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REVIEW OF ESCALATIONS AND SDEP UNDER THE REC

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FOR DECISION	The Code Manager requests PAB to **APPROVE** the following: • Sharing of the recommendations set out in this paper with the REC Code Manager and RECCo
APPENDICES	RECPAB_26_0825_11A - SDEP Good Practice Guidance

1 BACKGROUND

1.1 DEEP DIVE OBJECTIVE

PAB approved the scope of this Deep Dive in *RECPAB_25_1028_13 - Review of Escalations and SDEP under the REC*. The primary trigger for initiating the Deep Dive was feedback from Parties that the escalation process is not functioning effectively, in part due to limitations in the Secure Data Exchange Portal (SDEP).

An effective escalations process is an important element of an efficient Retail Energy market, and where escalations are not appropriately resolved, it can lead to negative consumer outcomes over areas such as customer switching as well as accurate and timely billing. Additionally, an ineffective escalation process leads to additional costs for REC Parties to identify and resolve these inter-Party issues.

The objective of this Deep Dive is for the Code Manager to outline how effective the escalation process is and identify opportunities for improvement.

1.2 CONTEXT ON ESCALATIONS AND SDEP

Many operational processes within the Retail Energy market require Parties to exchange information with one another in order to resolve issues bilaterally; examples include Erroneous Switches, Switch Meter Reading Problems and Crossed Meters.

Historically, these communications were managed primarily through email. While this approach provided a means for Parties to exchange information, it also created several challenges. Information was often submitted in non-standard formats, making requests more difficult to process consistently. In addition, Parties had limited visibility of the status of requests, making it challenging to track progress and manage outstanding actions. The use of email for exchanging customer-related information also created data privacy and security concerns.

To address these challenges, SDEP was introduced in 2020 to provide a secure and REC-compliant platform through which Suppliers, Distribution Network Operators (DNOs) and other market participants can exchange customer-related information, raise and manage operational queries, and facilitate inter-Party escalations. The introduction of SDEP was intended to improve the consistency, security and traceability of communications between Parties, while supporting more effective issue resolution. Whilst it has achieved these aims, there remains an opportunity to enhance the platform to better support Parties in resolving escalations effectively.

The importance of SDEP is further reinforced within the REC. *Schedule 17 - Secure Data Exchange* specifies that, in certain circumstances, use of SDEP is mandatory and states that it "shall be used by Parties when exchanging Personal Data relating to Consumers pursuant to this Code (unless another secure means, such as the Data Transfer Network, is specified)". As a result, SDEP plays a key role in enabling Parties to meet their obligations under the REC when exchanging consumer-related information.

1.3 KEY ACTIVITIES COMPLETED

To support this Deep Dive, the Code Manager **reviewed SDEP reporting data** provided by C&C to develop an understanding of how SDEP is currently being used and to identify the key drivers of activity across the platform.

The Code Manager also **sought feedback from Parties during the Performance Assurance Webinar** held on 9 October 2025. Parties were invited to provide views on the effectiveness of the current

escalations process, identify key pain points and highlight areas where SDEP or associated processes were not operating as intended.

In addition, the Code Manager **conducted a series of in-depth interviews** with a representative cross-section of Parties, including Large Suppliers, Small Suppliers and DNOs. These discussions explored a range of topics, including the primary drivers of SDEP usage, the causes of unnecessary or avoidable messages, examples of non-compliance, areas of ambiguity regarding the use of escalations and SDEP processes, and how Parties manage and track SDEP cases and REC escalations. The interviews also considered the resources required to administer these processes, including both technical capabilities and full-time equivalent (FTE) effort, as well as the potential downstream impacts on consumers where issues are not resolved efficiently, such as delayed or erroneous switching and inaccurate billing. Parties were also invited to provide views on the most valuable outputs that could be delivered through this Deep Dive.

A consistent theme emerging from Party engagement was the need for **clearer guidance on the effective use of SDEP**, which has been included as an output for this activity. However, further guidance alone will not fully resolve the issues identified by Parties, many of which require enhancements to platform functionality. Whilst the delivery of system changes falls outside the scope of this Deep Dive, RECCo has indicated through its 2026-2029 Forward Work Plan that it intends to re-procure the SDEP service as well as "**scope and deliver short-term portal enhancements alongside re-procurement**". The findings and recommendations from this Deep Dive will therefore be shared with RECCo to help inform that activity.

Finally, the Code Manager issued a **survey to Parties to validate the findings** from the interviews and to gather further feedback. The survey responses have been used to refine both the content of the proposed SDEP Good Practice Guidance and the recommendations set out in this paper for consideration by the REC Code Manager and RECCo.

2 INVESTIGATION FINDINGS

2.1 ESCALATION PROCESS NOT FUNCTIONING AS INTENDED

Feedback received during the Deep Dive indicates that the REC escalation process is not consistently operating as intended and, in many cases, is being used to compensate for issues elsewhere in the market rather than to resolve genuinely exceptional circumstances. Whilst Parties recognised the value of having a formal escalation route, many stakeholders highlighted concerns regarding the effectiveness, consistency and timeliness of the current process.

A common theme raised during interviews was that escalations are frequently triggered because Parties **do not respond to operational queries within the expected timescales**. In these circumstances, the escalation process is often used as a mechanism to obtain a response rather than to address a substantive dispute or complex issue. This was substantiated by SDEP reporting, which shows that for most process types significantly more Escalation cases are raised than initial General Query cases. Several Parties reported dedicating significant resource to chasing outstanding actions and progressing cases that they believed **should have been resolved through existing industry processes without the need for escalation**.

The review also identified a number of examples where Parties were **not consistently following the case escalation process** defined within the REC and associated guidance. These included escalating cases before the permitted response period had elapsed, and using Contract Manager referrals in circumstances where they were not appropriate. Several Parties also reported receiving escalations relating to issues that should have been managed through existing industry data flows or operational processes, resulting in unnecessary administration and duplication of effort.

In addition, there was evidence of differing interpretations regarding **how and when escalation routes should be used**. Parties expressed uncertainty around expected response times, when it is appropriate to escalate a General Query, and the circumstances in which Contract Manager involvement should be sought. These differing interpretations have contributed to inconsistent behaviours across the market and, in some cases, unnecessary escalation activity.

The consequences of ineffective escalation management extend beyond the administrative burden placed on Parties. Interviewees highlighted a **range of downstream impacts on consumers**, including delayed or inaccurate billing, prolonged resolution of switching issues and increased customer dissatisfaction. Where issues remain unresolved for extended periods, customers may submit complaints or seek support through alternative channels, creating additional operational costs for Parties. Some Parties also noted potential impacts on Guaranteed Standards of Performance obligations and wider settlement processes where operational issues are not resolved promptly.

2.2 SDEP DOES NOT HAVE OPTIMAL CASE MANAGEMENT TOOLS

Whilst Parties generally recognised the value of SDEP as a secure and REC-compliant communication platform, a consistent theme emerging from the investigation was that the platform **does not currently provide sufficient functionality** to support effective case management and tracking.

Many Parties described **having to rely on supplementary internal processes, spreadsheets and manual trackers** in order to manage SDEP activity. Approaches varied significantly across organisations, ranging from dedicated internal tracking tools and automated workflows through to manual daily reviews undertaken by individual employees. This suggests that Parties do not view SDEP as a comprehensive case management solution and instead rely on local processes to monitor workloads, prioritise actions and track outstanding cases.

The reliance on differing local processes also contributes to inconsistency in how Parties manage and prioritise SDEP cases and REC Escalations. Whilst the use of internal tools is not, in itself, an issue, the absence of a common approach can create uncertainty regarding expectations and good practice, resulting in inconsistent behaviours across the market and increasing the potential for avoidable disputes and delays.

One of the most commonly cited concerns related to the fragmented nature of the escalation process within SDEP. Parties explained that a single issue can generate multiple separate cases, including an initial General Query, a subsequent Escalation and, where required, a Contract Manager referral. Because these cases are not necessarily linked together, users are often required to review multiple records in order to understand the full history of an issue. Several interviewees noted that this **can result in three parallel conversations taking place with different individuals within the same organisation**, creating duplication of effort and increasing the risk of inconsistent outcomes.

Parties also highlighted challenges associated with visibility and access. Several stakeholders reported that **Contract Managers and other users do not always have access to all relevant process types or message categories**, resulting in additional requests for information and unnecessary communication between Parties. This limitation can delay issue resolution and increase the administrative burden associated with managing cases.

The review further identified limitations in the reporting and monitoring capabilities available within SDEP. A number of Parties reported **difficulties obtaining meaningful management information** from the platform and consequently relied on manual exports and local reporting tools to monitor open cases and performance. Organisations managing large volumes of cases reported particular challenges in maintaining visibility of outstanding actions and identifying priority issues requiring intervention.

In addition, stakeholders identified a number of usability improvements that could significantly enhance the effectiveness of the platform. These included bulk case management functionality, improved linking of related cases, more flexible query categories and enhanced user administration capabilities. Collectively, these suggestions reflect a broader view that SDEP is effective as a secure communication tool but lacks many of the features commonly associated with modern case management systems.

Overall, the evidence suggests that the current limitations of SDEP create additional administrative effort for Parties, reduce visibility of case progress and increase reliance on local workarounds. Whilst Parties have generally adapted by implementing their own processes and controls, **the absence of robust case management functionality remains a significant barrier to efficient issue resolution**.

2.3 PARTIES ARE NOT USING SDEP IN AN EFFICIENT MANNER

The Deep Dive identified a range of behaviours that indicate SDEP is not always being used in the most effective or efficient manner. Whilst some of these issues relate to system functionality, many are the result of inconsistent user practices, varying interpretations of requirements and a lack of understanding regarding the intended use of different SDEP processes.

A recurring theme throughout Party engagement was the **use of incorrect process types** when raising cases. Several interviewees reported receiving queries submitted under inappropriate categories, resulting in delays whilst cases were reassigned, redirected or clarified. Parties noted that some issues do not fit neatly into existing process types, increasing the likelihood of inconsistent classification and making it more difficult for recipients to identify the appropriate course of action.

The **quality and completeness of information** submitted through SDEP was also identified as a significant concern. Interviewees highlighted examples where key information, such as MPAN details or supporting evidence, was missing from submissions. Incomplete or inaccurate information often resulted in additional correspondence being required before the substantive issue could be addressed, increasing case volumes and extending resolution times. Parties also noted that **SDEP does not always provide sufficient validation to prevent obvious data quality issues** from being submitted.

A number of stakeholders reported behaviours that generate avoidable communication and unnecessary workload. Examples included **raising duplicate or repeat queries** relating to issues that had already been resolved, sending follow-up messages that unnecessarily reactivated archived cases and escalating issues despite having already been informed of expected resolution timescales. These activities create additional administrative effort for both parties involved and can divert resources away from more urgent matters.

The investigation also identified inconsistent practices regarding the use of SDEP versus email. Whilst Parties generally recognised the requirement to use secure communication channels when exchanging consumer information, **examples were provided where personal data had been shared outside of SDEP**. In addition to creating potential compliance concerns, such practices undermine the objective of maintaining a consistent and auditable record of inter-Party communications.

Another key finding was the **lack of consistency in how Parties interpret and apply certain aspects of the process**. Examples included differing approaches to case archiving, uncertainty regarding whether bulk issues should be managed through a single case or multiple cases, and varying expectations regarding response times and escalation thresholds. These inconsistencies can create confusion between Parties and contribute to avoidable disputes regarding process compliance.

The review also found that many of the **messages exchanged through SDEP relate to issues that should have been resolved through existing operational processes** and industry data flows. Several interviewees expressed the view that SDEP should be used as an exception-management tool rather than becoming the default mechanism for pursuing missing information or chasing routine activities.

Where Parties do not meet their obligations through standard industry processes, SDEP activity increases significantly, creating additional workload across the market.

Overall, the evidence indicates that there is substantial opportunity to improve the efficiency of SDEP usage through clearer guidance, greater consistency in process application and improved awareness of good practice. Whilst system enhancements may help address some issues, many of the challenges identified during the review could be mitigated through more effective and consistent use of the functionality already available within SDEP.

3 INVESTIGATION CONCLUSIONS

3.1 FUTURE FUNCTIONALITY RECOMMENDATIONS

Parties have previously raised Change Requests designed to improve SDEP functionality, such as R0009 Introduction of SDEP and EES User Maintenance API to introduce machine-to-machine access for progressing SDEP cases; R0009 was however rejected as the Code Manager did not agree that the benefits outlined in the business case would outweigh the development costs.

After the rejection of R0009, Parties have continued to push for changes to SDEP functionality, including multiple Parties raising Sandbox applications to trial the use of robotics within SDEP; the driver for these change requests is that the lack of functionality in SDEP results in additional manual work for Suppliers to manage and progress Escalation cases. The Code Manager is therefore progressing R0122 SDEP Review Improvements (2) - Usability which is expected to deliver improvements to the reporting available within SDEP and the escalation pathway.

However, feedback received during this Deep Dive indicates that there are further opportunities to enhance the effectiveness of SDEP and improve the efficiency with which Parties manage operational queries and escalations. The Code Manager has **identified a number of potential enhancements that should be considered as part of the future development of the platform**.

Case Management

A recurring theme from Party feedback was the need for enhanced case management and tracking functionality within SDEP. Parties highlighted that the platform currently provides limited support for managing large volumes of cases and would benefit from additional tools to improve visibility, monitoring and administration. Potential enhancements include the introduction of **bulk case management** functionality, such as the ability to update multiple cases simultaneously through user interfaces or application programming interfaces (APIs).

Parties also noted that the current process creates separate cases for the initial query, subsequent escalation and Contract Manager involvement, making it difficult to maintain a complete view of a single issue. **Linking related cases together** would improve traceability, provide greater context for users and support more effective issue resolution, and would build on the functionality being delivered through R0122.

In addition, Parties identified a need for greater flexibility in the types of cases that can be raised within SDEP. This could include the introduction of a **non-specific query category** for circumstances where existing process types are not appropriate.

Case Raising

Several Parties suggested improvements to the case creation process to help improve the quality and consistency of information submitted through SDEP. This includes the introduction of **pre-populated fields and structured templates** that automatically incorporate information already available within the platform, reducing manual effort and the risk of incomplete submissions.

Parties also expressed support for contextual guidance within SDEP, such as **tooltips or embedded instructions**, to assist users in understanding the information required for specific process types. This would help improve data quality, reduce avoidable correspondence between Parties and support more efficient case resolution.

Performance Assurance Reporting

Feedback received during the Deep Dive also identified opportunities to enhance the **reporting available to the Performance Assurance function**. Additional reporting on case activity, including metrics such as response times, resolution times and case outcomes, would provide greater visibility of how SDEP is being used across the market.

Improved reporting would enable the Code Manager to better understand trends in Party performance, identify emerging issues and develop new Performance Assurance risk drivers where appropriate. Enhanced management information could also support more targeted assurance activities and help assess the effectiveness of future process improvements.

Pending the availability of enhanced reporting data, the incoming Performance Assurance Service Provider should **use regularly scheduled Performance Assurance Check-In meetings to understand how Parties monitor and manage SDEP cases and REC Escalations**, assess the controls in place to support compliance with REC obligations, and promote awareness and adoption of the Good Practice Guidance developed through this Deep Dive.

3.2 GOOD PRACTICE GUIDANCE DOCUMENT

Whilst the findings indicate that limitations in system functionality are the primary barrier to more effective management of SDEP cases and REC Escalations, many of the issues identified can be mitigated in the short term through clearer guidance and more consistent application of existing processes. As a result, as part of this Deep Dive, the Code Manager has **developed a Good Practice Guidance Document** to support Parties in the effective and consistent use of SDEP and the REC Escalation process. The guidance has been informed by feedback received during Party interviews, webinar discussions and survey responses, and is intended to address a number of the common issues and areas of ambiguity identified throughout the review.

The guidance includes **advice on selecting the appropriate process type** when raising a case within SDEP and provides **clarification on the purpose and use of the different communication routes** available to Parties, including General Queries, Escalations and Contract Manager referrals. This includes guidance on **when escalation is appropriate**, the expected timescales for progressing issues, and the importance of attempting resolution through the relevant operational process before initiating a formal escalation.

The document **also promotes effective case management** practices to help Parties maintain visibility of open cases and manage workloads efficiently. This includes recommendations on the use of available functionality, such as case archiving, as well as the implementation of robust internal processes for tracking and monitoring SDEP activity. While SDEP provides a mechanism for information exchange, the review identified that Parties often need supplementary internal processes and controls to effectively manage case volumes and outstanding actions.

In addition, the guidance provides a series **of practical reminders intended to improve the quality and efficiency of communications** between Parties. These include ensuring that the correct process type is selected, validating that information submitted is accurate and complete, and providing all relevant supporting information when raising or responding to cases.

The guidance also clarifies **when SDEP should be used in preference to email** and reinforces the requirement to use secure communication channels when exchanging consumer-related information.

Particular emphasis is placed on ensuring that Personal Data is only shared through approved and secure mechanisms in accordance with REC requirements.

To support consistent application of the guidance, the document includes **worked examples illustrating what good practice looks like in practice**. These examples provide end-to-end scenarios demonstrating how Parties should raise, manage and, where necessary, escalate cases, including examples of effective communication and issue resolution between Parties.

Finally, the document signposts Parties to relevant REC provisions, supporting guidance and other useful resources to assist with the ongoing management of SDEP cases and REC escalations.

3.3 NEXT STEPS

The Code Manager will **share the findings and recommendations relating to future SDEP functionality with RECCo for consideration** as part of its planned programme of platform enhancements. This will ensure that the insights gathered through Party engagement activities are available to support future decisions regarding the development, re-procurement and enhancement of the SDEP service.

The Code Manager will additionally **publish the Good Practice Guidance** developed as part of this Deep Dive. Whilst this document won't resolve all the issues identified in this Deep Dive, if it is adopted then it can help mitigate some of the impacts. The guidance has been informed by feedback received from Parties through interviews, webinar discussions and survey responses and is intended to support the more effective and consistent use of SDEP and the REC escalation process. Given the ongoing evolution of market processes and system functionality, the guidance should be treated as a living document and reviewed periodically to ensure it remains relevant and reflects current good practice. A particularly appropriate opportunity for review would be near the implementation of the technical changes in R0122.

Finally, we will discuss the outputs from this paper with the Operational Account Managers and incoming PA Service Provider to ensure they **make Parties aware of the Good Practice Guidance document**, and consider how to **enhance the monitoring of Parties' adherence to the Code** and good practice.

PAB DECISION

The Code Manager requests PAB to **APPROVE** the following:

- Sharing of the recommendations set out in this paper with the REC Code Manager and RECCo