RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	**Consultation**
04	Final Recommendation

CHANGE REPORT

R0155 – CHANGE OF OCCUPIER: EVIDENTIARY STANDARDS AND TIMESCALES

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	27/06/2025
IMPLEMENTATION APPROACH	BIG BANG

RESPONSIBLE COMMITTEE	CHANGE PANEL	**CHANGE PATH**	AUTHORITY DETERMINED
PRIORITY STATUS	MEDIUM	**URGENCY**	STANDARD
IMPACTED STAKEHOLDERS	ENERGY SUPPLIERS, THIRD PARTY INTERMEDIARIES (TPIs)		

LEAD ANALYST (SOLUTION LEAD)	ASSURANCE LEAD	TECHNICAL LEAD	SUBJECT MATTER EXPERT
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OVERVIEW

This Change Proposal seeks to address industry concerns with the Non-Domestic Change of Occupier (CoO) process identified by Non-Domestic Suppliers, Third Party Intermediaries (TPIs) and Consumers to bring improvements to the CoO process.

Following the closure of the Party impact assessment on 27 September 2024, this Change Proposal was formally renamed from ‘Change of Tenancy: Evidentiary Standards and Timescales’ to ‘Change of Occupier: Evidentiary Standards and Timescales’ to accurately reflect the appropriate legal terminology.

CODE MANAGER MINDED TO POSITION

The Code Manager’s minded to position is that the REC Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 27 June 2025.

RETAIL ENERGY CODE

CONTENTS

1 Summary 3
2 Problem Statement 3
3 Impacts 4
4 Proposal plan 5
5 Planned Engagement 6
6 Priority Status and Urgency 6
7 Summary of Analysis Undertaken 6
8 Proposed Solution 7
9 Draft Legal Text 14
10 Summary of Impact Assessment Activity 14
11 Business Case Assessment 21
12 Case for Change 23
13 Risks, Assumptions, Issues and Dependencies 25
14 Appendix 26
15 Glossary 27

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BACKGROUND

1 SUMMARY

This Change Proposal seeks to address industry concerns with the Non-Domestic Change of Occupier (CoO) process identified by Non-Domestic Suppliers, Third Party Intermediaries (TPIs) and Consumers to bring improvements to the CoO process. Such issues have been strongly acknowledged previously but are still being witnessed in the industry.

Previous research, and work, has taken place to explore the issues that all Parties involved in the CoO process have experienced. For example, Ofgem's (Non-domestic market review: Findings and Policy consultation | Ofgem) findings paper sets out a number of issues they identified as part of the CoO process, both where the Consumer seeks to stay with the incumbent supplier and where they seek to move to another Energy Supplier. These were further highlighted in "Non-domestic market review: Statutory consultation on licence changes" published 07 December 2023, together with the expectation that these issues would be addressed through the REC.

RECCo also undertook some work to identify potential solutions which were presented at a preliminary workshop in October 2023. The material from which is available on the RECCo Website: Webinar round-up: New Change of Tenancy rules proposed for the non-domestic energy market - Retail Energy Code Company. However, these potential solutions were not taken forward. Instead, this REC Change Proposal was raised, without a solution, to explore the existing issues highlighted by Ofgem and RECCo, amongst other market participants. It would allow the REC, with the engagement of REC Parties, to develop a solution on CoO evidentiary standards and timescales. The Code Manager facilitated a R0155 Change of Occupier workgroup to allow members from across the industry to contribute their experiences and suggestions. The outcomes from this workgroup have been developed into a proposed solution introducing a list of evidentiary documents, and service level agreements (SLAs) for Energy Suppliers to follow the CoO process.

Further details on the outcomes of the R0155 solution development workgroup, and the proposed solution, are detailed throughout this Change Report.

2 PROBLEM STATEMENT

Non-Domestic Consumers may struggle to quickly and easily update a supplier when they become the new owner/occupier or responsible bill payer for a property. This can include:

- Inconsistent requests from suppliers for proof they are the new owner/occupier or responsible bill payer.
- Inconsistent time taken to have new billing account set up or new contract agreed with the Energy Supplier.
- Inconsistent treatment of request to change Energy Supplier (CoO flagged or not flagged, loss request objected to or not objected to).

- Risk of being held responsible for previous owner/occupier or responsible bill payer's debt and contract.
- Risk of being put on deemed prices (on assumption these are more expensive than contract terms).

Energy Suppliers may struggle to quickly and easily update their billing and contractual records for non-domestic properties. This can include:

- Inconsistent updates from Consumers leaving a property.
- Inconsistent updates from Consumers taking over a property.
- Inconsistent quality of evidence provided.
- Risk of invalid/fraudulent requests to avoid debt or leave contracts before the expiry date.

Third Party Intermediaries (TPIs) may struggle to provide Non-Domestic Consumers and Energy Suppliers with a service. This can include:

- Different processes for each Energy Supplier.
- Different evidence available from each Consumer.
- Being stuck in the middle.

3 IMPACTS

CONSUMERS
Microbusiness
Small and Medium Enterprise
Industrial & Commercial (I&C)

REC SERVICE PROVIDERS
Secure Data Exchange Service (SDEP)
Central Switching Services
Central Data Provider Services Provider

RECCO / REC CODE MANAGER
RECCo
REC Code Manager – Performance Assurance
REC Code Manager – Technical Services

REC PARTIES AND SERVICE USERS
Energy Suppliers
Third Party Intermediaries

REC DOCUMENTS / PRODUCTS	
Schedule 1 – Interpretations and Definitions	Schedule 30 – Consumer Facing Switching and Billing Issues
Schedule 23 – Registration Services	Performance Assurance Report Catalogue (PARC)
Schedule 24 – Switching Data Management	TPI Code of Practice

3.1 MARKET WIDE HALF-HOURLY SETTLEMENT

MHHS DESIGN	MHHS DATA SPECIFICATION	MHHS CODE DRAFTING
No impact on MHHS Design.	No Data Specification.	Indirect impact – amendments to Schedule 1 (Interpretations and Definitions) and Schedule 23 (Registration Services).

4 PROPOSAL PLAN

The Definition phase of this Change Proposal has now been completed. Following a period of solution development, and legal review, the proposed solution was issued for a Party impact assessment on 23 August 2024 and closed on 27 September 2024. The Code Manager then updated the Responsible Committee on the next steps and reviewed the impact assessment responses ahead of the commencement of the Change Proposal stage and the business case assessment.

Ahead of consultation, the Code Manager is now in a position to provide the remainder of the Proposal Plan up until the date of requested Authority determination. The full Proposal Plan is detailed in the table below.

Milestone	Activity	From	To
Definition		**19-Dec-23**	**18 Oct-24**
	Solution Development	**Completed**	**Completed**
	Legal Review	**Completed**	**Completed**
	Impact Assessment	**Completed**	**Completed**
	Solution Refinement	**Completed**	**Completed**
	Update to Responsible Committee	**Completed**	**Completed**
Change Proposal		**18-Oct-24**	**16-Dec-24**
	Business Case Assessment	18 October	29 October
	Update to Responsible Committee	05 November	05 November
	Consultation	05 November	26 November
	Final Determination	27 November	10 December
	Change Report Published for Comments	10 December	16 December
Voting		**17-Dec-24**	**17-Dec-24**
	Responsible Committee Vote	17 December	17 December
	Issued for Authority Determination	18 December	18 December

5 PLANNED ENGAGEMENT

If the Change Proposal Plan in section 4 is approved by the Responsible Committee, the Code Manager will issue the consultation on 05 November 2024. This will be a standard, 15 Working Day industry consultation that will close on 26 November 2024.

The Code Manager will continue to assist REC Stakeholders with this engagement wherever possible, including through additional guidance documents on the solution and the REC change process.

6 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Direct	2	25	50
	Retail Markets Impact	Retail Risk(s)	2	15	30
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	1	5	5
		Legal and Regulatory Compliance	2	13	25
Resource	Complexity / Effort / Duration		1	8	8
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		2	15	15
	Contribution to/ Alignment with RECCo's Forward Work Plan		0		0
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity (High Priority activity)	0	20	0
				Overall Priority Score (rounded)	133

Priority Status	MEDIUM
Change Proposal Type	STANDARD

The priority status for this Change Proposal is medium based on a weighted prioritisation score of 133 and has been assessed as a standard change.

SOLUTION

7 SUMMARY OF ANALYSIS UNDERTAKEN

The Code Manager arranged a solution development workgroup to allow different market participants, including Suppliers, TPIs and Consumer representative groups, to contribute their views and experiences on the CoO process, and their suggestions for a defined solution.

Following a nomination process, including I&C Shippers and Suppliers (ICoSS) and Energy UK, and pre-workgroup webinars to explain the Change Proposal, and the Change Proposal process, the first session of the workgroup took place on 29 February 2024. There were seven meetings of the workgroup where the following activities and analysis took place either during, or between, the sessions:

- The problem statement was reviewed and broken down separately for Non-Domestic Consumers, Energy Suppliers and TPIs.
- The Code Manager engaged with legal resources to further understand the solution requirements, viability, and to deem what is in scope of R0155.

- A reassessment of the issues with the CoO process, including from a Consumer perspective, and a review of the list of possible evidentiary documents.
- An assessment of the issues within the Switch process.
- Consideration of whether a list of evidentiary items should be provided as a guidance document or incorporated into legal text.

All outputs and additional documents (including agendas, slides and meeting minutes) from the workgroup can be accessed on the REC Portal, here.

8 PROPOSED SOLUTION

The proposed solution for R0155 has focused on an evidentiary list of documents that Energy Suppliers may wish to refer to determine if a CoO has taken place. It has also focussed on required SLAs for Energy Suppliers to review evidentiary documents and communicate the outcome of their review process to the provider of the evidence (either the Consumer or a TPI).

The legal text changes for this proposed solution have been provided by the Code Manager ahead of the Party impact assessment. The relevant proposed changes for the Performance Assurance Reporting Catalogue (PARC) have also been provided. These can be found in section 9 of this Change Report.

The proposed legal text solution proposes the introduction of a new REC Schedule titled 'Non-Domestic Change of Occupier.' The REC Schedule would only apply to Non-Domestic Premises and would set out obligations for Energy Suppliers in relation to a CoO at a Non-Domestic Premise including:

- Obligations relating to a CoO without a Switch
- Obligations relating to a CoO with a Switch
- A non-exhaustive list of example evidence which Energy Suppliers might seek to rely upon in assessing whether there has been a CoO
- The service level agreements (SLAs) for Energy Suppliers, upon receiving notification of a CoO, to determine and communicate to the Consumer that there has been a CoO, or not, and whether the Energy Supplier has sufficient information to make such a determination for a CoO without a Switch; and
- The SLAs for a CoO with a Switch whereby the Losing Supplier must determine whether there has been a CoO and notify the Gaining Supplier.

The following table provides a summary of the proposals included in the solution, listing the scenarios (Switch or no Switch) in which they could occur, the Energy Supplier(s) an obligation is placed on, which documents the proposal will be set out in, and any additional supporting documentation that will be provided. Further information on the list of evidentiary documents, and the SLAs for with and without a Switch can be found in sections 8.1 - 8.3 of this Change Report.

Proposal	Scenario	Obligation on	Where will it be set out	Any supporting documentation
List of evidentiary documents	No switch and with switch	Existing and gaining supplier	New REC Schedule – it will be set out that this is not an exhaustive list	Guidance document – including examples of process and additional documents that could be requested
10 WD SLA for reviewing documents	No switch	Existing supplier	New REC Schedule	Guidance document – including examples of process
Within SLA reach an outcome (accept, reject, request additional information)	No Switch	Existing supplier	New REC Schedule	Guidance document – including examples of process
Within SLA communicate with consumer / whoever submitted evidence	No Switch	Existing supplier	New REC Schedule	Guidance document – including examples of process and potential to also communicate with existing consumer (ie name on live billing record)
On receipt of a switch objection with CoO flagged pass evidence to losing supplier	Switch	Gaining supplier	New REC Schedule	Guidance document – including examples of process
10 WD SLA for reviewing documents (decision required to accept or reject)	Switch	Existing supplier	New REC Schedule	Guidance document – including examples of process
Within SLA communicate decision with existing consumer and gaining supplier	Switch	Existing and gaining supplier	New REC Schedule	Guidance document – including examples of process
Performance assurance – SLAs, communication, SDEP process, evidence of process and justification	No switch and with switch	Existing and gaining supplier	Performance Assurance Reporting Catalogue New REC Schedule – including evidence retention obligations	SDES Definition SDEP User Guide

8.1 LIST OF EVIDENTIARY DOCUMENTS

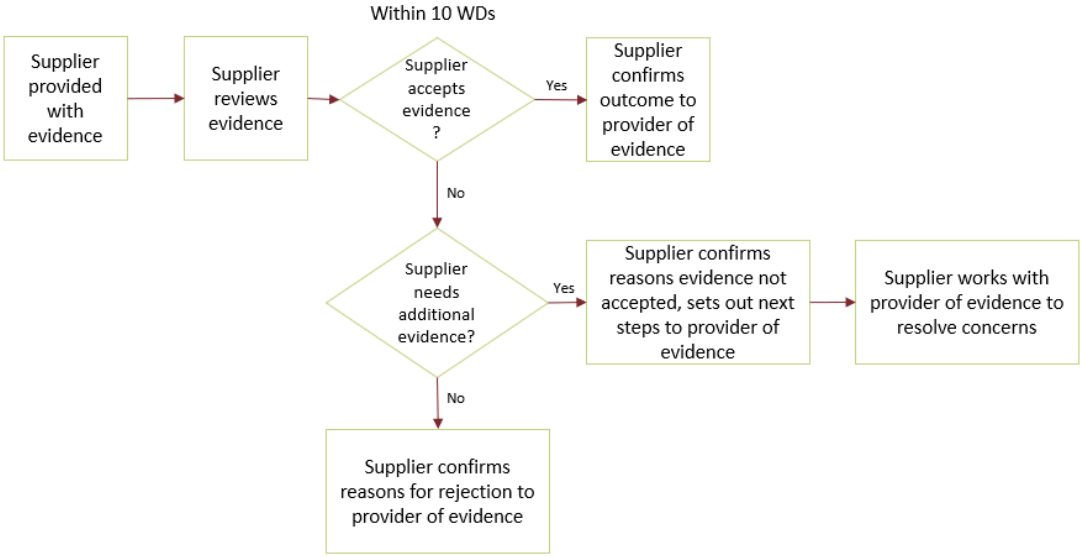
In the draft schedule there is an appendix with a list of evidentiary documents. The types of evidence provided in the list are non-exhaustive examples of the types of evidence which may be used to demonstrate that there has been a CoO. The existence or absence of the types of evidence in the list may not be conclusive either way, and the evidence available needs to be considered collectively.

Further examples of supporting evidence that may be used have been outlined in a supplementary guidance document that has been published alongside this Change Report and will be included in the consultation. The guidance document will remain available after implementation of this Change Proposal.

8.2 SLA WITHOUT A SWITCH

An Energy Supplier would have 10 Working Days from receipt of documentation to either accept the CoO request, reject the request (for example if it is a duplicate request), or to confirm why documentation has been queried and what additional information is required. This would take place by writing to whoever submitted the evidence (either the Consumer or a TPI). This can also be completed via email if an email address is available. The Energy Supplier would then have an additional 10 Working Days on receipt of the requested additional evidence to confirm their decision.

The below process map shows the steps taken during a CoO without a Switch.



8.3 SLA WITH A SWITCH

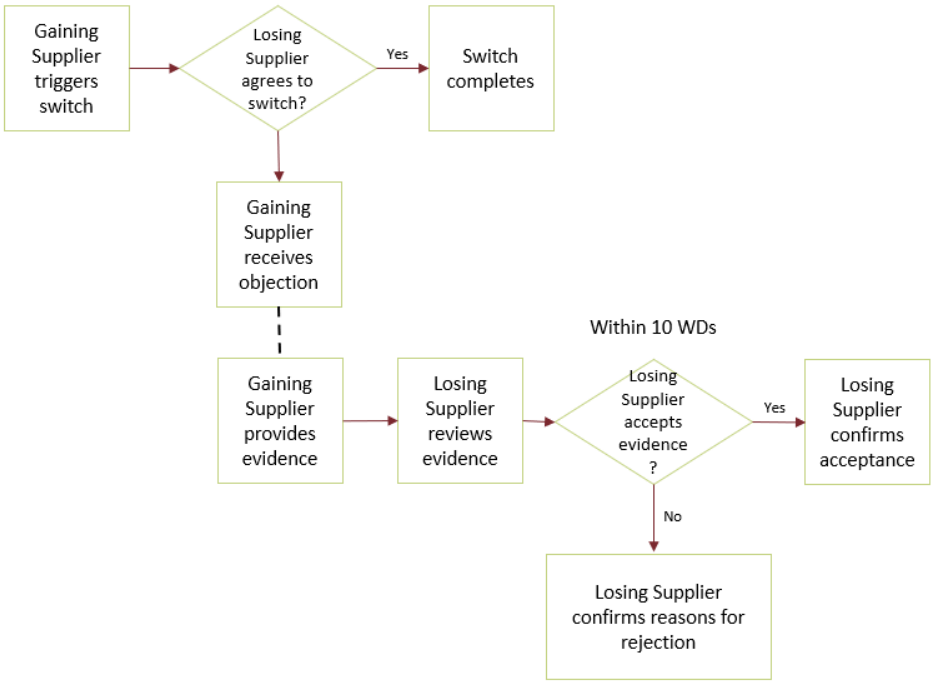
When a CoO has taken place with a Switch, the Gaining Supplier would trigger the Switch with the CoO flag set to true, if they have received evidence to confirm a recent CoO has taken place. The Losing Supplier would decide if they agreed with the CoO or not.

If the Losing Supplier does agree, the Switch completes and the Meter Point X Number (MPxN) transfers to the Gaining Supplier.

If the Losing Supplier does not agree with the CoO, then they have the right to object to the Switch. If they do object to the Switch, they must write to the Consumer confirming the reason(s) for the Objection. On receipt of the notice of Objection, the Gaining Supplier must decide on what to do next. However, this process is outside of the scope of the REC and has subsequently not been set out within the proposed solution for R0155.

If the Gaining Supplier decides the Switch will continue, then they can use SDEP to facilitate the sharing of the CoO evidence with the Losing Supplier. Evidence will be at a Consumer level but may contain multiple MPxNs. The Losing Supplier will have 10 Working Days to review the data and decide if they will accept or reject the evidence. The Losing Supplier will then confirm the decision via the same SDEP screen and communicate with their Consumer to set out the reasons for the decision.

The below process map shows the steps taken during a Change of Occupier with a Switch.



8.4 AMENDMENTS TO EXISTING REC SCHEDULES

Paragraphs 2.7 and 6.3 of Schedule 23 – Registration Services will also be amended to reference the new Non-Domestic Change of Occupier Schedule, and to ensure consistency on wording of the timeframes to retain evidence. The proposed, red-lined wording can be found below:

2.7. A Gaining Supplier shall only indicate within the Switch Request that there has been a Change of Occupier where it has reasonable grounds to believe, having made reasonable enquiries of the Consumer, that the Consumer is a new owner or occupier. Where a Gaining Supplier submits a Switch Request which includes a notification that there has been a Change of Occupier, the Gaining Supplier shall keep (for at least ~~1 year~~12 months from the date of the Switch Request) a record of the evidence relied upon by the Gaining Supplier to support this position. Further details regarding appropriate evidence for a Change of Occupier at a Non-Domestic Premises are set out in the Non-Domestic Change of Occupier Schedule.

6.3. Where a Losing Supplier raises an Objection to a Pending Registration which has been identified by the Gaining Supplier as relating to a Change of Occupier, the Losing Supplier shall keep (for at least ~~1 year~~12 months from the date of the Objection) a record of the evidence relied upon by the Losing Supplier to justify that it has raised the Objection in accordance with its Energy Supply Licence and in respect of Non-Domestic Premises, Schedule X – Non-Domestic Change of Occupier.

An additional Housekeeping Change will also be made by the Code Manager to make an amendment to Schedule 1 – Interpretations and Definitions to update the definition of Non-Domestic Supplier. Currently, the definition of Non-Domestic Supplier refers to suppliers who are not authorised to supply Domestic Consumers. This will be amended to also include those suppliers who are authorised to supply Domestic Consumers when active in relation to Non-Domestic Consumers. The red-lined wording for the Non-Domestic Supplier definition can be found below:

Non-Domestic Supplier -	means an Energy Supplier which is not authorised by its Energy Supply Licence to supply Domestic Premises, or an Energy Supplier which is authorised to supply Domestic Premises when acting in relation to Non-Domestic Premises.

Please note that since the change to Schedule 1 – Interpretations and Definitions will be introduced via a Housekeeping Change, the proposed change to the definition of Non-Domestic Supplier was not included in the Party impact assessment, and nor will it be included in the consultation.

The Code Manager notes that this Housekeeping Change was raised by a respondent in the Party impact assessment, with the respondent asking for it to be included in full in the R0155 Change Proposal. After a review, including with REC legal advisors, the Code Manager will continue the change to Schedule 1 through a Housekeeping Change.

8.5 USE OF SDEP

SDEP is the secure mechanism for transferring the documents between the gaining and losing Energy Suppliers. However, a dedicated set of Process Type (PT) screens will not be available immediately. In the interim, Energy Suppliers should use the following Duplicate Meter Point options for sending the information and also for sending any escalations:

- PT0056 – Duplicate Meter Points General Query (Gas)
- PT0067 – Duplicate Meter Points General Query (Electricity)

In the interim, all queries should have a title that starts with “CoO evidence” to allow the recipient to easily identify them. Once new PT screens are available, these will be implemented with new dedicated screens for Non-Domestic CoO’s, with a separate PT screen for gas and electricity.

8.6 PERFORMANCE ASSURANCE REQUIREMENTS

The Code Manager consulted with the Performance Assurance Board (PAB) on 30 July 2024 setting out options for assuring this change. There was significant focus from the PAB on preventing any issues, and having data led monitoring of performance across the market. They requested two activities:

1. Assurance before implementation to gain confidence that Parties were ready to operate in line with the changes to the REC; and
2. Ongoing monitoring to identify outliers or anomalous behaviour, which the Code Manager would then follow up in detail. Further details on the methodology for this are included in the Performance Assurance Methodology and Techniques Document.

Following the engagement with PAB, for CoO without a Switch, REC Performance Assurance have stated that they will adopt the following two-tier solution for assurance including:

1) Applying preventative assurance techniques to review at the point of implementation that Parties have designed and tested their systems, processes and controls which meet the requirements of the Code.
2) Applying enduring risk monitoring techniques.

For CoO with a Switch, REC Performance Assurance have stated that they will adopt the following two-tier solution for assurance including:

1) The Code Manager will conduct a one-off implementation test (via a re-qualification style review) to assess if the implementation has been effective. This will be a combined Information Request to cover all aspects of the R0155 solution including for CoO's with and without a Switch.
2) As part of the enduring Performance Assurance Methodology, REC Performance Assurance will monitor the volume of switches with a CoO flag and assess the acceptance ration. Where a high rejection rate is observed, existing Performance Assurance Techniques will be applied to investigate the matter and manage the risk(s).

The re-qualification style review at the point of implementation, proposed by REC Performance Assurance, will require Parties to respond to an Information Request where they outline the step(s) they have taken to implement the required changes for R0155. As part of this information request, Parties will be asked to evidence the controls and oversight they are implementing to ensure they meet their REC Requirements. Similar requirements will also be incorporated into the Maintenance of Qualification (MoQ) assessments where Energy Suppliers will be required to describe controls that they are operating to ensure they remain compliant with REC requirements. Additionally, within this self-assessment, Energy Suppliers may be asked to self-report key metrics such as volumes, success rate(s) and time taken to process CoO requests with or without a Switch.

Further, for CoOs without a Switch only, where they are not reported on or processed through a central system, REC Performance Assurance will require regular reporting from Parties on the volumes and timeliness of their CoO without a Switch process. Preventative assurance techniques will also be relied upon.

For CoOs with a Switch, REC Performance Assurance envisage that the assurance process will be straight forward due to the use of a central tool (SDEP or any chosen equivalent), to initiate, track and respond to CoO requests with a Switch. REC Performance Assurance expect the data for the enduring risk monitoring will be sourced from SDEP, thus reducing the burden of assurance on REC Parties.

Further details and rationale of the Performance Assurance reporting can be found in the R0155 – Updates on Performance Assurance guidance document. This document has been produced following the Party impact assessment to assist REC Parties in their understanding of the rationale of these reporting requirements and how the Information Request (pre-qualification style assessment) will be conducted.

8.6.1 PERFORMANCE ASSURANCE REPORTING CATALOGUE (PARC)

A provisional version of the Performance Assurance Reporting Catalogue (PARC) was provided with the Party impact assessment, outlining the proposed reporting requirements. Following a review of impact assessment responses, the PARC has now been updated and a copy can be found under section 9 of this Change Report.

The Code Manager has updated the requirements from four individual reports to a single disaggregated (i.e. Meter Point X Number (MPxN) / Switch level) report to cover both CoO with and without a Switch which will apply solely to non-domestic switches. Further description of the required data items under this report can be found within the draft version of the PARC.

8.7 GUIDANCE DOCUMENTS

As proposed and agreed during the R0155 workgroup, the Code Manager has developed an additional resource, in the form of a guidance document, alongside the proposed REC Non-Domestic Change of Occupier Schedule, to provide supplementary lists of evidentiary documents, further examples, scenarios, and clarifications. It is not a mandatory requirement to follow and can be updated by the REC Code Manager as required. This main guidance document is titled ‘R0155 – Non-Domestic Change of Occupier Guidance’.

As noted in section 8.6, the Code Manager has also published a supplementary Performance Assurance guidance document. This second guidance document explains the rationale behind the requirements and details of amendments made on the Performance Assurance requirements following responses to the Party impact assessment. This document is titled ‘Updates on the Performance Assurance of R0155 – Change of Occupier: Evidentiary Standards and Timescales’.

The Code Manager will seek views from Market Participants on these documents as part of the industry consultation. These guidance documents are not categorised REC documents and may be updated prior to, and post-implementation, by the Code Manager, and will remain available to all Market Participants.

9 DRAFT LEGAL TEXT

The legal text to deliver the proposed solution of the Non-Domestic Change of Occupier Schedule for R0155 can be found here.

The legal text for the amendments to Schedule 23 – Registration Services can be found here.

The required changes to the Performance Assurance Reporting Catalogue (PARC) for R0155 can be found here.

9.1 DRAFT GUIDANCE DOCUMENTS

The main guidance document including supplementary lists of evidentiary documents, further examples, scenarios, and clarifications titled 'R0155 – Non-Domestic Change of Occupier Guidance Document' can be found here.

A supplementary guidance document explaining the Performance Assurance reporting requirements and their rationale, titled 'Updates on the Performance Assurance of R0155 – Change of Occupier: Evidentiary Standards and Timescales', can be found here.

PRELIMINARY ASSESSMENT

10 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

10.1 SERVICE PROVIDER IMPACT ASSESSMENTS

A Service Provider impact assessment was completed by the REC Performance Assurance function of the Code Manager between 28 June 2024 and 02 August 2024. The purpose of this Service Provider impact assessment was to determine the Performance Assurance requirements for this Change Proposal. A summary of the response is detailed below.

REC PERFORMANCE ASSURANCE	• REC Performance Assurance (RPA) noted that the assurance approach was planned to be a two-tiered solution to include:
	  ○ The application of preventative assurance techniques to review that Parties have designed and tested their systems processes and controls at the point of implementation
	  ○ The application of enduring risk monitoring techniques to deter outliers whether further techniques may be applied to identify and manage issues.
	• RPA proposed a re-qualification style review at the point of implementation that would require Parties to respond to an Information Request where they outline the steps they have taken to implement the required changes.
	• RPA confirmed that R0155 will require a change to the PARC, which is a Category 2 REC document and should be included within the R0155 solution development to streamline implementation.

- RPA confirmed they would require data from Switching data with the CoO flag from CSS, total number of Switch Requests by Energy Suppliers, and total number of successful switches by Energy Supplier. Reporting on volumes and timeliness of CoO with Switch process by Energy Supplier will be taken from SDEP.
- RPA reported that the following Performance Assurance Framework (PAF) products and processes will require updates: PARC, Retail Risk Register, Performance Assurance Dashboards; and development and implementation of re-qualification style assessment at the time of implementation.
- There will costs associated with the design, build and testing of the report development, dashboard build, and re-qualification style assessment totalling £81,400.
- 12 assumptions were made as part of the impact assessment. These were:

1) That reports from central sources will be available to operationalise the assurance approach endorsed by REC Performance Assurance Board (PAB). Where this changes, additional impact assessment will be required.
2) All required reports will be built as part of the solution and will be available from the point of implementation.
3) Reporting will contain sufficient detail to allow Parties to investigate exceptions where they occur, i.e. MPxN level detail will be provided.
4) The design and reporting will include a unique reference that allows mapping of switches across CSS and SDEP.
5) That there will be no use of alternative APIs for this service. Whilst this would not be an inherent issue, RPA impact assessed with their current knowledge of the design.
6) Test data will be available from Service Providers to support the build and test activity for RPA.
7) The Service Providers will be able to share these reports through the existing agreed methods.
8) Requalification will apply to all Suppliers. RPA have assumed this will be required for 60 Parties for the purpose of providing an estimate. Further work is required as part of the re-qualification design activity to develop the full scope for re-qualification activity and determine the number of Parties who will need to re-qualify.
9) That Parties will engage with the re-qualification and annual MoQ processes. Any escalations for disengaged Parties will be managed through existing Operational Account Manager (OAM) and additional PATs route.

	10) Cost estimates are based on rough magnitude of effort we anticipate and do not account for any complexities emerging. 11) The rates used to estimate costs are based on current rate card. Actual cost for delivery will be dependent on the timeline of implementation and actual rates will be agreed within the CR based on rate card in use at the time of delivery. 12) That there will be less than five escalations to PAB each year, and that if this turns out to be incorrect that RPA will revisit this impact assessment.

10.2 REC PARTY IMPACT ASSESSMENT

A Party impact assessment was issued on 23 August 2024 and closed on 27 September 2024. A total of 18 responses were received from 12 Energy Suppliers, one TPI, three Trade Associations, and two Consumer Representative groups. Four of these responses were submitted confidentially. The non-confidential responses have been published**,** here.

The Party impact assessment targeted responses on three separate aspects of this Change Proposal. These being the legal text solution containing the non-exhaustive list of evidentiary documents and SLAs, the use of SDEP, and the Performance Assurance requirements. The Party impact assessment was laid out with three sections of questions to reflect this. A summary of responses can be found below for each of these three sections.

10.2.1 SUMMARY OF RESPONSES ON THE LEGAL TEXT SOLUTION

ENERGY SUPPLIERS	• Overall, Energy Suppliers were broadly supportive of the proposed solution, but there were asks for further clarity and amendments to the draft schedule, as well as additional consideration for the levels of evidence included in the non-exhaustive list. • Respondents were broadly supportive of the list of evidentiary documents, stating that they will ensure consistency to allow Energy Suppliers to justify their decisions, and are acceptable forms of evidence. • Two respondents called for the list to become exhaustive to ensure further consistency, and to avoid any open debates or misinterpretations. • One respondent did not agree with the proposed solution as they believe, in the current form, the proposal risks creating an unnecessarily complex Consumer journey, and increases Energy Supplier's costs without improving Consumer outcomes, particularly when a Switch is involved.

	• Of those supportive of the proposals, there was broad support for the proposal to be introduced through a new REC schedule, titled “Non-Domestic Change of Occupier Schedule”. • One respondent suggested that alongside the new schedule, the list of evidentiary documents should be introduced as a standalone Category 2 Code document. • Multiple respondents believed that the current wording of the REC schedule did not make the timescales required to review evidence that had been additionally requested abundantly clear, and that this could lead to confusion, misinterpretation, and poor Consumer outcomes. Respondents raised concerns and confusion around the legal text referring to the 10 Working Day SLA being from “receiving notification of a Change of Occupier”, and believed the text should be amended to refer to receipt of requested evidence. • All but one respondent agreed with the 10 Working Day SLAs for CoOs both with, and without, a Switch. • One respondent did note that despite being supportive of the 10 Working Day SLAs, this could be a challenging contraction in timescales for some Energy Suppliers that could require significant investment in human or systems resource to implement. • One respondent highlighted that in some extraordinary circumstances, such as multi-site contracts, the 10 Working Day SLA could be challenging, and that for such scenarios a longer general timeframe should be applied for this scenario. • Two alternative solutions were suggested as part of the impact assessment. One suggestion was for the list to become definitive and ensure that only evidence listed in the REC schedule should be acceptable, whilst another suggestion was based on a ‘reasonable steps’ framework. • Respondents provided mixed feedback on the costs to their business for implementing the proposed solution. Some respondents stated that there would be no costs associated with the proposed solution, whilst some Energy Suppliers highlighted minor costs as result of additional reporting, staff training, and limited system and process changes. • No respondents provided specific costs and/or cost examples. • Most respondents stated that their organisations would need a 6-month lead time for implementation, although this could be shortened if Performance Assurance reporting requirements were reduced. A small number of respondents informed the Code Manager a 1–3 month lead time would be required, whilst a small number stated they believe a 12 month lead time would be appropriate to implement the solution.

THIRD PARTY INTERMEDIARY (TPI)	• The TPI respondent stated that they believe the solution would still lead to poor Consumer experiences. • The respondent stated that a 10 Working Day SLA is better than having no SLA at all but believes that a 5 Working Day SLA for reviewing documents would be more suitable as it would fall in line with the industry's Faster Switching and be more economical. This would also prevent suppliers responding on the 10th day and generating more revenue due to extending out a Consumers time on supply on higher deemed prices. • The respondent noted some risks, including the increased risk of "miss selling occurring" or Energy Suppliers using higher deemed prices and a negotiation and sales tool. • The TPI did not envisage a cost to implement, however it was noted that this could change depending on if/how the CoO process is included into the TPI Code of Practice (R0137/A).
TRADE ASSOCIATIONS	• Overall, Trade Association respondents were generally supportive of the proposed legal text solution, and believe the change should be made, but offered areas of consideration and further clarifications. One respondent specifically noted that whilst agreeing that the proposed solution seeks to address the core problem, the current wording in several key paragraphs appears too vague, and this could lead to misinterpretation and potential inconsistencies in implementation. • One respondent, whilst agreeing with the proposed SLAs, requested that Energy Suppliers be capped on the number of documents that can be requested from the Consumer, and that the list of evidentiary documents becomes an exhaustive list; to align with the way other standard proof of identity checks operate. • One respondent noted that the 10 Working Day SLA for reviewing the initial requested evidence seems reasonable but suggested that the timeframe to review submissions following any requests for further information should be subject to a tighter timeframe of 5 Working Days, due to the potential harm that delays may cause to Consumers. • No costs were identified by the Trade Association groups to implement this Change Proposal.
CONSUMER REPRESENTATIVE GROUPS	• The Consumer Representative Group respondents were supportive of the proposed solution and believe it appropriately addresses the problem statement. • One respondent noted that the solution will allow the REC to monitor volumes of contact between Energy Suppliers through SDEP, providing valuable insight into the process usage and how long Energy Suppliers are taking to respond, should performance issues occur.

	• One respondent noted that from experience, complaints and disputed position by two Parties often occur due to unclear wording and misinterpretations. The respondent said the current legal text looks straightforward and is reasonable. • The respondents supported the introduction of the 10 Working Day SLA. • Respondents noted through this solution they would expect to see a reduction in disputes concerning Non-Domestic Change of Occupiers, and lead to a more positive Consumer experience. • One respondent noted they would need a 3–4-week lead time to inform and train their operational teams on the solution.

10.2.2 SUMMARY OF RESPONSES ON THE USE OF SDEP

ENERGY SUPPLIERS	• Energy Suppliers raised their concerns and difficulties with using SDEP but recognised that as the REC secure means of sharing data, SDEP would be used. • Respondents were offered an opportunity to suggest alternative options to replace SDEP, however no alternative were suggested as part of the impact assessment. • Many respondents expressed concerns around the initial proposal to allow bi-laterally agreed, alternative, forms of sharing data between Energy Suppliers, asking for this option to be removed and for SDEP to become the only mandated method for Energy Suppliers. • As part of the interim and full R0155 solution, Energy Suppliers expressed their preference of the creation of new process type screens, to be used for Non-Domestic Change of Occupiers.
THIRD PARTY INTERMEDIARY (TPI)	• The TPI respondent informed the Code Manager that the use of SDEP is not applicable to TPIs as part of this Change Proposal.
TRADE ASSOCIATIONS	• No comments were provided from Trade Associations on the use of SDEP.
CONSUMER REPRESENTATIVE GROUPS	• No comments were provided by Consumer Representative Groups on the use of SDEP.

10.2.3 SUMMARY OF RESPONSES FOR THE PERFORMANCE ASSURANCE REQUIREMENTS

ENERGY SUPPLIERS	• Overall, Energy Suppliers were not supportive of the Performance Assurance requirements, with respondents raising concerns around the MPxN level data, the proportionality of reporting when factoring in the scale of the Change Proposal and raised concerns around the need for a re-qualification style review, asking for further clarity to be provided by REC Performance Assurance on the proposals. • Many respondents provided recommendations for the use of aggregated data, rather than MPxN line level data. • Respondents raised concerns about the inclusion of metrics for Domestic Consumers, despite the change not specifically targeting such Consumers. Respondents asked for this to be removed from the reporting. • Respondents were against the re-qualification style review, unless the proposal was amended to ensure it is not unduly onerous on Energy Suppliers and does not risk a duplication of effort. Respondents still noted that the requirements were disproportionate, and concerns were raised that this goes above and beyond the remit of the REC. • Respondents noted that with a reduction in the level of Performance Assurance reporting, less time and resource would be required to update their reporting systems, and as such this would mean a shorter lead time would be required for the implementation of this Change Proposal, thus allowing an earlier implementation. • Respondents provided mixed responses on whether the proposed approach could have negative impacts on their organisations financially. Some respondents noted that there would be no, or minimal, additional costs, whilst other respondents noted that due to the additional resource that would be required to provide the requested information, there will be inflated costs for Energy Suppliers.
THIRD PARTY INTERMEDIARY (TPI)	• The TPI respondent informed the Code Manager that the Performance Assurance reporting requirements were not applicable for a TPI as part of this Change Proposal. • The respondent noted however that there are no escalation methods for Consumers and/or third parties. The respondent noted that TPIs would be able to provide trends highlighting issues with certain suppliers, should such a method exist.
TRADE ASSOCIATIONS	• One Trade Association stated that whilst the Performance Assurance requirements were not directly relevant to their members, they were supportive of the proposals that will hold Energy Suppliers to account.

	• One respondent raised a number of points and concerns to consider to ensure the best outcomes of a process that is intended to work smoothly and efficiently to benefit Consumers. The respondent noted that reports should be proportionate and focussed only on this Change Proposal, and that assurance should be industry wide, with aggregate level data rather than MPAN level. They also noted that the request should avoid duplication with existing reports and/or planned reports. • The Code Manager was asked by a respondent to commit to review the approach and necessity of ongoing assurance; to clearly define the intended outcomes of assurance and the metrics used to evaluate Energy Supplier's performance; and share aggregate industry wide monitoring with Energy Suppliers on an ongoing basis in the same format as shared with Citizens Advice and Ofgem.
CONSUMER REPRESENTATIVE GROUPS	• One Party responded to the Performance Assurance questions, and they stated that they agreed with the Performance Assurance requirements for this change and believed that the centralised reporting requirements will provide sufficient overview of how Energy Suppliers are progressing CoOs when there is a Switch. • The respondent also supported the self-reporting requirements and believed these to be sufficient.

11 BUSINESS CASE ASSESSMENT

11.1 COST BENEFIT ANALYSIS

COSTS	DESIGN/ DEVELOPMENT COSTS	IMPLEMENTATION COSTS	ONGOING OPERATIONAL COSTS
REC PERFORMANCE ASSURANCE	£21,400	£60,000	£0

The REC Performance Assurance costs were provided as part of the Service Provider impact assessment. Further details on this impact assessment can be found in section 10 of this Change Report.

For REC Performance Assurance, the design/development costs refer to all costs associated with report development, and the design, build and testing phases of the dashboard. The implementation costs refer to the total costs associated with the implementation, and completion of the re-qualification style review.

REC Performance Assurance have confirmed that they do not anticipate any additional ongoing operational costs, beyond those outlined in the design/development and implementation costs.

However, this is subject to availability of data from central sources for risk monitoring and volume of escalations presented to the PAB.

Energy Suppliers informed the Code Manager during the Party impact assessment that there would likely be costs to their business because of this Change Proposal, however no precise costs were defined. The Code Manager will seek further information on the costs on Energy Suppliers, and other REC Parties, during the upcoming consultation.

11.2 BENEFITS

The following Intangible Benefits would be achieved through the implementation of this Change Proposal.

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
IMPROVED CONSISTENCY BETWEEN ENERGY SUPPLIERS	At present, there are inconsistent requests from Energy Suppliers for the requested evidence that are requested as part of the CoO process, including type and number of documents. R0155 provides a non-exhaustive list that can act as a clear set of evidentiary standards for Energy Suppliers to follow. This will allow the possibility of increased consistency between Energy Suppliers in the types of evidence that are requested. Similarly, the introduction of the non-exhaustive list will be able to improve the quality of evidence provided, ensuring there is a consistent level of quality. This increased consistency will allow for easier communication between Energy Suppliers, and Consumers, who will gain a greater understanding of the process when a CoO occurs with a Switch.
POSITIVE CONSUMER EXPERIENCES WITH APPROPRIATE TIMESCALES	Consumers are currently faced with lengthy, and inconsistent timings to have new billing accounts set up, or new contracts agreed with their Energy Supplier. Delays particularly occur when evidentiary documents are being reviewed by the Energy Supplier. R0155 introduces a 10 Working Day timescale for Energy Suppliers to review requested evidence. This will create a positive Consumer experience as they will become fully aware of when they will hear about their CoO request, ensure consistent communication from the Energy Supplier, and reduce the length of time that the Consumer may be placed on expensive deemed prices. As highlighted in the Party impact assessment a Consumer Representative group, the R0155 solution would also reduce the number of disputes, and lead to a more positive Consumer experience and outcome
FINANCIAL BENEFITS FOR THE CONSUMER	Deemed prices and contracts are often more expensive than contract terms. The proposed R0155 solution seeks to ensure fair timescales are followed to manage a CoO. This will provide positive financial benefits for the Consumer as they will not be left on deemed prices for unreasonable periods of time. The R0155 solution also ensures a reduction in the risk of the Consumer being held responsible for the previous occupier's debt and contract, thus saving the Consumer further financially.

ENSURING DATA IS SHARED SECURELY AND SAFELY	Energy suppliers have noted to the Code Manager that evidentiary documents (Consumer data) may currently be shared via email. Email is not a secure means of sharing data, and thus may put the Consumer's data at risk. R0155 mandates the use of SDEP, as the REC's secure means of sharing data, to share evidentiary documents, and other forms of data. By mandating that REC Parties use SDEP, data will be shared securely and safely as part of the CoO process.
CLEAR COMMUNICATION AND UNDERSTANDING FOR TPIS	Under the current CoO process TPIs may struggle to provide Consumers and Energy Suppliers with a service due the varying processes for each Energy Supplier and different evidence being available from each Consumer. The R0155 solution will support TPIs in understanding the CoO process that will be followed by all Energy Suppliers, providing a greater understanding of the types of evidence a Consumer may provide and is deemed acceptable. It will also ensure that there is a consistent level of communication, that will avoid them being seen to be stuck in the middle of an ongoing process between Energy Suppliers and the Consumer.

11.3 COST BENEFIT ANALYSIS

The Code Manager believes the cost and effort of the implementation of this Change Proposal is proportionate to the benefits being brought by the proposed solution. Currently, the Non-Domestic CoO process is causing significant concerns difficulties for Energy Suppliers, TPIs and Consumers. The Code Manager believes the change should be made with the intangible benefits of implementing the solution outweighing the associated costs.

Similarly, as noted by Consumer Representative groups, the cost and time savings for Consumers provided by this solution, including reducing the time Consumers may be on expensive and lengthy deemed contracts, are likely to be significantly greater than the costs associated to implement the solution, providing a positive Consumer cost-benefit outcome.

12 CASE FOR CHANGE

The Code Manager believes there is a positive case for change and that R0155 better facilitates the following REC Objectives:

OBJECTIVE	IMPACT TYPE	DESCRIPTION AND JUSTIFICATION
To ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement[1]	Positive	The REC's mission is to "facilitate the efficient and effective running of the retail energy market, including its systems and processes". As displayed in the R0155 problem statement, the current processes for a Non-Domestic Change of Occupier are causing detriment to Energy Suppliers, Consumers, and Third-Party Intermediaries alike, and does not ensure the efficient

[1] REC Mission Statement

		and effective running of a CoO in the retail energy market. R0155 attempts to reduce the difficulties phase, by clarifying the process and introducing agreed evidentiary standards and timescales. As noted in the Party impact assessment responses, retail energy market participants believe the proposed R0155 solution will resolve the problem statement and make the processes more efficient. The proposed reporting requirements will also ensure that Energy Suppliers are held to account, to ensure they uphold the standards that will ensure efficient and effective CoO processes, resulting in positive Consumer outcomes.
To ensure customers interests and data is protected in the operation of the REC	Positive	The current CoO process risks Consumers (customers) being held responsible for previous occupiers' debts and contracts and also presents a risk of being placed on long lasting, more expensive deemed contracts. When a CoO occurs, consumers are also facing inconsistent requests from Energy Suppliers around proof of evidence for the CoO, with a timely process of having evidence reviewed and new contracts being agreed. This is detrimental to Consumer's interests and their data protection. R0155 will reduce these risks and Consumer's detriment by ensuring that Consumer's interests are protected through the introduction of a reasonable SLA to review evidentiary document for a CoO and reducing the length of time they are on unfavourable deemed contracts. Similarly, the introduction of the non-exhaustive list of evidentiary standards and documents will ensure the requests from Energy Suppliers are fair and consistent, and the Consumer's data from these documents are fairly treated, as well as securely shared amongst Energy Supplier's through the use of SDEP.
To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs.	Positive	Currently, as part of the CoO process, it is optional if REC Parties use central systems and communication infrastructures (such as SDEP) to communicate between each other. Many parties have noted their concerns around not only SDEP, but also the use of potential other means of sharing data, such as bilateral agreements and transfers. R0155 seeks to improve the availability of SDEP screens to ensure this central system is visibly improved for users and acts as an efficient way of sharing data and communicating with other REC Parties. Bilaterally agreed methods of transferring data poses a risk around the efficiency of the REC, so by removing this option, and mandating SDEP, R0155 ensures efficient and appropriate use of the central systems and communication infrastructure in place under the REC.

13 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks or issues have been identified at this stage.

13.1 ASSUMPTIONS

NUMBER	ASSUMPTION	NOTES	STATUS
R0155.A001	New Process Type SDEP screens for Non-Domestic Change of Occupiers, to be introduced post-implementation with an interim solution at the point of implementation.	The implementation of R0155 will be phased with an interim SDEP solution until new Process Types can be created. The assumption is that these new screens will not be created until the implementation of R0122 and post-MHHS, both of which will be after the implementation of R0155. The interim solution will see Energy Suppliers use the Duplicate Meter Point options.	Ongoing. The Code Manager is engaging with C&C, the SDEP Service Provider, and will provide an update as part of the Change Report (Final Recommendation)

13.2 DEPENDENCIES

NUMBER	DEPENDENCY	NOTES	STATUS
R0155.D001	Parties and/or Service Providers to ensure the required reporting is available.	This is a dependency for Performance Assurance Requirements only.	Ongoing.
R0155.D002	SDEP Improvement Change Proposal(s) to be implemented to allow risk monitoring.	This dependency is related to REC Change Proposal R0122.	Ongoing.
R0155.D003	R0137 – Introducing Third Party Intermediary (energy broker) assurance and accreditation	If R0137 is approved, reporting requirements for R0155 should ensure it allows reporting by TPIs as part of risk monitoring.	Ongoing.

14 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Draft Legal Text Solution (New Schedule) Red-Lined Legal Text Solution (New Schedule – changes post impact assessment) Draft amendments to Schedule 23 – Registration Services Performance Assurance Reporting Catalogue (R0155 Extract)
GUIDANCE DOCUMENTS	R0155 – Non-Domestic Change of Occupier: Evidentiary Standards and Timescales Guidance Document Updates on the Performance Assurance of R0155 – Change of Occupier: Evidentiary Standards and Timescales
CONSOLIDATED IMPACT ASSESSMENT RESPONSES (NON-CONFIDENTIAL)	Link
ANY OTHER DOCUMENTS / LINKS	Previous R0155 Change Proposal Plan Performance Assurance Methodology and Techniques Document

15 GLOSSARY

TERM	DEFINITION
Change Of Occupier (CoO)	means that the Consumer at a premises has changed (or is due to change).
Consumer	means any person supplied (or seeking a supply) of Energy at an RMP (whether or not that person also exports or is seeking to export electricity at an RMP).
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
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).
Losing Supplier	means, in relation to a proposed Switch (or Switch), the Energy Supplier which will cease to be the Registered Supplier at an RMP as a result of that proposed Switch (or which has ceased to be the Registered Supplier as a result of that Switch).
Meter Point X Number (MPxN)	means the collective description of the MPAN and MPRN when used together.
Non-Domestic Consumer	has the meaning given to 'Non-Domestic Customer' in the Energy Supply Licences.
Non-Domestic Premises	means a premises at which a supply of Energy is (or will be) taken wholly or mainly for non-domestic purposes, which is to be interpreted in accordance with the Energy Supply Licences.
Non-Domestic Supplier	means an Energy Supplier which is not authorised by its Energy Supply Licence to supply Domestic Premises
Objection	means a request from the Losing Supplier to block a Switch Request for reasons permitted under the relevant Energy Supply Licence.
Secure Data Exchange Portal (SDEP)	means the portal of that name which forms part of the Secure Data Exchange Service.
Switch	means a change to the Registered Supplier for an RMP.
Third Party Intermediary (TPI)	means a broker or introducer acting between Consumers and Energy Suppliers, including Price Comparison Websites.