

To: All holders of an electricity supply licence

**Electricity Act 1989
Section 11A(2)**

Notification of statutory consultation on a proposal to modify standard conditions of all Electricity Supply Licences

1. The Gas and Electricity Markets Authority (the Authority)¹ proposes to modify the standard conditions of the electricity supply licences, granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 (the Act) by amending the following standard licence conditions (SLCs) under section 11A(1)(b) of the Act:
 - Condition 1. Definitions for standard conditions
 - Condition 14. Customer transfer blocking
 - Condition 14A. Customer transfer
 - Condition 50. Smart Metering – Continuation of Arrangements on Change of Supplier

The proposed modifications are set out in Schedule 1 to this Notice.

2. Pursuant to the Authority's Switching Significant Code Review (SCR), version 3.0 of the dual-fuel Retail Energy Code (REC) will introduce the necessary code requirements to enable faster, more reliable switching of energy supplier by consumers (the Switching Programme). Version 3.0 of the REC builds on version 2.0, which came into effect on 1 September 2021.
3. The reason why the Authority is proposing to make these SLC modifications is in order that the new policy arrangements aimed at facilitating customer switches within five working days, and consequential changes, are properly reflected in the SLCs.
4. In summary, the effect of these proposed modifications is that licensees, both those from whom customers switch away and those to whom customers switch, will have new obligations placed on them in relation to the customer switching process. This includes requirements on suppliers to complete customer switches within 5 working days, subject to certain exceptions, and to provide certain information and options to customers who switch and then choose to exercise their statutory cancellation rights. The proposals have been consulted on extensively by the Authority to date.
5. A more detailed description of the reasons for, and effects of, these proposed licence modifications can be found in our accompanying statutory consultation document, as well as in our policy consultation "Switching Programme and Retail Code Consolidation: Proposed licence modifications", published in November 2020.²
6. Any representations with respect to the proposed licence modifications must be made on or before **5pm on 24 January 2022** by email to: switching.programme@ofgem.gov.uk

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

² Link to the [policy consultation document](#) on the Ofgem website here

7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
8. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.



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**Nicola Garland,
Head of Delivery, Switching Programme**

**Duly authorised on behalf of the
Gas and Electricity Markets Authority**

13 December 2021

Schedule 1 – Draft of proposed modifications to the standard conditions (SLCs) of all electricity supply licences

We have included the sections of the electricity supply licence SLCs we have proposed to remove or amend below. Deletions are shown in ~~strike-through~~ and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

Condition 1. Definitions for standard conditions

<u>New Supplier</u>	<u>means, in relation to a relevant premises, the Gas Supplier that became the Relevant Gas Supplier for the relevant premises by virtue of the most recent Supplier Transfer.</u>
<u>Old Supplier</u>	<u>means, in relation to a relevant premises, the Gas Supplier that was, immediately prior to the most recent Supplier Transfer, the Relevant Gas Supplier for the relevant premises.</u>
<u>Related Metering Points</u>	has the meaning given in Retail Energy Code;
<u>Supply Effective from Date</u>	has the meaning given in Retail Energy Code;

Condition 14. Customer transfer blocking

Non-Domestic Customer transfer blocking

14.2 Subject to paragraph 14.2B, the licensee may make a request in accordance with the -Retail Energy Code to prevent a Proposed Supplier Transfer in relation to a Non-Domestic Customer at any Non-Domestic Premises at which the licensee is the Relevant Electricity Supplier in any of the following circumstances:

- (a) at the time the licensee receives Notice under the -Retail Energy Code that another Electricity Supplier has applied under the requirements of the -Retail Energy Code to supply the premises, the licensee's Contract with that customer for the supply of electricity to the premises includes a term which:
 - (i) allows the licensee to prevent the Proposed Supplier Transfer; and
 - (ii) may be relied upon in the circumstances arising at that time;
- ~~(b) (not used) the Electricity Supplier that initiated the Proposed Supplier Transfer has agreed with the licensee that the transfer was initiated in error; or~~
- ~~(c) (not used); or the Proposed Supplier Transfer relates to a Related Metering Point and the proposed new Electricity Supplier has not applied to transfer all the Related Metering Points on the same Working Day for the same Supply Start Date.~~

~~(e)(d) the Customer informs the licensee that they have not entered into a Contract with the proposed new Electricity Supplier and asks the licensee to prevent the Proposed Supplier Transfer from taking place.~~

Domestic Customer transfer blocking

14.4 The licensee may make a request in accordance with the Retail Energy Code to prevent a Proposed Supplier Transfer in relation to a Domestic Customer at a Domestic Premises at which the licensee is the Relevant Electricity Supplier in any of the following circumstances:

- (a) subject to paragraphs 14.5 and 14.7, if at the time the request is made Outstanding Charges are due to the licensee from that Domestic Customer;
- (b) ~~(not used); the Electricity Supplier that initiated the Proposed Supplier Transfer has agreed with the licensee that the transfer was initiated in error;~~
- (c) the customer informs the licensee that they have not entered into a Contract with the proposed new Electricity Supplier and asks the licensee to prevent the Proposed Supplier Transfer from taking place;
- (d) ~~(not used); the customer is bound by the provisions of a Contract with the licensee for the supply of electricity to the premises which will not end on or before the date of the Proposed Supplier Transfer and that Contract is of a kind specified in a direction issued by the Authority; or~~
- (e) ~~(not used). the Proposed Supply Transfer relates to a Related Metering Point and the proposed new Electricity Supplier has not applied to transfer all the Related Metering Points on the same Working Day for the same Supply Start Date.~~

14.10 If sub-paragraph ~~14.2(d) or~~ 14.4(c) applies and the licensee has agreed to prevent a Proposed Supplier Transfer at the Domestic Customer ~~or Non Domestic Customer's~~ request, the licensee must keep evidence of that request and of the reasons for it for at least 12 months after the request is made.

14.11 ~~(Not used). keep evidence of that request and of the reasons for it for at least 12 months after the request is made; and~~

~~(a) — inform the proposed new Electricity Supplier:~~

~~(i) — that the objection has been raised at the customer's request; and~~

~~(ii) — of the reason given by the customer for making the request,~~

~~as soon as reasonably practicable after the licensee makes the request to prevent the transfer.~~

14.12 ~~(Not used). Sub-paragraph 14.4(d) will stop having effect on and from 1 April 2008 unless, before that date, the Authority issues a direction providing that the sub-paragraph will continue to have effect for a further period of time.~~

Condition 14A. Customer transfer

Obligation to complete a Supplier Transfer within ~~three weeks~~five Working Days

14A.1 The licensee must take all reasonable steps to complete a Supplier Transfer as soon as reasonably practicable and, in any event, within five Working Days ~~within 21 days~~ of the Relevant Date unless:

- (a) the Customer requests that the Supplier Transfer be completed at a later date; or
- (b) the Customer notifies the licensee that he does not wish the Supplier Transfer to take place; or
- (c) one or more of the conditions in paragraph 14A.3 applies.

14A.2 The licensee must include a term in each Contract that has been entered into with a Customer ~~on or after the day after the day on which the Electricity and Gas (Internal Markets) Regulations 2011 are made,~~ providing that the licensee will complete any Supplier Transfer in accordance with that Contract as soon as reasonably practicable and, in any event within five ~~within 21~~Working Days of the Relevant Date unless:

- (a) the Customer requests that the Supplier Transfer be completed at a later date; or
- (b) the Customer notifies the licensee that he does not wish the Supplier Transfer to take place; or
- (c) one or more of the conditions in paragraph 14A.3 applies.

14A.3 The conditions in this paragraph are that, on or after the Relevant Date:

- (a) a Relevant Electricity Supplier has prevented the Proposed Supplier Transfer in accordance with paragraph 14.2~~(a) to (b)~~ or 14.4~~(a) to (d)~~ of standard condition 14 (Customer transfer blocking); or
- (b) a Supply Exemption Holder is currently supplying electricity to the premises and has objected to the Proposed Supplier Transfer under paragraph 2 of Schedule 2ZB to the Act; or
- (c) ~~(not used) the licensee does not have all of the information it requires in order to complete the Supplier Transfer, despite having taken all reasonable steps to obtain the missing information from the Customer, and cannot readily obtain that information from another sources; or~~
- (d) the Customer is currently taking a supply of electricity through an Exempt Distribution System and the licensee is unable to start supplying electricity to the premises because:
 - (i) a connection which the licensee or the Customer requires to be made in accordance with paragraph 7(2) of Schedule 2ZA to the Act and that physical connection has not yet been made; or

- (ii) the distribution exemption holder has specified, in a notice under paragraph 1(6)(a)(i) of Schedule 2ZA to the Act, a metering arrangement which it considers would be required for access to be given to a third party supplier (within the meaning of that Schedule) and that metering arrangement is not yet in place; ~~or~~
- (e) the licensee is prevented from completing the Supplier Transfer due to any other circumstance which is outside the control of the licensee and which it has taken all reasonably practicable steps to resolve; or
- (f) the customer is a Domestic Customer and, having been prompted by the licensee or its representative, they have not expressly requested to start the supply before the expiry of the Cooling Off Period.

14A.4 Where a condition in paragraph 14A.3 (a) to (e) applies the Supplier Transfer must be completed as soon as reasonably practicable and, in any event, within 21 five Working Days of the date on which the condition ceases to apply (or, if more than one condition applies, when all relevant conditions cease to apply).

14A.4A Where the condition in paragraph 14A.3 (f) applies, the Supplier Transfer must be completed as soon as reasonably practicable and, in any event, within five Working Days of the date on which the condition ceases to apply which will be the earlier of the expiry of:

- (a) the Cooling Off Period, or
- (b) the period of 14 days from entering into the Contract.

14A.5 Where the condition in 14A.3(b) applies, the licensee must not complete the Supplier Transfer before the objection by the Supply Exemption Holder under paragraph 2 of Schedule 2ZB to the Act is resolved in accordance with paragraph 1(8) of that Schedule.

14A.6 The licensee must not charge a Customer for any costs associated with carrying out a Supplier Transfer. The obligation in this paragraph is without prejudice to contractual conditions relating to the termination of a Non-Domestic Supply Contract and to any obligation in the Contract to pay a termination fee

Obligation to improve switching systems

14A.7 In order to achieve fast and reliable Supplier Transfers, (including by the end of the next Working Day after a Domestic Customer request and the end of the second Working Day after a Non-Domestic Customer request), the licensee must take all reasonable steps to maintain, and where appropriate, improve the relevant systems, processes and data that facilitate the Supplier Transfer process. In order to achieve the objective of completing all Supplier Transfers within 21 days of the Relevant Date, the licensee must take all reasonable steps to improve the systems and processes governing the Supplier Transfer process.

Obligation to cooperate in respect of a Supplier Transfer

14A.8 The licensee must comply with any reasonable request from another Electricity Supplier or Supply Exemption Holder to provide information or to take any other steps which are reasonably necessary in order to enable that Electricity Supplier or Supply Exemption Holder to complete a Supplier Transfer within ~~21~~ five Working Days of the Relevant Date.

14A.9 ~~(Not Used)~~.

Obligation to prevent Erroneous Transfers

14A.10 ~~If the licensee applies for a Supplier Transfer under the Retail Energy Code at a premises specified by a Customer, the licensee must take all reasonable steps to ensure that it has a Valid Contract with that Customer for that Supplier Transfer at the point that the application is made. If the licensee applies under the Retail Energy Code to supply electricity at a premises specified by a Customer (the "Transfer Request"), the licensee must take all reasonable steps to ensure that it has a Valid Contract with that Customer for that Transfer Request at the point it is made.~~

14A.11 Where the licensee becomes aware, prior to starting to supply electricity at a premises, that it does not have a Valid Contract for the supply of electricity to that premises it shall take all reasonable steps to prevent its application for a Supplier Transfer ~~Transfer Request~~ from having effect.

14A.12 (Not used).

Obligations where a Domestic Customer has cancelled a Contract with the licensee

14A.13 Where a Domestic Customer has cancelled their Contract within the Cooling Off Period, and the licensee receives notice of the cancellation prior to starting to supply electricity at a premises, the licensee must take all reasonable steps to prevent a Supplier Transfer from having effect.

14A.14 Where a Domestic Customer has cancelled their Contract within the Cooling Off Period and the licensee receives notice of that cancellation after starting to supply electricity at a premises, or where the licensee has failed to prevent the Supplier Transfer in accordance with paragraph 14A.13, the licensee must:

- (a) cancel the Contract;
- (b) not charge or otherwise seek to enforce a Termination Fee; and
- (c) subject to sub-paragraph a) and b), continue to supply the Domestic Customer on the basis of the Principal Terms that existed immediately prior to cancellation until the earlier of:
 - i. the Domestic Customer has agreed to a new Contract with the licensee and supply has started;

- ii. the Domestic Customer has agreed to a new Contract with another Electricity Supplier and supply has started; or
- iii. 15 Working Days from the day that the licensee sends the information specified in paragraph 14A.16, at which point the licensee may choose to charge the Domestic Customer under a Deemed Contract.

14A.15 As soon as reasonably practicable after the licensee receives notice of cancellation from the Domestic Customer, it must inform the Domestic Customer of the information in paragraph 14A.16 in a form which, taking into account the characteristics, preferences and circumstances of that Domestic Customer, would allow them to make an informed choice. This paragraph does not apply where the licensee is no longer the New Supplier.

14.A.16 The information referred to in paragraph 14A.15 above includes:

- a) the obligations on the licensee specified in paragraph 14A.14; and
- b) the options the Domestic Customer has, as set out in paragraph 14A.17.

14A.17 After cancelling a Contract with the licensee, who remains the New Supplier, the Domestic Customer has the following options:

- a) enter into a new Contract offered by the licensee;
- b) enter into an Equivalent Terms Contract with the Old Supplier;
- c) enter into a new Contract with an Electricity Supplier, that is not the licensee, including the Old Supplier; or
- d) take no action and after 15 Working Days, beginning on the day the licensee sends the information in paragraph 14A.16, be supplied by the licensee on a Deemed Contract that is not restricted by the requirements set out in paragraph 14A.14.

Obligations on a licensee as the Old Supplier

14A.18 Where the circumstances in paragraph 14A.19 apply, the licensee must offer the Domestic Customer an Equivalent Terms Contract for a minimum period of 16 Working Days starting from the day that licensee became the Old Supplier.

14A.19 The circumstances referred to in paragraph 14A.18 are that the licensee:

- a) is the Old Supplier; and
- b) has received notification from the Domestic Customer that they have cancelled a Contract during the Cooling Off Period and have chosen to return to the licensee in accordance with 14A.17(b).

Definitions for condition

14A.2012 For the purposes of this condition:

“Cooling-Off Period” means: after entering into a Contract, a period of time within which a Domestic Customer may decide not to proceed with the Contract pursuant to any relevant contractual term or statutory provision.

“Equivalent Terms Contract” means: a Contract available from the licensee (or, where there are any Affiliate Licensees, the licensee and any Affiliate Licensees), that:

- (a) has terms and conditions that are similar in nature to the Contract or Deemed Contract that would have been in place had the Domestic Customer not undergone a Supplier Transfer or taken any other action to amend the terms of that Contract or Deemed Contract with that licensee, including in respect of:
 - i. their previous payment method;
 - ii. their previous Relevant Meter Type;
 - iii. their previous Account Management Arrangement; and
 - iv. their characteristics and preferences;
 - v. where the Domestic Customer is subject to a White Label Tariff, a White Label Tariff of the same White Label Tariff Provider; and
 - vi. where the Domestic Customer is not subject to a White Label Tariff, a Tariff which is not a White Label Tariff; and
- (b) is the same or cheaper than the tariff the Domestic Customer would have been on had they not undergone a Supplier Transfer.

“Relevant Date” means:

- (a) the day on which a Customer
 - i. has entered into a Contract with a new Electricity Supplier; and
 - ii. has provided the Supplier or its Representative with sufficient information to conduct the switch; and
 - iii. the Customer would reasonably expect the switch to take place without further action on their part

Or,

- (b) where a Customer enters into a Contract with a new Electricity Supplier after 5pm on a Working Day, or on a day that is not a Working Day, the next Working Day following the day specified in paragraph (a) above

- ~~(a) — the day on which a Customer enters into a Contract with a new Gas Supplier, or~~
- ~~(b) — if after entering into the Contract there is a period of time within which the Customer may decide not to proceed with the Contract (the “Cooling Off Period”), the earlier of:~~
 - ~~(i) — the day on which the Cooling period ends;~~
 - ~~(ii) — the day on which the Customer and the licensee agree that the transfer may proceed during the Cooling Off Period; and~~
 - ~~(ii) — 14 days after the day on which the Customer entered into the Contract.~~

A **“Valid Contract”** is ~~one~~ a Contract:

- (a) that has been entered into by the Customer;
- (b) that relates to the premises for which the application for a Supplier Transfer Transfer Request has been made; and

Condition 50 Smart Metering - Continuation of Arrangements on Change of Supplier

Definitions

50.13 In this Condition:

New Supplier	means, in relation to a relevant premises, the Gas Supplier that became the Relevant Gas Supplier for the relevant premises by virtue of the most recent Supplier Transfer.
Old Supplier	means, in relation to a relevant premises, the Gas Supplier that was, immediately prior to the most recent Supplier Transfer, the Relevant Gas Supplier for the relevant premises.

Schedule 2 – Relevant licence holders

Affect Energy Ltd
AMRECS LLC
Arto.Energy Limited
AXPO UK Limited
Barbican Power Limited
BES Commercial Electricity Limited
Better Business Energy Limited
BGI Trading Limited
Bluebell Energy Supply Limited
BP Gas Marketing Limited
Bristol Energy Limited
British Gas Trading Limited
British Gas X Limited
Brook Green Trading Limited
Bryt Energy Limited
Bulb Energy Ltd
Business Power and Gas Limited
Cilleni Energy Supply Limited
Conrad Energy (Trading) Limited
Co-Operative Energy Limited
Corona Energy Retail 4 Limited
Coulomb Energy Supply Limited
Crown Gas and Power 2 Limited
Danske Commodities A/S
Delta Gas and Power Limited
D-Energi Trading Limited
Donnington Energy Limited
Drax Energy Solutions Limited
Dyce Energy Limited
E (Gas and Electricity) Limited
E.ON Energy Solutions Limited
E.ON Next Energy Limited
E.ON UK Plc
E2M - Energy Trading Ltd.
Eco Green Management Limited
Ecotricity Limited
EDF Energy Customers Limited
Edgware Energy Limited
Electraphase Ltd
Electricity Direct (UK) Limited
Electricity Plus Supply Limited
ElectroRoute Energy Limited
Eneco Energy Trade BV
Energise Britain Gas & Electric Ltd
ENGIE Power Limited
Entice Energy Supply Limited
EPG Energy Limited
Equinicity Ltd
ESB Energy limited
ETUL Limited
Exelon Generation Limited
F & S Energy Limited
Farmoor Energy Limited
Farringdon Energy Limited
Flexitricity Limited
Flow Energy Limited
Foxglove Energy Supply Limited
Gazprom Marketing & Trading Retail Limited
Good Energy Limited
Green Energy (UK) plc
GridBeyond Limited
Hartree Partners Supply (UK) Limited
Holborn Energy Limited
Home Energy Trading Ltd
I.A.Z.F.S. Limited
Idaho Energy Limited
IPM Energy Retail Limited
Labrador Ltd
LCC Power Limited
Limejump Energy Limited
Logicor Energy Limited
Lourdes Associates Limited
Marble Power Limited
Maxen Power Supply Limited
Mercuria Energy Europe Trading Limited
Mississippi Energy Limited
MVV Environment Services Limited
Neas Energy Limited
New Stream Renewables Limited
Npower Commercial Gas Limited
Npower Limited
Npower Northern Limited
Npower Northern Supply Limited
Npower Yorkshire Limited
Npower Yorkshire Supply Limited
Octopus Energy Limited
Opal Gas Limited
Opus Energy (Corporate) Limited
Opus Energy Limited
Opus Energy Renewables Limited
Orsted Power Sales (UK) Limited
Orsted Sales (UK) Limited
Ovo (S) Electricity Limited
OVO Electricity Limited
P3P Energy Supply Limited
Paddington Power Limited
Palladium Energy Supply Limited
Pirranello Energy Supply Limited
Planet 9 Energy Limited

Power4All Limited
Poitive Energy Ltd
PX Supply Limited
Regent Power Limited
S. C. Isramart SRL
Scottish Power Energy Retail Limited
Shell Energy Europe Limited
Shell Energy Retail Limited
Shell Energy Supply UK Ltd.
Shell Energy UK Limited
Simply Your Energy Limited
Sinq Power Limited
Smart Pay Energy Ltd
SmartestEnergy Business Limited
SmartestEnergy Limited
So Energy Trading Limited
SQUARE1 ENERGY LIMITED
Squeaky Clean Energy Limited
SSE Energy Supply Limited
Statkraft Markets GmbH
Switch Business Gas and Power Ltd
The Nuclear Decommissioning Authority
Together Energy (Retail) Limited
Totalenergies Gas & Power Limited
Toucan Energy Limited
Tradelink Solutions Limited
Tru Energy Limited
UK Energy Incubator Hub Limited
UK Healthcare Corporation Limited
UK Power Reserve Limited
Unify Energy Limited
United Gas & Power Ltd
United Gas & Power Trading Ltd
Utilita Energy Limited
Valda Energy Limited
Vattenfall Energy Trading GmbH
Verastar Limited
Whoop Energy Ltd
Wilton Energy Limited
Xcel Power Limited
XLN Energy Limited
Yu Energy Retail Limited