Switching Programme Design Principles

Summary

This paper sets out the Design Principles V1.0 that will support the Switching Programme.

The Design Principles were reviewed at the 14 Jan External Design Advisory Group (EDAG) meeting. Additional comments were provided by members after the meeting. The amended Design Principles were agreed by Programme Board on 25 Jan.

Background

The Design Principles will act as a guide for the Blueprint Workstreams, EDAG, the Design Authority and the Programme Board in their roles of developing, reviewing and approving the content of the Design Baselines[1] during the Blueprint Phase. They will be used alongside the programme objective, scope and product descriptions as a basis for decision making.

We want the Design Principles to be enduring throughout the Switching Programme, at least until the end of the Enactment Phase (when the programme will take a more delivery focus). However, to ensure that they remain fit for purpose, we propose to review them with EDAG and other appropriate Switching Programme groups as we begin each new programme phase.

As described in the minutes of the 14 January EDAG meeting, members suggested specific changes to the wording of the principles. We have considered these, as well as any subsequent comments, and made changes where appropriate. EDAG also asked Ofgem to consider providing additional guidance and examples on how the Design Principles should be interpreted. We have made amendments to the explanatory text for each principle, to help clarify them, but we do not think that it would be helpful to go further as more specific examples could unnecessarily constrain development.

Next steps

We are now presenting the Design Principles v1.0 to EDAG so that it can begin to use these in it role of reviewing products and policy issues and providing recommendations. We do not propose to formally review the Design Principles with EDAG at the 11 February meeting.

If, in the light of experience, the Design Principles are shown not to be fit for purpose we will propose amendments to our Switching Programme Board. We believe that there is considerable benefit in having an enduring set of Design Principles to assess proposals during the Blueprint Phase. Where possible, we therefore expect to retain a consistent set of Design Principles.

We will publish the Design Principles V1.0 on the Ofgem website.

[1] There are key milestones through the Switching Programme when it is important to have a known and defined point of reference for the current design. We have defined a series of Design Baselines through the lifetime of the programme to deliver that point of reference as a consolidation of all of the design products at a particular time. Blueprint Phase is expected to have three Design Baselines. Design Baseline 1 will be used for purpose of making a request for information to support our impact assessment. Design Baseline 2 will be used to consult on the preferred design for the new CRS ad switching arrangements. Design Baseline 3 will be used to support a decision document on the agreed design for the new CRS and switching arrangements.

ANNEX 1: Switching Programme Design Principles V1.0

DESIGN PRINCIPLES		
Impacts on customers		
1	**Reliability for customers**	All switches should occur at the time agreed between the customer and their new supplier. The new arrangements should facilitate complete and accurate communication and billing with customers. Any errors in the switching process should be minimised and where they do occur, the issue should be resolved quickly and with the minimum of effort from the customer. The customer should be alerted in a timely manner if any issues arise that will impact on their switching experience.
2	**Speed for customers**	Customers should be able to choose when they switch. The arrangements should enable fast switching, consistent with protecting and empowering customers currently and as their expectations evolve.
3	**Customer coverage**	Any differences in customer access to a quick, easy and reliable switching process should be minimized and justified against the other Design Principles.
4	**Customer switching experience**	Customers should be able to have confidence in the switching process. The process should meet or exceed expectations, be simple and intuitive for customers and encourage engagement in the market. Once a customer has chosen a new supplier, the switching process should require the minimum of effort from the customer. The customer should be informed of the progress of the switch in a timely manner.
Impacts on Industry		
5	**Competition**	The new supply point register and switching arrangements should support and promote effective competition between market participants. Where possible, processes should be harmonised between the gas and electricity markets and the success of the switching process should not be dependent on the incumbent supplier or its agents.
6	**Design – simplicity**	The new supply point register and switching arrangements should be as simple as possible.
7	**Design – robustness**	The end-to-end solution should be technically robust and integrate efficiently with other related systems. It should be clearly documented, with effective governance. The new arrangements should proactively identify and resolve impediments to meeting consumers' and industry requirements. These arrangements should be secure and protect the privacy of personal data.
8	**Design - flexibility**	The new arrangements should be capable of efficiently adapting to future requirements and accommodating the needs of new business models.
Impact on delivery, costs and risks		
9	**Solution cost/benefit**	The new arrangements should be designed and implemented so as to maximise the net benefits for customers.
10	**Implementation**	The plan for delivery should be robust, and provide a high degree of confidence, taking into account risks and issues. It should have clear and appropriate allocation of roles and responsibilities and effective governance.