

External Design Advisory Group

Meeting 6

16 June 2016

ofgem

Welcome and introductions	10:30 to 10:40
Minutes and actions	10:40 to 10:50
Lock-out	10:50 to 11:10
Switching Scenarios 3-7	11:10 to 12:10
Lunch	12:10 to 12:40
Objections	12:40 to 13:10
Any other business	13:10 to 13:20

LOCK-OUT POLICY POSITION

Issue and Proposal

Issue

- Should customers should be required to take an energy supply with a supplier for a predefined minimum period before being permitted to switch again.

Risks

- Business process completion:
 - Errors in opening or closing bills or in assigning debt
 - Difficulties in setting up customer accounts due to lack of metering information
 - Increased resolution costs to suppliers
- Market Stability
- Increase in debt write-offs

Proposal

- Adopt a short configurable lock-out period (up to 10 calendar days)
- Applied to both gas and electricity and all consumer types
- Initial lock-out period to be set later on into the programme
- Registration Agent will monitor and periodically report on the operation of the lock-out arrangements
- The lock out period should apply in cases of cooling-off.

Issued considered	View
Short parameterised lock out period	Sufficient to mitigate data integrity issues
Aligning a lock-out period to cooling off period	Starting points are different and there are some exceptions to the 14 days
28 Day lock –out period	threat of writing off debts for short periods of supply did not justify a lock-out period of this duration

Views from Industry

User Group:

- Overall support for proposal with lock period range of 0 – 10 calendar days
- Group noted that the Debt Assignment Protocol (DAP) allowed 15 working days to resolve such cases and suggested that DAP should be streamlined to align with the lock-out period.

EDAG (Ex-committee feedback):

- One larger supplier proposed a 10 day lock out period initially only reduced with evidence from operational experience
- Majority of respondents supported a shorter parameterised lock out period.
- Elexon suggested 5 days would be enough time to support the electricity settlement process
- One supplier felt that lock out to the cooling off period would not be appropriate given the different timeframes
- There were views on whether arrangements should operate on a working day or calendar day basis

Further EDAG view sought on:

Lock out period to be used for RFI

Recommendation:

Subject to further views from EDAG propose to take the proposals to DA unchanged.

AOB

- Next EDAG meeting – 18 July (**10:30 to 15:30**)
- Draft agenda
Policy issues – for review before submission to DA
 - Linking Related Metering and Dual Fuel
 - CRS Data Modelling
 - Agent appointments and CRS
 - Information Risk Assessment
- Further EDAG meeting scheduled for 25 July (**12:00 to 16:00**)
Policy issues – for review
 - CRS User Life Cycle
 - MPxN Life Cycle
 - Market Intelligence Service
 - Cooling-off
 - Erroneous Transfers
 - Mapping of Legacy Systems

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