RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0329 – A REVIEW OF THE MISDIRECTED PAYMENTS AND DEBT ASSIGNMENT PROCESSES

DOCUMENT VERSION	V0.1
PROPOSED IMPLEMENTATION DATE	TBD
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	CHANGE PATH	Self-Governance
PRIORITISATION CATEGORY	High	URGENCY	Standard
IMPACTED STAKEHOLDERS	Energy Suppliers		

LEAD ANALYST (SOLUTION LEAD)	TECHNICAL LEAD	ASSURANCE LEAD	SUBJECT MATTER EXPERT
FLO MONEA	POPPY PARK	ANTON MODEN	HELEN FOSBERRY
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OVERVIEW

This Issue seeks to assess and identify any gaps, inconsistencies or process improvements opportunities for the Misdirected Payments and Debt Assignment processes.

RESPONSIBLE COMMITTEE DECISION

On 04 August 2026, the REC Change Panel approved this Proposal Plan.

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BACKGROUND

1 SUMMARY

Schedule 30 Resolution of Consumer Facing Switching and Billing Issues outlines the requirements and processes for Misdirected Payments (Section F) and Debt Assignment (Section G).

A Misdirected Payment occurs when a Consumer's payment is assigned to an Energy Supplier that does not have an Energy Contract for the relevant Registrable Measurement Point (RMP). As part of a Switch, the Gaining Supplier shall provide a new Prepayment Device to the Consumer in accordance with the Prepayment Arrangements Schedule. However, it is possible that the Consumer continues to use the Prepayment Device issued by the Losing Supplier, a previous Energy Supplier, or that they use a Prepayment Device issued for a different RMP. Misdirected Payments may also occur due to incorrect data being held on Systems.

The Debt Assignment refers to the process of assigning Outstanding Charges from the Losing Supplier to the Gaining Supplier in the event of a Switch.

Although these processes are already formally defined within the REC, Parties have communicated to the Code Manager of the need for a formal review to be conducted to ensure the process and requirements of these processes are still fitting within the current status of the market.

2 PROBLEM STATEMENT

Following the feedback received by the Code Manager on the need for a formal review of these processes, Issue I0329 was raised. This seeks to assess and identify any gaps, inconsistencies or process improvements opportunities.

This Issue requires targeted engagement with the Parties affected by these two processes (Energy Suppliers) to understand the current status of these processes and any potential improvements needed to ensure efficiency and effectiveness.

3 IMPACTS

CONSUMERS	REC PARTIES AND SERVICE USERS	REC DOCUMENTS / PRODUCTS
All Consumers	Energy Suppliers	Schedule 30 Resolution of Consumer Facing Switching and Billing Issues

MHHS
No impact.

4 CROSS-CODE IMPACTS

No cross-code impacts have been identified at this stage.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**28 Jul-26**	**26 Feb-27**
	Solution Analysis	July	November
	Solution Development	November	February

This Proposal Plan submitted to Change Panel only covers the solution analysis and solution development activities as the Code Manager plans to fully assess and scope the size of the problem being addressed under I0329. As part of solution development activities, a Prepayment working group will be stood up to review these processes alongside the progression of REC proposal R0037 - Prepayment Credit Balance Transfer Process.

6 STAKEHOLDER ENGAGEMENT

Throughout the progression of this Issue, the Code Manager and Proposer will engage with industry stakeholders through the Prepayment working group. This is to gather input from REC Parties on the current processes as well as process improvement opportunities. The working group's output will be integral to the Solution Development stage and should ensure that a thorough and effective review is conducted under I0329.

7 PRIORITISATION CATEGORY AND URGENCY

7.1 CODE MANAGER REVIEW

The Code Manager is proposing this Issue be given an Urgency Status of Standard and a Prioritisation Category of High.

The Code Manager believes this Issue:

- Does not meet the Ofgem criteria for Urgency;
- Has a strong alignment to the Strategic Direction Statement as it improves protection for all Consumers, particularly those in Vulnerable situations.
- Has high importance as it delivers noticeably greater Consumer, market or regulatory benefit than most other Standard changes; and
- Has a high complexity as it requires complex review of the current processes followed by the development of an enduring solution.

8 APPENDIX

CHANGE PROPOSAL	Link
RELATED CHANGE(S)	R0037 – Prepayment Credit Balance Transfer Process

9 GLOSSARY

TERM	DEFINITION
Debt Assignment Protocol	means the Debt Assignment Protocol described in section G of the Resolution of Consumer-Facing Switching and Billing Issues Schedule.
Misdirected Payments	means a payment by a consumer via a Prepayment Meter that is directed to the wrong Energy Supplier
Outstanding Charges	has the meaning given in the Energy Supply Licences.
Prepayment Device	means a device issued to a Consumer who has or is due to have a Prepayment Meter installed in their property, which allows the transfer of data and electronic credit to the Prepayment Meter.
Registrable Measurement Point	means a Supply Meter Point or Metering Point identified in the Central Switching Service.
Switch	means a change to the Registered Supplier for an RMP.