

By email only: digitalisation@ofgem.gov.uk

26 January 2024

RECCo response to Ofgem Call for Input - Data Sharing in a Digital Future: Consumer Consent

We welcome the opportunity to respond to this Call for Input. Our non-confidential response represents the views of the Retail Energy Code Company Ltd (RECCo) and is based on our role as operator of the Retail Energy Code (REC).

RECCo is a not-for-profit, corporate vehicle ensuring the proper, effective, and efficient implementation and ongoing management of the REC arrangements. We seek to promote trust, innovation, and competition, whilst maintaining focus on positive consumer outcomes. We are committed to ensuring that RECCo is an “intelligent customer”, ensuring efficacy and value-for-money of the services we procure and manage on behalf of REC Parties, including those which constitute the REC Code Manager.

As you will be aware, we have supported Ofgem’s development of proposals in respect on consumer consent, including the May 2023 industry workshop outlined in Appendix 3 of the Call for Input. In September 2023 we published the results of our consumer consent discovery work.¹ In our paper, we set out how an appropriate consent mechanism could create value, while giving consumers greater control over how their data is used. This work focused on the consumer perspective of data sharing by consent and built upon our close engagement with other industry initiatives led by Ofgem, DESNZ and Innovate UK.

We did this working on a consumer first approach and identified 5 key principles as well as developing a number of different consumer personas and a wide variety of use cases.

We fully support the recommendations of the Energy Digitalisation Task Force, including the need for a consumer consent portal. During the coming year we will continue to support Ofgem and DESNZ, including the outcome of this Call for Input. As reference in our Forward Work Plan for 2024-27, we stand ready to further develop and implement such a consumer consent portal, which would be both consistent with our existing capabilities and services, and with our consumer-centric mission and strategic objectives.

Whilst the management of Priority Service Register(s) (PSR) is currently a matter for each relevant licensee, the REC governs processes for the sharing of consumer data between energy industry parties, including that associated with the PSRs. We have separately made the point in our response to consultation by the Department of Business and Trade Consultation² that the principle of consumer consent should also be integral to the further development of the Priority Service Register(s), particularly if there is a move to a *universal PSR* as proposed. We would therefore welcome Ofgem having specific regard to the development policy around a Universal PSR as part of its further work on consumer consents.

¹ [“Introducing consumer consent into the retail energy market”](#) RECCo, October 2023

² [“Smarter Regulation - Strengthening the Economic Regulation of the Energy, Water and Telecoms Sectors”](#), Department of Business and Trade, November 2023.

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We would welcome the opportunity to discuss our response with you in further detail.

Yours sincerely,

Tracy Hardy

Interim Director of Data and Digitalisation

Appendix 1 – Call for Input questions

Q1. Yes/No: Do you agree that a Consumer Consent solution is required as per the taskforce's recommendation?
Yes. As detailed in the report there is currently no simple & efficient method for sharing of data with third parties. Consumers are becoming more aware of the benefits that sharing data could bring them regarding exploring different products and services which would enable them to reduce their carbon footprint.
Q2. Could you please provide any reasons why the current methods for obtaining consent from a consumer might be ineffective or inefficient?
There is currently no central mechanism for recording consent or sharing consent across organisations. There is also no way currently of enabling consumers to have full control over their consent in terms of understanding who they have given consent to, for what purpose, or the ability to withdraw the consent at any point.
Q3. Do you believe that consumers are sufficiently motivated to engage with the consent solutions proposed in this Call for Input? Please elaborate on your answer.
In certain circumstances, where there is clear benefit to the consumer – i.e., searching for the cheapest tariffs or understanding the impact of certain energy efficiency products – consumers would be motivated to engage with consent solutions. The benefits of doing so will need to be clearly articulated alongside reassurance about security and how data will be used. Consistent with the GDPR principles, such as ensuring that as data subjects, consumers are made aware of the purposes for which their data may be processed and that where consent provides the lawful basis for the data being processed, that consent will always remain within the consumers control. This must include transparency of who has access to that data, for what purpose and if they choose, how their consent can be withdrawn. The easier it for consumers to engage, the more likely they are to have trust in the process and be motivated to participate.
Q4. Do you agree that the four use cases referenced (below) are high priority use cases? Can you describe any other high priority use cases?
<ul style="list-style-type: none"> • Retail specialisation • Energy system flexibility • Reduced barriers to market entry and increased competition • Consumer empowerment, protection, and trust
Yes, as per the answer above consumers need to clearly understand how this consent mechanism will benefit them and the above high priority use cases supports that.
Q5. Do you believe that a new Consumer Consent solution would enable the improvements to the energy system described in the four use cases? If not, could you please elaborate?
Yes
Q6. Do you agree with our method and scoring of options?
Yes
Q7. Which of the options referenced in chapter three do you believe would be the most appropriate Consumer Consent solution, for the industry, the government, and the consumer?
<ul style="list-style-type: none"> • Option One: A single technical solution to obtain consent, such as a Consumer Consent dashboard. This proposal builds on the Energy Digitalisation Taskforce's recommendation to deliver a technical consent solution.

<ul style="list-style-type: none"> • Option Two: A set of principles outlining a consistent way for trusted market participants to obtain consent, such as Data Best Practice. • Option Three: An industry-developed code of conduct outlining a consistent way for trusted market participants to obtain consent, such as the Confidence Code.
<p>Option one appears to give the simplest solution that will enable the greatest benefits to be experienced by consumers and across the industry. It is the only one of the three options detailed that will give all the benefits detailed in the report. It will ensure a consistent approach across the industry which enables consumers to understand and control their own consents clearly and transparently.</p>
<p>Q8. Please can you explain why you chose a specific option? Do you have any suggestions on how to improve this option?</p>
<p>As set out in our response to Q7, we consider that option one is the best option.</p> <p>Consideration could be given to how the risks regarding speed of delivery could be mitigated, possibly through Agile development and a phased roll-out starting with a Minimum Viable Product. This can then be developed as consumer confidence & buy-in grows and the developer learns about usage.</p>
<p>9. What barriers do you see to the successful implementation of a new consent solution?</p>
<p>We see gaining consumer buy-in and trust as the biggest barrier to the successful implementation. The energy industry has suffered from a downturn in consumer trust over recent years. Work will be required to promote the consent solution in the right way, give consumers the reassurance that their data will be safe, and that they remain in control of who can access and how it is used. Endorsement of the consent mechanism by trusted organisations such as Citizens Advice may help overcome this barrier.</p>
<p>10. What do you think are the roles of Ofgem, industry and other stakeholders in enabling a simple and effective consent solution?</p>
<p>The role of Ofgem will be to oversee the development and roll-out of the consumer consent solution. It will promote the usage of the solution across the industry and to consumers, ensuring that it is available to all without exclusion.</p> <p>The role of industry and other stakeholders is to fully engage in the development and roll-out of the consent solution to ensure that it works as intended and its use is promoted to consumers.</p>