SCHEDULE XX

Debt Assignment Protocol Schedule

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Domestic Suppliers	Mandatory
Non-Domestic Suppliers	N/A
Gas Transporters	N/A
Distribution Network Operators	N/A
DCC	N/A

Change History

Version Number	Implementation Date	Reason for Change
0.1	N/A	Version agreed for industry consultation 15 October 2018

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1 Introduction

1.1 The aim of this Schedule is to facilitate a Switch where a Domestic Consumer may otherwise have been prevented from Switching by their incumbent Energy Supplier raising an Objection because of an outstanding debt which is being collected through a Prepayment Meter.

1.2 This Schedule describes the process to be followed by the Losing Supplier and the Gaining Supplier to assign the outstanding debt from the Losing Supplier to the Gaining Supplier.

1.3 The debt assignment protocol (or **DAP**) process relies on data flows sent between the Gaining Supplier and the Losing Suppliers. These flows are defined in the Technical Specification.

1.4 The scope of this Schedule is limited to debt assignment in relation to Domestic Premises and shall only be applicable in relation to RMPs where:

(a) the Consumer at that RMP has a debt, repayment of which is scheduled on a Prepayment Meter;

(b) the Consumer has entered into a contract with the Gaining Supplier;

(c) the Gaining Supplier has submitted a Switch Request to the CSS Provider;

(d) the Losing Supplier has raised an Objection in accordance with the Registration Services Schedule; and

(e) the estimated value of the debt for assignment is between £20 and £500 (inclusive), including Value Added Tax (VAT).

1.5 The following are specifically excluded from the scope of this Schedule:

(a) RMPs where a Consumer debt has been identified as Complex Debt;

(b) RMPs relating to Non-Domestic Premises;

(c) debt in relation to a Consumer account to which the applicable rate of VAT indicates that the Consumer is a Non-Domestic Consumer;

(d) RMPs where the debt is not being recovered via a Prepayment Meter; and

(e) assignment of estimated debt values below £20 or above £500 (inclusive of VAT).

1.6 Notwithstanding paragraph 1.5, nothing in this Schedule shall preclude Energy Suppliers agreeing bilaterally to an assignment of:

(a) Complex Debt; or

(b) debt outside the thresholds defined in paragraph 1.4(e).

1.7 Where Energy Suppliers agree bilaterally to assign debt as described in paragraph 1.6, they shall use the process set out under this Schedule.

1.8 Energy Suppliers shall ensure that:

(a) the provisions of the relevant Data Protection Legislation are satisfied;

(b) the VAT requirements in respect of bad debt relief are satisfied;

(c) all rejected data flows are monitored and appropriate actions taken in accordance with this Schedule and the Technical Specification;

(d) all reasonable steps are taken to ensure that the Consumer does not see any undue interruption or disruption to their repayment; and

(e) they comply with the obligations to communicate with Consumers, as set out in this Schedule.

1.9 Where the Losing Supplier identifies that the debt is Complex Debt, the Losing Supplier shall keep a record of the reasons why a debt assignment request has been refused on the grounds of Complex Debt to support any follow-up action by the Consumer.

1.10 Each debt assignment made under this Schedule shall have effect from the time that the Losing Supplier issues the 'Confirmation of Debt Assigned' data flow to the Gaining Supplier, accepting the 'Confirmation of Debt Assigned' data flow sent by the Gaining Supplier. The issuing of this data flow by the Losing Supplier accepting the Gaining Supplier's data flow has the effect of transferring the debt from the Losing Supplier to the Gaining Supplier (so that the Consumer no longer owes the Total Debt Outstanding to the Losing Supplier, and instead owes it to the Gaining Supplier).

1.11 Following each debt assignment under this Schedule, the Gaining Supplier shall pay the Factored Total Payment to the Losing Supplier in accordance with this Schedule.

1.12 Where a Losing Supplier does not pay the Factored Total Payment in accordance with this Schedule, the Losing Supplier may charge interest at LIBOR (for one-month GBP) plus two percentage points (without prejudice to other rights and remedies under this Code).

2 Initiation of the Process

Ref	When	Action	From	To	Information Required	Method
2.1	At the Point of Acquisition.	Provide DAP Privacy Notice to the Consumer, and inform the Consumer: • that initiating the DAP is not a guarantee that debt assignment will be agreed; and • that debt assignment requires the exchange of account information, including debt information, between the Energy Suppliers concerned.	• Gaining Supplier	• Consumer	As per 'Action' column.	Not Defined
2.2	Where the Losing Supplier has raised an Objection in accordance with the Registration Services Schedule.	Provide a DAP Privacy Notice to the Consumer where this has not previously been provided, and inform the Consumer: • of the reason(s) for such Objection; • that the Consumer may apply for the assignment of outstanding debt (including in respect of Green Deal Charges) to the Gaining Supplier to prevent future Objections; and • that the DAP will progress if this has been agreed with the Gaining Supplier.	• Losing Supplier	• Consumer	As per 'Action' column.	Not Defined

2.3	Within 4 Working Days after receipt of the notice of Objection from the CSS Provider.	Issue a request for debt information.	• Gaining Supplier	• Losing Supplier	Request for Debt Information Data Flow	DTN
2.4	Within 4 Working Days after receipt of a request for debt information under paragraph 2.3 (or paragraph 2.5).	Validate the request for debt information data flow, and either (as applicable) reject the request or progress to paragraph 3.1.	• Losing Supplier	• Gaining Supplier	Reject using the Request for Debt Information Data Flow	DTN
2.5	Within 3 Working Days after receipt of any request rejection as described in paragraph 2.4.	Send corrected request for debt information.	• Gaining Supplier	• Losing Supplier	Request for Debt Information Data Flow	DTN

3 Provision of Debt Information

Ref	When	Action	From	To	Information Required	Method
3.1	Within 4 Working Days after receipt of a request for debt information under paragraph 2.3 (or paragraph 2.5) and where the request was not rejected under paragraph 2.4.	Send debt information, including estimate of likely Total Outstanding Debt.	• Losing Supplier	• Gaining Supplier	Debt Information Data Flow	DTN
3.2	Within 3 Working Days after receipt of debt information as described in	Validate the debt information data flow, and either (as applicable) reject the flow or progress to paragraph 4.1.	• Gaining Supplier	• Losing Supplier	Reject using the Debt Information Data Flow	DTN

	paragraph 3.1 (or paragraph 3.3).					
3.3	Within 3 Working Days after receipt of any debt information rejection as described in paragraph 3.2.	Send corrected debt information.	• Losing Supplier	• Gaining Supplier	Debt Information Data Flow	DTN

4 Confirmation of Debt Assignment Progression

Ref	When	Action	From	To	Information Required	Method
4.1	Where this paragraph applies in accordance with paragraph 3.2.	Review the information regarding the outstanding debt provided by the Losing Supplier and determine whether to progress with debt assignment under this Schedule.	• Gaining Supplier		Internal Process	N/A
4.2	Following paragraph 4.1, where the Gaining Supplier declines to undertake debt assignment.	Inform the Consumer that the Switch will not take place[1].	• Gaining Supplier	• Consumer	Reason for not progressing the Switch	Not Defined
4.3	Within 5 Working Days of paragraph 4.1 applying, where the Gaining Supplier decides to progress	Provide confirmation of the debt to be transferred.	• Gaining Supplier	• Losing Supplier	Confirmation of Customer Debt Transfer Data Flow	DTN

[1] The Gaining Supplier is not required to send a response to the debt information data flow to the Losing Supplier if it decides not to progress with the Switch. Where a response is not received by the Losing Supplier within 5 Working Days after paragraph 4.1 applying, the debt assignment process will end.

	with the debt assignment.					
4.4	Within 4 Working Days of receiving the debt confirmation data flow under paragraph 4.3 or 4.5.	Validate the debt confirmation data flow, and either (as applicable) reject the flow or progress to paragraph 5.1.	• Losing Supplier	• Gaining Supplier	Reject using the Confirmation of Customer Debt Transfer Data Flow.	DTN
4.5	Within 3 Working Days of receipt of any debt confirmation rejection as described in paragraph 4.4.	Send corrected debt confirmation.	• Gaining Supplier	• Losing Supplier	Confirmation of Customer Debt Transfer Data Flow	DTN

5 Re-Submission of Switch Request

Ref	When	Action	From	To	Information Required	Method
5.1	Where this paragraph applies in accordance with paragraph 4.4.	Provide Earliest Switch Request Re-submission Date.	• Gaining Supplier	• Losing Supplier	Confirmation of Customer Debt Transfer Data Flow	DTN
5.2	On, or no later than 2 Working Days after, the Earliest Switching Request Re-submission Date specified in accordance with paragraph 5.1.	Issue new Switch Request.	• Gaining Supplier	• CSS Provider	RegMgmtRequestSubmissi on – Variant – 'Switch Request'	Switching Network
5.3	If Switch Request is accepted and an Invitation to Intervene	Do not raise an Objection in respect of the Switch Request.	• Losing Supplier		Internal Process	N/A

	sent to the Losing Supplier.					
5.4	If Switch Request is rejected	Take reasonable steps to resolve the rejection and re-submit the Switch Request by no later than 2 Working Days after the Earliest Switch Request Re-submission Date[2].	• Gaining Supplier	• CSS Provider	RegMgmtRequestSubmissi on – Variant – 'Switch Request'	Switching Network
5.5	If Switch Request rejection cannot be resolved as described in paragraph 5.4.	Issue notification that switch cannot be completed.	• Gaining Supplier	• Losing Supplier • Consumer	Reason for not progressing Switch	Not Defined

6 Transfer of Debt

Ref	When	Action	From	To	Information Required	Method
6.1	On receipt of the [Notice of CoS Readings and U04][3]	Calculate and send notification of Total Debt Outstanding.	• Gaining Supplier	• Losing Supplier	Confirmation of Debt Assigned Data Flow	DTN
6.2	Within 3 Working Days after receipt of the confirmation of debt assigned data flow, as described in paragraph 6.1 (or paragraph 6.3).	Validate the confirmation of debt assigned data flow, and either (as applicable) reject the flow or progress to paragraph 6.4.	• Losing Supplier	• Gaining Supplier	Reject using the Confirmation of Debt Assigned Data Flow.	DTN

[2] The Losing Supplier and Gaining Supplier may agree to extend the re-submission timescale bilaterally.
[3] Flow names to be confirmed.

6.3	Within 3 Working Days after receipt of any confirmation of debt assigned rejection as described in paragraph 6.2.	Send corrected confirmation of debt assigned data flow.	• Gaining Supplier	• Losing Supplier	Confirmation of Debt Assigned Data Flow	DTN
6.4	Within 3 Working Days after receipt of the confirmation of debt assigned data flow, as described in paragraph 6.1 (or paragraph 6.3), and where it has not been rejected as described in paragraph 6.2.	Issue acceptance of the confirmation of debt assigned data flow, which has the effect of transferring the debt from the Losing Supplier to the Gaining Supplier.	• Losing Supplier	• Gaining Supplier	Confirmation of Debt Assigned Data Flow	DTN

7 Payment of Factored Total Payment

Ref	When	Action	From	To	Information Required	Method
7.1	Following acceptance of confirmation of debt assigned data flow as described in paragraph 6.4.	Calculate Factored Total Payment based on the Total Debt Outstanding.	• Losing Supplier		Internal Process	Not Specified
7.2	On or after the 12th Working Day of each month, [but no earlier than a period of at least 10 Working Days has elapsed since the issue of any given	Issue consolidated invoice for all RMPs for which the Losing Supplier issued a confirmation of debt assigned data flow as described in paragraph 6.4 during the previous month.	• Losing Supplier	• Gaining Supplier	Consolidated invoice and supporting electronic spreadsheet or CSV file in the format set out in Appendix B	Secure encrypted means

	assigned debt data flow as described in paragraph 6.4.]					
7.3	Within 5 Working Days following receipt of consolidated invoice as described in paragraph 7.2.	Validate invoice and make payment or raise a query / dispute.	• Gaining Supplier	• Losing Supplier		Not Defined

8 Escalation Procedure

8.1 Where an Energy Supplier identifies a need to resolve any issues with another Energy Supplier related to the process described in this Schedule (other than invoicing or payment queries), the Energy Supplier raising the issue may notify the issue to the other Energy Supplier, and may subsequently escalate the issue, in accordance with the timescales and responsibility levels outlined in Table 1 below:

Process	**Timescale**	**Responsibility Level of Contact(s)**
Raise initial dispute	Day 0	Operational Staff
Initial follow up	Day +5	Supervisor/Manager of Operational Staff
Second follow up	Day +10	Nominated Debt Assignment Handling Contact
Final follow up	Day +15	Contract Manager

Table 1: General escalation procedure

8.2 Where an Energy Supplier identifies a need to resolve any invoicing or payment queries with another Energy Supplier related to the process described in this Schedule, the Energy Supplier raising the issue may notify the issue to the other Energy Supplier, and may subsequently escalate the issue, in accordance with the timescales and responsibility levels outlined in Table 2 below:

Process	Timescale	Responsibility Level of Contact(s)
Raise initial dispute	Day 0	Invoicing Staff
Final follow up	Day +15	Contract Manager

Table 2: Invoicing escalation procedure

8.3 Each Energy Supplier shall ensure that a response is sent to the 'Final follow up' escalation within 10 Working Days of receipt of 'Final follow up' (whether under Table 1 or Table 2).

8.4 Each Energy Supplier shall provide to the Code Manager contact details (name, email address and phone number) for each of the escalation levels provided for in Table 1 and Table 2. These contact details will be made available to all the Energy Suppliers via the Website.

Appendix A – Process Flow Chart

[To be developed post consultation]

Appendix B – Format of Spreadsheet to Support Invoicing

DAP Invoice Reference	Invoice Month/Year	Supplier Name (who is being invoiced)						
XXXXXX	XX/XXXX	XXXXXX						
	MPAN/MPRN	Customer Name	Total Debt Outstanding (£)	VAT element (£)	Total amount excluding VAT (£)	90% of excluded VAT element (£)	Factored Total Payment (90% of excluding VAT total plus VAT) (£)	Factored Total Payment entered manually (£)
Example:	1234567890	Mr John Smith	£ 20.00	£ 0.95	£ 19.05	£ 17.14	£ 18.10	
	Totals			£ 0.95	£ 19.05	£ 17.14	£ 18.10	