RETAIL ENERGY CODE

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MEETING MINUTES

MEETING	**RECPAB_24_1217**
DATE	**17 December 2024**
LOCATION	**In Person (1 New Street Square, London) and Virtual**

Attendee	Representing	Initials	Role
Jon Dixon	RECCo	JD	PAB Chair
Angela Joyce	Supplier Representative	AJ	PAB Member
Dorcas Batstone	Independent Member	DBa	PAB Member
Steve Arthur	Independent Member	SA	PAB Member
Paul Saker	Supplier Representative	PS	PAB Member
Simon Waltho	BSC Representative	SW	PAB Member
Anne Jackson	UNC Representative	AJa	PAB Member
David Brown	MEM Representative	DB	PAB Member
Alice Williams	Citizens Advice	AWi	PAB Member
Paul Everett	Supplier Representative	PE	PAB Member
Fungai Madzivadondo	DNO Representative	FM	PAB Member
Marianna Papathoma	GT Representative	MP	PAB Member
Amy Crowe-Lamont	Code Manager	ACL	PAB Secretary
Andrew Waghorn	Code Manager	AWa	Performance Assurance Analytics Lead
Vaishnavi Sharma	Code Manager	VS	Performance Assurance Manager
Walter Carlton	Code Manager	WC	Performance Assurance Partner
Anton Moden	Code Manager	AM	Performance Assurance Lead
Anna Weeks	RECCo	AWe	RECCo
Shelley Rouse	Code Manager	SR	Operational Account Manager
Lorna Mallon	Code Manager	LM	Regulatory Specialist
Elise Hardy	Code Manager	EH	Release Manager
Harriet Truss	Code Manager	HT	Change Analyst
Supplier Representative 1	REC Party Supplier	SR1	Operations Manager
Supplier Representative 2	REC Party Supplier	SR2	CEO
Eve Marriner	Code Manager	EM	Operational Account Manager
Paul Witton Dauris	Code Manager	PWD	Head of Change
Florentina Monea	Code Manager	FMo	Change Analyst

1 REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The Chair welcomed attendees to the meeting of the PAB. Apologies were given from Faye Brookes and Steve Verdon with no alternates attending.

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 26 November 2024. PAB Members reviewed the open and overdue actions. Three actions were closed following information provided in the meeting papers or via a verbal update. Please refer to the Action Log for a full status update.

2 DATA ACCESS REQUEST

LM, EH joined the meeting.

The PAB was presented with a Data Access Approval request. The PAB determines access requests because the PAB is responsible for specifying REC Party, Non-Party REC Service User and REC Service Provider information security and data protection requirements under the REC.

A. *Removal of category condition for TPI and TPIs organisations from the gas data access matrix*
B. *Switching Service Desk.*
C. *Addition of Radio Teleswitch support category to the electricity data access matrix.*
D. *Addition of data item to the housing association category to support Radio Teleswitch switch off.*

PAB Members:

- **APPROVED** the proposed alterations to the Gas Data Access Matrix.
- **APPROVED** the implementation date of 20 December 2024.
- **APPROVED** the proposed alterations to the Electric Data Access Matrix.
- **APPROVED** the implementation date of 20 December 2024.
- **APPROVED** the Code Manager's proposed alterations to the Electricity Data Access Matrix.
- **APPROVED** the Code Manager's proposed alterations to Appendix 1 of the Data Access Matrix.
- **APPROVED** the Code Manager's proposed alterities to the Service User Categorisation and Assessment Document.
- **APPROVED** the Code Manager's implementation date of the changes for 31 January 2025.

RECPAB_24_1217_01 The Code Manager to contact the Ofgem team working on Radio Teleswitch Service switch-off to determine what role, if any, the REC should play in resolving this issue, and provide a paper on this to the PAB setting out considerations and options.

LM, EH left the meeting.

HT, JM, SA joined the meeting

3 MHHS EES DAM UPDATE

The Code Manager Change Lead provided an update to PAB in relation to the proposed update to the Data Access Matrix to align with the new and amended data items for MHHS, alongside the implementation date determined by the Authority.

PAB Members:

- **APPROVED** the Code Manager recommendation for the proposed alterations to the Electricity Enquiry Service Data Access Matrix which reflects the ISDP approach taken to the new and amended data items for MHHS.
- **APPROVED** the Code Manager recommendation for the implementation date which will be that determined by the Authority in line with MHHS Programme milestone, M8 'Code changes delivered'.

HT, JM left the meeting.

4 MAINTENANCE OF QUALIFICATION REVIEW

The Code Manager recommended that Maintenance of Qualification (MoQ) activities, which is one of the key PATs which may be applied on Parties, should be reviewed to harness the following opportunities:

- Amending MoQ so that we have sufficient coverage of risks associated with Parties wanting to process REC data outside the EEA.
- Through MoQ, understanding coverage of processes Parties operate for ETTOS data confidentiality such that the tip-off scheme operates effectively and consumers are confident about confidentiality whilst making use of the service.
- Give confidence to REC Parties that the overall level of activity in this area is proportionate and considers the workload on Parties.

A PAB Member queried what the collective industry view is on certain parties taking REC data outside the EEA. The Code Manager explained that the proposal is for the requirements on Parties are aligned with the recommendations of the Information Commissioner's Office (ICO). The PAB Member further queried what the role and responsibility of the PAB was in cases where organisations take REC data outside the EEA. The Code Manager clarified that along with the Party, REC remains responsible for the data owned and managed under the Code. The ICO's processes and scrutiny will remain in place and supersede the Code Manager activities and requirements.

A PAB Member queried how these fits in with organisations already operating offshore call centres and customer support. The Code Manager explained we are reviewing what the requirements under preceding Codes were to manage associated risks. The PAB Chair highlighted the importance of being more proactive than previous arrangements as the risk continues to evolve. The PAB Chair added that the REC Board are not information security experts and therefore should be asked to delegate any decision-making responsibilities to the REC PAB.

The Code Manager consulted on PAB's preference on the type of consultation that is appropriate for these changes, and it was agreed that the Code Manager will inform Parties at the REC Issues Group (RIG) about the proposal and request them to share their views with their industry PAB representative ahead of the January PAB meeting for consideration.

A PAB Member queried whether there were any confirmed ETTOS confidentiality breaches and if this was a significant industry-wide issue that requires process change. The Code Manager advised that

whilst we are not aware of any confirmed instances, we have been made of some specific allegations made during the past year. The Code Manager explained that our recommendation is to include coverage via MoQ as it would be preventative and proportionate – a PAB Member agreed with this view.

PAB Members:

- **RECOMMENDED** to the REC Board the process outlined in the paper is adopted for Parties wishing to process REC relevant data outside the EEA.
- **APPROVED** the approach to ETTOS confidentiality assurance, which comprises of guidance, updates to the Annual Statement, External Assessment and information required when confidentiality has been breached.
- **APPROVED** the four amendments to annual Maintenance of Qualification activities proposed above.

RECPAB_24_1217_02 Code Manager to inform Parties at the REC Issues Group (RIG) about the proposal for changes to the scope of Maintenance of Qualification and request them to share their views at the meeting or with their PAB representative ahead of the January PAB meeting for consideration.

5 QUALIFICATION AND PERFORMANCE ISSUES - SUPPLIER UPDATE

The Code Manager provided an update on the progress made with a Supplier who is breaching their Controlled Market Entry Conditions (CMECs) and is also under review due to performance concerns.

The BSC representative gave an update on the Public Notification issued by the BSC and advised that the BSC Panel are considering sanctions against the Supplier under review. A PAB Member queried what the most senior level of engagement BSC have had. The BSC representative advised it is the company's CEO who has been engaging with them.

SR1, SR2 and EM joined the meeting.

The Supplier CEO presented a set of slides that had been sent to the PAB during the course of today's PAB meeting, The Supplier CEO explained that they had not been aware of some REC requirements and that processes they operate involve considerable manual intervention. They recognised that they have seen exponential growth but not grown their operational team at the same scale, so now have large backlogs to work through. The Supplier CEO advised that they had automated certain processes and was seeking to recruit additional staff to eradicate the backlogs so they could deal with exceptions on a timely basis.

PAB Members questioned the Supplier CEO on the root causes of the issues, achievability of the proposed actions within the required timescales, and how they were complying with their REC obligations.

SR2 explained that they had not anticipated their customer acquisition campaigns would result in the increase of operational backlogs they have experienced. A PAB Member asked what steps the Supplier had taken to give PAB the confidence they are committed to prioritising resolution of operational issues. SR2 explained they are reliant on third parties to achieve the industry expected standard due to the nature of their business and indicated that their performance is interlinked with performance of other agents such as Meter Operator Agents and Data Collectors they work with. SR2 acknowledged that whilst acquiring customers and growing their portfolio, they had not anticipated Switch Meter Read issues. A PAB Member reiterated that, as a Supplier, they remain responsible for

ensuring their contracted agents complete the required actions needed for them to meet their Code obligations.

SR2 explained that they operate objections at the level observed to prevent Customers in contract leaving and resulting in losses. They have reviewed their processes to implement improvements to prevent consumer harm especially where a new customer is on site.

SR2 explained that to improve their performance around the Erroneous Switch processes by recruiting and training more operational staff with interim consultants supporting to relieve current load. A PAB Member asked if they are still acquiring customers at the high rate which may exacerbate their backlogs. SR2 explained that whilst they are not going to stop acquiring new customers, they have reviewed and reduced their growth plans to allow better management of consumer outcomes.

A PAB Member commented that whilst they have shared actions they will take and monitoring they will put in place, the Supplier has not proposed timebound actions that the PAB can track and hold them accountable for. SR2 confirmed that all actions set out within the update to PAB to improve objections and CSS message performance have been completed and should result in visible performance improvements. The actions for Switch Meter Read and Erroneous Switch performance are in progress.

The Supplier will review and set out specific and timebound actions along with expected outcomes which can be evidenced to the PAB. Where the Supplier does not meet these actions it commits to, PAB will consider escalations to mitigate risk of harm to consumers or other market participants.

SH, SR2 left the meeting.

A PAB Member asked about the escalations available to the PAB. The Code Manager explained that, in descending order of severity, the applicable PATs are:

i. Event of Default
ii. Referral to Ofgem
iii. Specific Condition
iv. Code Manager / Independent Validation
v. Management Assertion
vi. Periodic Monitoring and Closure Reports

The Code Manager recommended the application of Periodic Monitoring and Closure Reports, and Referral to Ofgem whilst making the Supplier aware that if they do not meet the actions they set out, the PAB would apply a Specific Condition PAT.

Some PAB Members considered that it may be an appropriate time now to apply the Specific Condition PAT with moratorium on gaining new customers whilst setting out objectives they must achieve to resuming customer acquisition in order to prevent consumer and market harm. Whilst there was consensus amongst PAB Members that significant action was required, they recognised that by suspending switching on a temporary basis, we would not be able to gain confidence on the Supplier's ability to operate Switching-related processes competently.

PAB Members discussed opportunities for and benefits of cross-code collaboration to deal with under-performing Parties. It was agreed that the PAB Chair would seek legal advice on sharing information and collaborating with other Code Bodies, and would also seek to extend cooperation arrangements to the SEC PAF.

The Code Manager also updated PAB Members that responses to Enquiry PATs that were raised in November have been received recently, after the paper day. Two Parties have confirmed issues with their systems which have caused the high Risk Driver scores. The PAB approved application of further PATs to these Parties so the Code Manager can understand the underlying issues and action being taken, and consider additional remedial actions with these Parties as appropriate.

PAB Members:

- **NOTED** the update.
- **APPROVED** Periodic Monitoring and Closure Report PAT setting out both SMART actions the Supplier will need to demonstrate and the outcomes it would need to achieve. This reporting by the Supplier will be monthly with a requirement for all actions to be closed within three months. Failure to achieve this will result in application of a Specific Condition PAT which will prevent the Supplier from acquiring any new customers.
- **APPROVED** PAB Chair to write to Ofgem informing them of the concerns with the Party.
- **APPROVED** PAB Chair to seek legal view on how REC PAB can consider cross-code performance to enable streamlined action against the Party.
- **APPROVED** application of targeted PATs for two Suppliers in respect of performance concerns.

RECPAB_24_1217_03 The Code Manager to apply the following PATs approved by the PAB: Periodic Monitoring and Closure Report PAT setting out SMART actions the underperforming Supplier Party will need to demonstrate. This reporting will be monthly with a requirement of closing all actions within 3 months. Failure to achieve this may result in application of Specific Condition PAT which will prevent the Supplier from acquiring any new customers.
RECPAB_24_1217_04 PAB Chair to write to Ofgem informing them of the PAB's concerns with the underperforming Supplier Party.
RECPAB_24_1217_05 PAB Chair to seek legal view on how the REC PAB can consider cross-code performance to enable coordinated action amongst Code Bodies against an underperforming Party.
RECPAB_24_1217_06 PAB Chair to identify SEC PAF Representative to join REC PAB.

6 MHHS UPDATE

The Code Manager updated PAB on the latest changes to the MHHS Qualification Assessment Document which has been through consultation. The changes were approved by REC PAB conditional to receiving QAG and BSC PAB approval on 19 December.

PAB Members:

- **APPROVED** Qualification Assessment Document v3.3 for publication with a condition that it is approved by the BSC PAB and MHHS QAG.

7 THEFT TARGET METHODOLOGY

FM joined the meeting.

The Code Manager presented the draft Theft Target Methodology (TTM) for 2025/26. This included a summary of the updates made this year to the preceding approach.. These updates were considered in the context of the R0173 change to the scheme, and the previous updates to the TTM. The Code

Manager also set out the engagement and consultation approach, as well as summarised the response to the consultation.

A PAB member set out that historical performance is not an ideal approach for allocating targets, but is a reasonable basis to use in the absence of other information on the extent of unidentified theft.

The Code Manager summarised the subsequent consultation steps that will take place, including the deadline of 24 January 2025 and the link to the setting of theft targets in February 2025.

PAB Members:

- **NOTED** the update.

FM left the meeting

8 DEEP DIVE DISCUSSION INTO ASSURANCE

As a face-to-face session PAB Members explored assurance activities carried out by the Code Manager. The Code Manager facilitated a discussion, using the previous assurance deep dive paper as a basis, which was structured around Strengths, Opportunities, Aspirations, and Results (SOAR) analysis. The discussion delved into the SOAR elements related to the following key areas:

- Market Entry and Maintenance of Qualification
- Metering Accreditation
- Party Assurance
- Service Provider Assurance
- Contributing Elements: Stakeholder Engagement (Helpdesk & Portal)
- Integration with the Change Process

Discussions at the PAB meeting explored interactively how the assurance framework, through its strengths and opportunities, can support the effective achievement of the REC objectives.

PAB Members:

- **NOTED** the update.

9 SWITCHING ANALYSIS

The Code Manager invited PAB Members to consider the analysis and options presented and provide feedback on further analysis/refinement they would find useful (if applicable) and to identify which options should be further developed into Risk Driver metrics.

PAB Members:

- **NOTED** the update.

AWi left the meeting.

10 PAB FORWARD LOOK

The PAB discussed and agreed the forward plan.

PAB Members:

- **NOTED** the update.

11 AOB

The PAB Chair described the outcomes of Ofgem's decision on the delivery of the CRS service. This has determined that DCC will continue to provide the service, and the PAB will need to consider any adjustments to its approach that are appropriate. This should align with the work that RECCo are undertaking relating to addressing the issues identified through the consultation process.

The PAB Chair also covered updates on RECCo engagement with DESNZ relating to TPI regulation that indicated that DESNZ's TPI regulation may be a number of years away, which may mean the proposed changes arising from R0137 or R0137A could be implemented to provide interim safeguards. The PAB will be updated as the approval process progresses, as these changes would impact the business of the PAB.

PAB Members:

- **NOTED** the update.

12 NEXT MEETING DATE

The next meeting of the PAB will be held online on 28 January 2025.