RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0213 – CREATION OF A MECHANISM TO ALLOW THIRD PARTIES TO REPORT OBJECTION ACTIVITY

DOCUMENT VERSION	1.0
PROPOSED IMPLEMENTATION DATE	TBC
IMPLEMENTATION APPROACH	BIG BANG

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	SELF-GOVERNANCE
PRIORITY STATUS	LOW	URGENCY	STANDARD
IMPACTED STAKEHOLDERS	CODE MANAGER, CONSUMERS, ENERGY SUPPLIERS, THIRD PARTY INTERMEDIARIES (TPIs)		

LEAD ANALYST (SOLUTION LEAD)	SUBJECT MATTER EXPERT
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OVERVIEW

REC Parties are currently able to raise the matter of non-compliant Objection activity by an Energy Supplier with the Code Manager. However, there is currently not a method for Third Parties, who may be involved in the Switching process, to report non-compliant Objection activity.

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BACKGROUND

1 SUMMARY

Under the REC, an Objection means a request from the Losing Supplier to block a Switch Request for reasons permitted under the relevant Energy Supply Licence. Common reasons for Objections may include outstanding debt from the Consumer, an ongoing fixed term contract and wider contract terms, or an Objection following an Erroneous Switch.

Objections must only be requested if they are in line with the reasons permitted under the relevant Energy Supply Licence, and in accordance with obligations provided in the REC. Objection activity that is not in accordance with an Energy Supply Licence and/or the REC, can have negative impacts on Market Participants, in particular Consumers. Impacts may include untimely delays and increased FTE cost for organisations due to the additional work, increased number of industry complaints, a debt burden on industry Parties with Energy Suppliers struggling to recover lost costs, and further financial implications for Consumers.

REC Parties are currently able to raise the matter of non-compliant Objection activity by an Energy Supplier with the Code Manager. However, there is currently not a method for Third Parties, who may be involved in the Switching process, to report non-compliant Objection activity.

I0213 has been raised with a suggestion that the Code Manager should consider accepting notice and evidence from qualifying non-industry Parties, including Third Party consultants and brokers (Third Party Intermediaries (TPIs)). A possible solution for this may include a new submission page, or form, on the REC Portal, that would allow Third Parties to submit evidence of non-compliant Objection activity.

2 PROBLEM STATEMENT

There is currently not a method for Third Parties, who may be involved in the Switching process, to report non-compliant Objection activity. Non-compliant Objection activity can result in time consuming procedures for Consumers, creating unnecessary engagement with Energy Suppliers, and may result in a financial burden.

3 IMPACTS

CONSUMERS
All Consumers

REC DOCUMENTS AND PRODUCTS
Voluntary TPI Code of Practice

REC PARTIES AND SERVICE USERS
Energy Suppliers
Third Party Intermediaries (TPIs)

RECCO/REC CODE MANAGER
REC Professional Services
REC Performance Assurance

MHHS DESIGN
No impact.

MHHS DATA SPECIFICATION
No impact.

MHHS CODE DRAFTING
No impact.

4 CROSS-CODE IMPACTS

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

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**03 Mar-25**	**31 July-25**
	Solution Analysis	March	April
	Impact Assessment	May	May
	Solution Development	June	July
Change Proposal		**01 Aug-25**	**06 Oct-25**
	Business Case Assessment	August	August
	Consultation	August	September
	Final Determination	September	September
Voting		**07 Oct-25**	**07-Oct-25**
	Appeal Window	08 October	22 October

6 STAKEHOLDER ENGAGEMENT

The Code Manager has engaged with the REC Change Issues Group on 03 April 2025 to complete some solution analysis and discuss potential solution options and requirements. The minutes for this meeting and discussion on I0213 are available on the REC Portal.

The Code Manager invited attendees to discuss the following points, that will be taken into consideration for solution analysis and a subsequent Party impact assessment:

- Their current experiences of the Objection process and their interactions with other Market Participants;
- Whether they believe the suggested solution would be viable, or if an alternative solution would be more appropriate, and whether they would utilise such a mechanism;
- Consideration of who should be able to report non-compliant Objection activity, via a new mechanism, and whether it could include a wider audience aside from Third Parties; and
- How the Code Manager should determine who is deemed as a qualifying Third Party and whether this could be aligned with the TPI Code of Practice.

The Code Manager will continue to engage with the REC Change Issues Group without the solution analysis and solution development activities. There will also be further opportunities for stakeholder engagement via the Party impact assessment and a standard industry consultation.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	1	27	27
	Retail Markets Impact	Innovation and Market Arrangements	1	17	17
	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		1	9	9
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	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)	98

Priority Status	LOW
Change Proposal Type	STANDARD

This Issue has been given a priority status of low based upon a weighted prioritisation score of 98.

8 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks, assumptions, issues or dependencies have been identified by the Code Manager at this stage.

9 APPENDIX

ISSUE	I0213 – Creation of a Mechanism to Allow Third Parties to Report Objection Activity
STAKEHOLDER ENGAGEMENT	REC Change Issues Group – 03 April 2025
RELATED CHANGES	R0137/A – Introducing Third Party Intermediary (Energy Broker) Assurance and Accreditation R0155 – Change of Occupier: Evidentiary Standards and Timescales

10 GLOSSARY

TERM	DEFINITION
Energy Supply Licence	means an Electricity Supply Licence or Gas Supply Licence.
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 Problems Schedule.
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).
Objection	means a request from the Losing Supplier to block a Switch Request for reasons permitted under the relevant Energy Supply Licence.
Switch Request	means a request from a Gaining Supplier to initiate a Switch.
Third Party Intermediary (TPI)	means a broker or introducer acting between Consumers and Energy Suppliers, including Price Comparison Websites.
TPI Code of Practice	means the Voluntary Code of Practice for Third Party Intermediaries operating in the non-domestic gas and electricity supply market in Great Britain.