RETAIL ENERGY CODE

# MAJOR SWITCHING INCIDENT – SWITCHING OPERATOR BEST PRACTICE DOCUMENT

## PURPOSE OF THIS DOCUMENT

This document establishes the roles and responsibilities of the Switching Operator during and after a Major Switching Incident, to help reduce the impacts, and ensure an appropriate good practice and solution are applied.

This document acts as guidance for the Switching Operator, and other REC and Non-REC Parties, unless an obligation to follow the document is referenced in a REC Schedule.

## DOCUMENT CLASSIFICATION

This is a REC Category 3 Document owned by the Code Manager.

This document can be amended through the REC Category 3 Change Proposal process.

## 1 WHAT IS A MAJOR SWITCHING INCIDENT

The term Major Switching Incident[1] means a high impact Switching Incident which results in significant disruption to the Switching Arrangements.

For a Switching Incident to be deemed a Major Switching Incident, it must be assigned a priority ranking of 1, or 2, by the Switching Operator based on its impacts on the Switching Arrangements and/or one or more Market Participant(s).

In compliance with REC Schedule 26 – Switching Service Management paragraph 2.12, "Where an issue is classified as a Major Switching Incident by the Major Incident Manager (MIM), the Switching Operator shall notify all Market Participants, the Code Manager, the Switching Service Providers and all other interested parties as soon as reasonably practicable, via a Switching Portal bulletin".

A Major Switching Incident may be referred to as a P1 or P2, Major Switching Incident reflecting the priority it has been assigned by the Switching Operator. Market Participants and Switching Data Service Providers can also-sign up to push notifications to alert them to the occurrence of a Major Switching Incident.

For further information on Major Switching Incidents, and how the Switching Operator, and the Switching Data Service Providers, should respond, please see paragraphs 2.1-2.22 of Schedule 26 – Switching Service Management.

[1] The meaning defined in the REC shall take precedence if there is a discrepancy.

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### 1.1 IMPACTS

An Major Switching Incident can impact both fuels (electricity and gas) and both Domestic and non-Domestic end-Consumers and industry participants delivering services. Impacts may include:

- Ability to switch on time, with Consumers effectively left stuck until the switch can be processed
- Poor switching experience leading to Consumer confusion and/or reduced confidence
- Supplier's inability to meet Licence Conditions
- Disputed reads leading to billing errors
- Erroneous transfers not being identified, nor being resolved on time
- Limited non-Domestic product offerings
- Cost to industry participants

The impacts that may be experienced may be dependent upon the current volume of switches and the time of year that a Major Switching Incident occurs.

A future Major Switching Incident runs the risk of more significant impacts to both industry and end Consumers. To reduce the risks, the methods of best practice noted in this document should be followed by the Switching Operator at all available opportunities to support industry and reduce the impact on end Consumers.

## 2 METHODS OF BEST PRACTICE

### 2.1 SWITCHING PARTIES COMMUNICATION

The Switching Operator should establish and publicise a dedicated group for Switching Parties which meets frequently, in cases where active industry engagement would support the resolution of a Major Switching Incident. The Group should include:

- Updates on issue resolution progress from the Switching Operator
- Opportunity for CSS Users to input into the impacts on systems and Consumers

This group could be an existing group, such as the Switching Operator Forum (SOF), and the initial mailing list should be established in advance and include relevant contacts, this could be the contact list from SOF.

If the Switching Change Advisory Board determines such a group should be set up, the Switching Operator must establish.

## 2.2 ROOT CAUSE COMMUNICATION

Identifying and sharing the root cause of a Major Switching Incident is a critical step in resolving a Major Switching Incident.

The Switching Operator has a responsibility to ensure that the root cause communication offsets the risk of uncertainty and limited information, and ensures Switching Parties (including Suppliers, Third Party Intermediaries and Networks) have the right information to:

- Enable meaningful engagement
- Assist end-Consumers
- Ensure Market Participants can proactively manage Major Switching Incident impacts
- Support appropriate plans in response to the Major Switching Incident and resolution

The Switching Operator is expected to:

- Share the root cause analysis with the REC Code Manager as soon as reasonably practicable.
- Within Day +1 of the root cause analysis being shared with the REC Code Manager, share the root cause analysis with Switching Parties.

Getting to the root cause of a complex issue may not be an easy exercise. If a Major Switching Incident passes the deadline for resolution and the root cause is not, at the time, identifiable, the Switching Operator should:

- Set an expectation of when the root cause analysis is expected to be completed and to update the Performance Assurance Board should these expectations change as part of their continued communication if a Major Switching Incident has not been resolved.
- Give due consideration whether a group, as set out in section 2.1, should be established

## 2.3 SWITCHING OPERATOR END-CONSUMER COMMUNICATION

Consumer-impacting Major Switching Incidents require rapid and consistent messaging across Switching Parties, and other possible industry participants, including but not limited to, Third Party Intermediaries (TPIs), to reduce the risk of inaccurate and confusing messaging.

The Switching Operator has a responsibility to ensure that each Switching User has a uniform set of communication message(s) in order to:

- Reduce the risk of inconsistencies between market participants
- Support end-Consumers impacted by the Major Switching Incident
- Reduce the risk of independent action from CSS Users

In all cases where a Major Switching Incident impacts end Consumers, the Switching Operator should give consideration to providing industry-wide communications[2]. The Switching Operator will need to give consideration to (but not limited to) the following if it decides not to provide communications:

- Number of Metering Points impacted
- Number of CSS Users impacted
- Length of impact

The Switching Operator is expected to provide communications to Switching Parties that can be used as part of Switching Parties' Consumer-facing communications to ensure consistent messaging across each Switching Party. This may include (but not limited to):

- A non-technical description of the incident
- What sort of metering points are impacted (for example any domestic and non-domestic split)
- When the incident is expected to conclude
- Who to contact for more information

The Switching Operator is expected to deliver communications, as agreed with the Switching Change Advisory Board, to Switching Parties:

- Within one Working Day of the root cause being shared with Switching Parties
- Within one Working Day of when the full set of impacted Consumers is known
- Five Working Days after the end of the incident resolution window, unless an alternative plan has been agreed by the Switching Change Advisory Board.

The Switching Operator must provide clear rationale why it decided not to provide industry communications if the Major Switching Incident impacts Consumers.

[2] Industry-wide communications mean communication not only to Switching Parties, but to include other industry participants including, but not limited to, Code Administrators and Third-Party Intermediaries.

## 2.4 SWITCHING OPERATOR IMPACT ASSESSMENT

The Switching Operator has a responsibility to consider the cost and impact of a Major Switching Incident to industry and must:

- Provide CSS Users with costs of rectification of the Major Switching Incident as soon as reasonably practicable
- Provide assurance to Switching Parties that all resolution possibilities are considered, and a robust solution decision is made.
- The impacts of the Major Switching Incident against the REC obligations is fully understood.

The Switching Operator must create a Major Switching Incident Impact Assessment for each Major Switching Incident which exceeds the resolution deadline, to include:

- Impacts against REC defined processes
- REC Systems
- RECCo owned Data
- REC Services
- Determine the impact on compliance with the REC end-to-end Switching Arrangements.

The Switching Operator should provide this information through the resolution phase of the Major Switching Incident and after the Major Switching Incident solution is implemented. CSS Users can expect the details of this impact assessment to adjust as the impact is better understood, solutions are better defined, and execution of the solution is complete.

The Switching Operator should consider the most effective means of communication and may wish to use the group, set out in 2.1, as a means of circulating impact assessment versions.

## 2.5 BROADER INDUSTRY IMPACT ASSESSMENT

An Major Switching Incident may have a broader impact than solely on REC Parties, CSS Users and REC obligation. The Switching Operator should engage with organisations outside of the REC environment to make a fair judgement of the possible impact repercussions of the Major Switching Incident.

This impact assessment must be detailed enough to indicate likely risks to Switching Parties outside of REC obligations and must seek input into cross-code impacts. These could include (but not be limited to):

- Metering exchange issues
- Retrospective settlement activity
- Other Code compliance (such as BSC, DCUSA, UNC and iGTUNC)

The Switching Operator should produce a broader industry impact assessment as soon as possible after a Major Switching Incident has been declared. The Switching Operator may identify no impacts outside of the REC and should maintain robust evidence of how this conclusion was reached. A broader industry impact assessment is expected to include:

- Collaboration with Ofgem, RECCo, the Code Manager and the Code Administrators for the BSC, UNC, iGTUNC, and DCUSA to identify the cross-Code impacts and/or impacts on other Codes when managing a Major Switching Incident and developing a solution; and
- Evidence that the solution for industry is of the least negative impact to end-Consumers.

### 2.6 REFRESH AND TESTING OF SWITCHING OPERATOR'S MAJOR SWITCHING INCIDENT RELATED POLICIES, PROCESSES AND PROCEDURES

In support of 2.2, and ensuring the right communication is provided, it is expected that the Switching Operator periodically reviews, reissues, maintains, evaluates, and tests (as appropriate) its following:

- Switching Incident Management policy, processes and procedures: including defined roles and responsibilities, a RACI to assist rapid Major Switching Incident resolution, and a major switch response process with a scheduled annual test
- Switching Service Management policies and procedures
- Incident Communications Strategy: including the channels that are to be used and cadence of Major Switching Incident meetings separate to established forums and communications[3], for example the Switching Operator may consider providing an update, and opportunity for discussion, to the REC Change Issues Group.
- Procedure for the review and update of contact lists for CSS Users, SDSPs and other interested parties.
- Methodology and criteria to assess the priority of Major Switching Incident resolution hierarchy.

[3] The Switching Operator may, however, still continue to raise awareness through established Switching Communications.

## 2.7 SUPPORTING DOCUMENTS AND ADDITIONAL INFORMATION

- Central Switching Service (CSS) – Service Definition
- Switching Operator (SO) – Service Definition
- Schedule 26 – Switching Service Management
- RECCo Review Report Summary (July 2023 P1 Major Switching Incident)
- RECCo Review Report Detailed Appendix (July 2023 P1 Major Switching Incident)