RETAIL ENERGY CODE

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REFERENCE	RECCHIG_25_0403_04
STATUS	FOR DISCUSSION

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

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1 PURPOSE

The Code Manager wishes to gain a further understanding of the issues REC Parties, and Third Parties, are currently facing with objection activities. This is to assist the Code Manager ensuring that we can form the most effective, and efficient, solution for Issue I0213 – Creation of a Mechanism to Allow Third Parties to Report Objection Activity and determine what steps will be required as part of the change process.

2 BACKGROUND

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 a 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 and Energy Suppliers may struggle 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.

3 SUGGESTED SOLUTION

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.

The proposer has suggested that the Code Manager could use these submissions to investigate, and assure, against such activity, and that once Energy Suppliers receive requests to justify their objection activity, that their performance and Code complaint will improve. Thus, reducing the negative impacts that incorrect Objection activity may inflict.

4 ACTIONS FOR THE CHANGE ISSUES GROUP

To assist the Code Manager with finalising the scope of this Issue, and to consider any possible other solution options and/or requirements, Change Issue Group attendees are invited to discuss I0213 and may wish to draw upon the following:

- 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.
- How the Code Manager should determine who is deemed as a qualifying Third Party and whether this could be aligned with the Third-Party Code of Practice.

5 NEXT STEPS

The Code Manager will use the outcome from the Change Issues Group discussion, between a wide range of Stakeholders, to further develop the scope, solution requirements and complete the initial assessment. This may include an Information Request to gather further understanding and considerations of possible solution options, and to understand if there is a business case for such a mechanism.

The Code Manager will also proceed with the publication of the first Change Report (Proposal Plan) in due course after the Change Issues Group meeting.