Supplier Guaranteed Standards of Performance for Switching: Decision on amending Guaranteed Standard 6ZA

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Dear Stakeholders,

On 04 September 2023, we consulted on proposed amendments to Supplier Guaranteed Standard of Performance ("**Guaranteed Standard**" or "**GSoP**") 6ZA: "Obligation to complete a supplier transfer".^{1,2} This Guaranteed Standard requires a gaining supplier to pay compensation of £30 to a customer if that supplier fails to complete the switch of supply requested by the customer, within 15 working days from the date on which the supplier has received sufficient information to do so.

We considered that Guaranteed Standard 6ZA, as set out in The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 ("**GSoPs Regulations**"), required amendment of the condition for the supplier to complete the switch in a timeframe from 15 working days to 5 working days. This followed the modification of the supplier Standard Licence Conditions (**SLCs**) in July 2022 to reflect the faster switching requirements made as part of the Switching Programme, which introduced the licence requirement for suppliers to switch a customer within 5 working days.³ We considered that the switch speed timeframe within the GSoP should be aligned with the new licence requirement.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

² Link <u>here</u> to the consultation

³ Link <u>here</u> to our decision to modify the supplier SLCs to introduce the faster switching requirements

We sought views on both the policy proposal and on the text of the Statutory Instrument required to amend the GSoP. This letter forms our final decision in response to the consultation.

Summary of consultation responses:

We received six responses to the consultation, three of which were marked as confidential. The three non-confidential responses have been published on our website alongside this decision.

All of the responses received were supportive of both the policy intent and of the text of the Statutory Instrument required to bring about the amendment to GSoP 6ZA.

Some of the responses asked that a notice period of two to three months be given by the Authority of the change before the change enters into force, in order to allow suppliers to make necessary changes to automated IT protocols and customer communications. We consider that, in this particular case, two months is reasonable.

Our decision:

This final decision confirms that we have proceeded with the making of the Statutory Instrument to amend supplier GSoP 6ZA. The effect of this is to shorten the timeframe within which a gaining supplier must complete a switch of supply, or pay compensation to the customer of £30, from 15 working days to 5 working days, to align with the timeframe under the licence condition amended in July 2022. As specified on the Statutory Instrument, these changes will enter into force on 01 April 2024.

The Statutory Instrument:

Based on the responses that we received, we did not make any fundamental changes to the Statutory Instrument, nor did we make any changes to the key policy proposals that underpinned the proposed amendment. We are satisfied that the changes we have made remain in line with the substantive policy proposal that underpinned the draft Statutory Instrument.

Following the consultation we did make two minor changes to the text of the Statutory Instrument in order to improve clarity. Please see below for the changes made (new text in double underline, removed text in strikethrough). (4) In this regulation—

(a) where the customer enters into a contract with the new supplier after 5pm on a working day, <u>the reference to</u> "5 working days" in sub-paragraph (3)(a) <u>or and</u> (3)(d) is to be read as "6 working days"; and

The Statutory Instrument has been published online. Please refer to the footnotes for the link.⁴ As noted above, the amended Regulations will come into force on 01 April 2024.

Any questions regarding this decision letter should be directed to DCCregulation@ofgem.gov.uk

Kind regards,

Melissa Giordano

Deputy Director, Retail Systems and Processes

⁴ Link <u>here</u> to the Statutory Instrument