based on the changes to the schedules.

Impacts and impacted Parties will be validated during the Solution Development phase and after the solution and legal text changes have been defined.

4.1 CROSS CODE IMPACTS

This Change Proposal has no cross-code impacts.

5 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	SELF-GOVERNANCE
RESPONSIBLE COMMITTEE	CHANGE PANEL

We propose the Responsible Committee for this Change Proposal is the Change Panel as it has an impact on a Category 1 document which is under the responsibility of the Change Panel and may introduce a change to Market Participant obligations, with technical impacts.

6 PRIORITY STATUS AND URGENCY

PRIORITY STATUS	LOW
URGENCY	STANDARD

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PRIORITISATION MATRIX

Significance	Score	Weighting
Legal/Regulatory Compliance	1	30
Strategic Direction	0	20
Cost Benefits / Value	0	10
Consumer Impacts	2	30
Operational Efficiency	1	10

Urgency

3	N/A	13	23	33
2	02	12	22	32
1	01	11	21	31
0	00	10	20	N/A

Significance

Weighted Significance Score	1
Urgency	0
Overall Priority Score	**10**
Effort	1 - Moderate

Priority Score	Priority Status
23 - 33	Critical
13 - 22	High
11 - 21	Medium
00 - 10	Low

PRIORITY STATUS
Low

This change is considered ‘Low’ priority based on a significance score of 1 and an urgency score of 0.

Legal/Regulatory Compliance – A score of 1. ETs are being cancelled by Suppliers which is currently not permitted under the REC. There is no consistent defined process or audit trail. This Change Proposal will introduce both.

Consumer Impacts - A score of 2 due to a benefit that could be seen by consumers through timely resolution of ETs. The proposer has reported the gap in the resolution process is resulting in delays to resolving the issue for the consumer. This needs to be validated as the Change Proposal progresses.

Operational Efficiency - A score of 1 as the ability resolve Erroneous Transfers by cancellation, may result in minor improvements in REC Party efficiency.

Urgency – a score of 0 since there are no urgent requirements to implement the change.

7 SUMMARY OF CHANGE PROPOSAL PLAN

This Change Proposal requires solution analysis and development, to identify and explore the options for cancelling an ET, prior to Impact Assessment by REC Parties. The plan for consultation will be considered and detailed within the Preliminary Change Report.

	FROM	TO
SOLUTION DEVELOPMENT	02/03/2022	22/04/2022
PARTY IMPACT ASSESSMENT ISSUED	06/05/2022	30/05/2022
DEADLINE FOR ALTERNATIVE CHANGE PROPOSAL SUBMISSION	08/07/2022	08/07/2022
PRELIMINARY CHANGE REPORT ISSUED	08/07/2022	08/07/2022
RESPONSIBLE COMMITTEE REVIEW	19/07/2022	19/07/2022

8 GLOSSARY

TERM	DEFINITION
Change of Occupier	means that the Consumer at a premises has changed (or is due to change).
Erroneous Transfer/Switch	means, where a Consumer has been switched to an Energy Supplier which does not have an Energy contract in place with them. “Erroneous Transfer”, “Erroneous Registration” and other cognate expressions shall be construed accordingly.
Data Item Enumerations	means permitted values associated with specific Data Items.
Gaining Supplier	means, in relation to a proposed Switch (or Switch), the Energy Supplier which is proposing to become the Registered Supplier at an RMP as a result of that proposed Switch (or which has become the Registered Supplier as a result of that Switch).
Supplier of Last Resort (SoLR)	means the process of appointing a Replacement Supplier, as defined in the Energy Supply Licence.
REC Performance Assurance Board (PAB)	means the performance assurance board for this Code, as from time to time established under Clause 15 of the main body of this Code (which is a Sub-Committee).
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
Valid Contract	is one: (a) that has been entered into by the Customer; (b) that relates to the premises for which the Transfer Request has been made; and for which notice of cancellation of that contract has not been received by the licensee in accordance with any relevant contractual term or statutory provision.