RETAIL ENERGY CODE

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REC ISSUE SUBMISSION FORM (COPY)

1 PERSONAL DETAILS

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COMPANY TYPE *(Optional)*	Energy Supplier
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2 ISSUE SUMMARY

ISSUE TITLE *(Mandatory)*	Clarification and Amendments to Annulment Definition in Schedule 23 – Alignment with SLC Obligations
WHAT IS THE ISSUE YOU ARE SEEKING TO SOLVE? *(Mandatory)*	The current wording of the Annulment Definition in Schedule 23 remains ambiguous and does not sufficiently align with the obligations set out in Standard Licence Conditions (SLC) 14.2(d),14.4(c) and 14.10. This misalignment has led to inconsistent interpretations of the usage of the annulment process across the industry compared to the intention of the REC change and the licence obligation. We are seeking further amendments and clearer guidance to ensure the definition explicitly outlines: • When and how annulments should be used. • That annulments are only appropriate where a customer has informed their existing supplier that they have not entered into a contract with another supplier. • That other industry processes such as customer-initiated cancellations should be used

	when a customer changes their mind after entering into a contract. We feel this clarification is essential to prevent retention-based misuse, ensure regulatory compliance, and uphold consumer trust in the switching process.
WHAT IMPACT IS THIS HAVING? *(Mandatory)*	The current ambiguity in the Annulment Definition is creating several challenges: • Commercial impact due to inconsistent application of the process, which may lead to disputes and regulatory scrutiny. • Customer confusion, as the lack of clarity sends mixed signals about switching protections and processes. • • Market disruption, particularly for new entrants who may misinterpret the definition, leading to operational inefficiencies and reputational risk
WHAT DO YOU CONSIDER TO BE AN EFFECTIVE SOLUTION? *(Mandatory)*	An effective solution would be to ensure full alignment between the Annulment Definition in Schedule 23 and the relevant Supplier Licence Conditions (SLC). This should include: • Clear criteria for when annulments are appropriate. • Explicit guidance on evidentiary requirements and customer consent. • • Consistent terminology and process expectations across both documents to avoid misinterpretation by suppliers and market participant
IS THERE ANY BACKGROUND INFORMATION OR CONTEXT TO THE ISSUE THAT WOULD BE USEFUL? *(Optional)*	In the implementation of FMRS, the annulment process was intended to be a core component of the switching arrangements. It enabled Supplier A to prevent a switch from proceeding if the customer had confirmed that no contract had been agreed with another supplier. This approach sparked considerable debate, particularly around the potential for misuse. Ofgem addressed these concerns in its November 2020 Licence Modification Consultation, outlining its rationale and confirming that the REC Performance Assurance Board (PAB) should actively monitor the use of the annulment process. In November, Change Proposal R0119 – Annulment Definition – was introduced to provide further guidance within REC Schedule 23. However, since its implementation, we have observed a noticeable increase in the incorrect use of the annulment process. It has become clear that the original intent of the process is now widely

	misunderstood. Internal tracking has revealed consistent patterns of misuse, raising concerns about compliance and market integrity.
DOES THIS ISSUE RELATE TO AN EXISTING ISSUE RAISED OR AN EXISTING CHANGE PROPOSAL? IF SO, PLEASE PROVIDE DETAILS OF THE ISSUE OR CHANGE PROPOSAL.	Yes this is linked to R0119 – Annulment Definition

3 CONSUMER IMPACTS

WHICH CONSUMER TYPES WILL BE IMPACTED BY THIS ISSUE? *(Mandatory)*	☒ All ☒ Electricity ☒ Gas ☒ Domestic Prepayment ☒ Domestic Credit ☒ Microbusiness ☒ Small and Medium Enterprise (SME) ☒ Industrial and Commercial (I&C) ☐ Other (please specify in the Additional information box below)
WHAT IMPACT WILL THIS ISSUE HAVE FOR THESE CONSUMERS? *(Mandatory)*	☒ Switching experience ☐ Billing accuracy ☒ Trust and confidence ☐ Safety ☐ Security of supply ☐ Ability to pay ☐ On site experience ☐ Other (please provide details in the Additional information box below)
ADDITIONAL INFORMATION *(Optional)*	

DOES THIS ISSUE CONTRIBUTE TO THE ACHIEVEMENT OF NET ZERO? *(Mandatory)*	
ADDITIONAL INFORMATION *(Optional)*	

4 CODE IMPACTS

Does this Issue relate to or impact:

THE REC OR REC SCHEDULES? *(Optional)*	☐ Main Body ☐ Schedule 1 - Interpretations and Definitions Schedule ☐ Schedule 3 - Accession Agreement ☐ Schedule 4 - Company Governance ☐ Schedule 5 - Change Management ☐ Schedule 6 - Performance Assurance ☐ Schedule 7 - Energy Theft Reduction ☐ Schedule 8 - Unbilled Energy Code of Practice ☐ Schedule 9 - Qualification and Maintenance ☐ Schedule 10 - Charging Methodology ☐ Schedule 11 - Prepayment Arrangements ☐ Schedule 12 - Data Access ☐ Schedule 13 - Transfer of Consumer Data ☐Schedule 14 - Metering Operations ☐ Schedule 15 - Metering Accreditation ☐ Schedule 17 - Secure Data Exchange ☐ Schedule 18 - Green Deal Arrangements ☐ Schedule 19 - Market Exit and Supplier of Last Resort ☐ Schedule 22 - Market Stabilisation Charge ☒ Schedule 23 - Registration Services ☐ Schedule 24 - Switching Data Management ☐ Schedule 25 - Central Switching Service ☐ Schedule 26 - Switching Service Management ☐ Schedule 27 - RMP Lifecycle Schedule ☐ Schedule 28 - Related Metering Points ☐ Schedule 29 - Address Management

	☐ Schedule 30 - Resolution of Consumer Facing Switching and Billing Issues ☐ Schedule 31 – Prepayment Method Levelisation Reconciliation ☐ Schedule 32 - Electricity Supply to Hydrogen Electrolysers ☐ Schedule 33 - Non Domestic Change of Occupier
ADDITIONAL INFORMATION *(Optional)*	

OPERATIONAL DOCUMENTS *(Optional)*	☐ Consolidated Metering Code of Practice (CoMCoP) ☐ Cross Code Steering Group Terms of Reference ☐ Performance Assurance Board Terms of Reference ☐ Performance Assurance Report Catalogue ☐ REC Change Panel Terms of Reference ☐ Smart Meter Installer Domestic Customer Survey ☐ Smart Meter Installer Microbusiness Customer Survey
ADDITIONAL INFORMATION *(Optional)*	

SERVICE SPECIFICATION *(Optional)*	☐ Central Data Service Provider Further Services Service Definition ☐ Central Switching Service Definition ☐ CSS Certificate Authority Service Definition ☐ Electricity Enquiry Service - Service Definition ☐ Electricity Retail Data Service Definition ☐ Gas Enquiry Service Definition ☐ Gas Retail Data Service Definition ☐ Green Deal Database Service Definition ☐ Secure Data Exchange Service Definition ☐ Switching Operator Service Definition
ADDITIONAL INFORMATION *(Optional)*	

API TECHNICAL SPECIFICATION *(Optional)*	☐ EES API Technical Specification ☐ GES Meter Asset Enquiry API Technical Specification ☐ GES Supply Point Switching API Technical Specification ☐ GES Supply Point Enquiry API Technical Specification
ADDITIONAL INFORMATION *(Optional)*	

THE DATA SPECIFICATION *(Optional)*	☐ Data Access Matrix ☐ Data Item Catalogue ☐ Market Message Catalogue ☐ Standards Definition ☐ Supply Number Format
ADDITIONAL INFORMATION *(Optional)*	

CENTRAL SYSTEMS OR REC SERVICES? *(Optional)*	☐ Central Data Service Provider Further Services ☐ Central Switching Service (CSS) ☐ CSS Certificate Authority ☐ Electricity Enquiry Service ☐ Electricity Retail Data Service ☐ Electricity Theft Tip Off Service ☐ Gas Enquiry Service ☐ Gas Retail Data Service ☐ Green Deal Central Charging Database ☐ Secure Data Exchange Service ☐ Switching Operator
ADDITIONAL INFORMATION *(Optional)*	

REC PARTIES AND/OR MARKET PARTICIPANTS? *(Optional)*	☐ AMR Service Providers ☐ Data Aggregators ☐ Data Collectors ☐ Data Services ☐ Smart Meter Data Retrievers ☐ DCC ☐ Distribution Network Operators

	☒ Energy Suppliers ☐ EES Users ☐ Gas Transporters ☐ GDCC Users ☐ GES Users ☐ Green Deal Finance Parties ☐ Green Deal Providers ☐ Meter Asset Providers ☐ Metering Equipment Managers ☐ Shippers ☐ Third Party Intermediaries ☐ Virtual Lead Party ☐ Other (please provide details in the Additional Information box)
ADDITIONAL INFORMATION *(Optional)*	

OTHER INDUSTRY CODES? *(Optional)*	☐ Balancing & Settlement Code (BSC) ☐ Distribution Code Use of System Agreement (DCUSA) ☐ Smart Energy Code (SEC) ☐ Uniform Network Code (UNC) ☐ Independent Gas Transporter Uniform Network Code (IGT UNC) ☐ Data Integration Platform (DIP) Rules
ADDITIONAL INFORMATION *(Optional)*	

DOES THIS ISSUE IMPACT A SIGNIFICANT CODE REVIEW? *(Optional)*	No
ADDITIONAL INFORMATION *(Optional)*	

5 ISSUE PROGRESSION

DO YOU BELIEVE THIS ISSUE PROPOSAL MEETS THE CRITERIA FOR 'URGENCY' AND SHOULD BE PROGRESSED UNDER AN URGENT TIMETABLE? **IF SO, PLEASE PROVIDE JUSTIFICATION?** *(Optional)*	Yes We believe this issue should be progressed under an urgent timetable to ensure that all industry parties remain compliant with their Supplier Licence Conditions (SLC). Prompt action will help mitigate further misuse and maintain consistency across the market
ARE THERE ANY REQUIRED TIMESCALES FOR THE DEVELOPMENT OF THIS ISSUE? *(Option)*	No
ARE THERE ANY REQUIRED TIMESCALES FOR THE IMPLEMENTATION OF THIS ISSUE? *(Option)*	ASAP
ARE YOU AWARE OF ANY DEPENDENCIES ASSOCIATED WITH THIS ISSUE WHICH MAY IMPACT ITS PRIORITY OR PROGRESSION TIMETABLE? *(Optional)*	n/a

6 ATTACHMENTS

ATTACH/PROVIDE ANY SUPPORTING DOCUMENTS TO BE SUBMITTED WITH THE FORM	