RETAIL ENERGY CODE

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| | |
|---|---|
| 01 | Proposal Plan |
| 02 | Impact Assessment |
| 03 | Consultation |
| 04 | Final Recommendation |

# CHANGE REPORT

## R0313 – ERRONEOUS SWITCH REVIEW: AMENDMENTS TO CLAUSE 4.5

| | |
|---|---|
| DOCUMENT VERSION | V1.0 |
| PROPOSED IMPLEMENTATION DATE | TBC |
| IMPLEMENTATION APPROACH | Big Bang |

| | | | |
|---|---|---|---|
| RESPONSIBLE COMMITTEE | Change Panel | CHANGE PATH | Self-Governance |
| PRIORITY STATUS | Medium | URGENCY | Standard |
| IMPACTED STAKEHOLDERS | Consumers, Energy Suppliers, Third Party Intermediaries (TPIs) | | |

| LEAD ANALYST (SOLUTION LEAD) | TECHNICAL LEAD | SUBJECT MATTER EXPERT |
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## OVERVIEW

Schedule 30 - Resolution of Consumer Facing Switching and Billing Issues, Section B, Clause 4.5 currently permits Energy Suppliers to raise an Erroneous Switch (ES) within 24 months of the suspected ES taking place. However, analysis from the I0237 Erroneous Switch Review shows that 98% of ESs are raised within the first 12 months. Therefore, through the Erroneous Switch Working Group, Market Participants and the Code Manager have agreed that the Code should be amended to reduce this timescale to 12 months.

## CODE MANAGER RECOMMENDATION

On 19 May 2026, in line with the Code Manager recommendation, the REC Change Panel voted to:

- **APPROVE** the Proposal Plan, including the Responsible Sub-Committee, Change Path, Priority Status, Urgency and timetable.

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# BACKGROUND

## 1 SUMMARY

Schedule 30 – Resolution of Consumer Facing Switching and Billing Issues, Section B, Clause 4.5 currently permits Energy Suppliers to raise an Erroneous Switch (ES) within 24 months of the suspected ES taking place. However, analysis from the I0237 Erroneous Switch Review working group shows that 98% of ESs are raised within the first 12 months, and Energy Suppliers rarely, if ever, rely on the full 24-month window. Therefore, the existing 24-month allowance no longer reflects operational practice and maintains an unnecessarily long resolution period that adds complexity and increases the potential for data quality issues, Consumer confusion, and prolonged operational uncertainty.

When the original 24-month time limit was introduced (prior to REC Go-Live), it was expected that this would later be reduced to 12 months soon after implementation. However, this subsequent reduction did not take place. The I0237 working group has since reviewed the position, and in agreement with the Code Manager, concluded that this change should now be progressed separate to I0237 – Erroneous Switch Review. Workgroup consensus reached was that a reduction to 12 months offers efficiency gains without negatively impacting Consumers. Further details of the I0237 working group and the discussions that took place are available on the REC Portal, here.

Market Participants and the Code Manager have recognised that an unnecessarily long window to raise an ES can cause the following impacts:

- Creates misalignment between industry process and actual behaviour;
- prolongs the timeframe in which Energy Suppliers must maintain monitoring and support for legacy Registrations;
- introduces an additional training burden for Energy Suppliers with extended operational overhead for exceptions that rarely occur;
- causes uncertainty for Consumers, who may be contacted long after the Switch event, and negatively impacts the Consumer Switching experience; and
- adds complexity to reporting as the current window is not reflective of real-world practice.

To align the Code with evidence-based operational practice, and to ensure Energy Supplier obligations are simplified and reduces unnecessary process overhead, R0313 proposes that Clause 4.5 of Schedule 30 moved to 4.2 and is amended to limit use of the ES process to 12 months after the suspected Switch, with cases beyond this handled bilaterally between Energy Suppliers.

## 2 PROBLEM STATEMENT

The current window for raising an Erroneous Switch is unnecessarily long, resulting in misalignment between formal industry processes and actual operational practice, and should have previously been reduced. This extended timeframe requires Energy Suppliers to continue monitoring and supporting legacy Registrations well beyond their practical relevance, increasing operational and training overhead for exceptions that occur infrequently, and creates

uncertainty for Consumers, who may be contacted long after the original Switch event, detracting from the overall Switching experience. Additionally, the length of the window adds unnecessary complexity to reporting, as it does not accurately reflect market practices.

## 3 IMPACTS

| CONSUMERS | REC PARTIES AND SERVICE USERS | REC DOCUMENTS / PRODUCTS |
|---|---|---|
| All | Energy Suppliers<br>Third Party Intermediaries | Schedule 30 - Resolution of Consumer Facing Switching and Billing Issues |

| MHHS |
|---|
| No impacts. |

## 4 CROSS-CODE IMPACTS

No cross-code impacts have been identified by the Code Manager at this stage.

## 5 PROPOSAL PLAN

| Milestone | Activity | From | To |
|---|---|---|---|
| **Change Proposal** | | **01 May-26** | **30 Aug-26** |
| | Change Issues Group Engagement | May | July |
| | Legal Review | May | May |
| | Party Impact Assessment | June | July |
| | Solution Refinement | August | August |

At this stage, the Code Manager is only able to provide a Proposal Plan covering the period up to the completion of the Party impact assessment. This is because the full scope of the change, the expected impacts, and any subsequent activities will only be confirmed once Party impact assessment responses have been received and a full legal review has been completed. Once the Party impact assessment has been completed, the Code Manager will review and, where necessary, refine the proposed solution and will then return to the Responsible Committee with an updated Proposal Plan setting out the remaining milestones and activities required to progress the Change Proposal.

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## 6 STAKEHOLDER ENGAGEMENT

Solution analysis and development have been informed by stakeholder engagement through the I0237 Working Group, which provided an opportunity for impacted Parties to discuss the proposal, explore potential solutions, and consider the implications of shortening the relevant ES timescales.

As part of the legal review, the Code Manager will undertake further targeted stakeholder engagement via the Change Issues Group between May and July. This engagement will focus on discussing the legal review findings, associated legal drafting options, and confirming the appropriate scope prior to progression of the Change Proposal.

Once this engagement and the legal review have been completed, the Code Manager will issue a Party Impact Assessment. While the I0237 Working Group did not identify any negative operational, system, or Consumer impacts associated with the proposed solution and anticipated that the change would deliver positive impacts for all affected stakeholders, the Party Impact Assessment will be used to validate this expectation as part of the change process.

Subject to the Change Proposal continuing to progress following consideration of the Party Impact Assessment responses, further stakeholder engagement will be provided through a standard industry consultation covering the refined solution and proposed implementation approach.

## 7 PRIORITY STATUS AND URGENCY

| Category | Significance / Resource impacts / Urgency | Further selection / breakdown | Score (0-3) | Weighting | Weighted Score |
|---|---|---|---|---|---|
| **Impacts** | Consumer Impact | Direct | 1 | 27 | 27 |
| | Retail Markets Impact | Innovation and Market Arrangements | 2 | 17 | 33 |
| | RECCo / REC Party / REC Service Provider Impact | Operational Effectiveness and Efficiencies | 2 | 7 | 13 |
| | | Legal and Regulatory Compliance | 1 | 14 | 14 |
| **Resource** | Complexity / Effort / Duration | | 3 | 9 | 28 |
| **Strategic Alignment** | Contribution to/ Alignment with the objectives of the REC | | 0 | 17 | 0 |
| | 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 | 1 | 10 | 10 |
| | | | | **Overall Priority Score (rounded)** | 125 |

| | |
|---|---|
| **Priority Status** | MEDIUM |
| **Change Proposal Type** | STANDARD |

This Change Proposal has been given a medium priority status based upon a weighted prioritisation score of 125.

## 8 PROPOSED SOLUTION

The proposed solution for R0313 seeks to amend Schedule 30, Section B to amend the ES timescale from 24 months to 12 months in order to align the Code with evidence-based operational practice, reduces unnecessary process overhead, and simplifies Energy Supplier obligations.

4.2. This Section B shall only be used in the period of 12 months ~~24 months~~ following the suspected Erroneous Switch. Beyond this point, Energy Suppliers shall seek to agree bilaterally how to treat a potential Erroneous Switch. The Gaining Supplier shall write to the Consumer within 5 Working Days of identifying that an Erroneous Switch has occurred (including via bilateral discussions with the Losing Supplier) setting out:

(a) The Erroneous Switch process has commenced or;
(b) The reasons why the Erroneous Switch process cannot complete; and
(c) The Consumer's rights to Switch to another Energy Supplier"

The proposed red-lining set out above will be subject to a full legal review and further stakeholder engagement to ensure that appropriate Consumer protections and wider considerations are adequately reflected and secured within the legal drafting.

As part of the proposed solution, the Code Manager will also seek to correct a typographical error in the DI40213 – Status Response RET Data Item. The current description for enumeration value T states, "Not accepted because transfer took place more than 4 months before initiation of returned request." This is inaccurate and inconsistent with the existing Erroneous Switch framework, under which the applicable period is 24 months. Subject to approval of the proposals under R0313, this period would be reduced to 12 months, and the description amended accordingly to remain aligned with the revised arrangements.

| Enumeration Value | Enumeration Description |
|---|---|
| T | Not accepted because transfer took place more than ~~4~~ 12 months before initiation of returned request |

## 9 APPENDIX

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|---|---|
| **CHANGE PROPOSAL** | Link |
| **I0237 WORKING GROUP** | Link |
| **RELATED CHANGE(S)** | I0237 – Erroneous Switch Reivew: CSS Solution<br>R0322 – Erroneous Switch Review: I0237 Clarifications |
| **ANY OTHER DOCUMENTS** | Schedule 30 – Resolution of Consumer Facing Switching and Billing Issues |

## 10 GLOSSARY

| TERM | DEFINITION |
|---|---|
| Data Item | means the most granular level of data defining a specific attribute in respect of a data type, the permissible values for which are defined and controlled in the Data Item Catalogue. |
| DI40213 – Status Response RET | Description of the status for RET files. |
| Energy Supplier | means a person which is either or both an Electricity Supplier and/or a Gas Supplier. |
| Erroneous Switch | means where a Consumer has been switched to an Energy Supplier which does not have an Energy Contract in place, as further described in the Resolution of Consumer-Facing Switching and Billing Issues Schedule. |
| 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). |