

SWITCHING PROGRAMME – DESIGN AUTHORITY PAPER

Title of Paper	Dual Fuel Switch	
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Issue

Currently the electricity and gas registration systems operate independently. When a customer signs a dual fuel contract with a supplier, the supplier manages the switching transactions as two discrete activities. The issue addressed by this paper is whether the new Centralised Registration System (CRS) should offer suppliers the facility to link these dual fuel switches into a single switching transaction. This picks up on the harmonisation theme that was set out in ToM v2.

Current arrangements

When a customer signs a dual fuel contract the supplier submits registration requests to the separate registration systems operated by Xoserve (for gas) and a DNO (for electricity). In successful cases, the two switching transactions proceed independently and result in both switches completing within 2-3 weeks (although not necessarily on the same day). However problems may be encountered with one or both switches as follows:

- Problem detected by the supplier: for example, the MPRN and MPAN submitted by the customer do not appear to relate to the same address
- Problem detected by the registration system: for example, the address supplied on a gas registration request does not match that held by Xoserve
- Objection raised by the incumbent supplier

Resolution of these problems often requires communication with the customer and/or the incumbent supplier. This intervention can result in one of the switch transactions happening a few days or sometimes a few weeks after the other. In exceptional cases (e.g. green deal customer ‘won’ by a supplier not licensed to supply them) one switch cannot proceed. In these cases the customer may choose to continue with only one leg of the dual fuel contract being switched or the leg that transferred successfully may have to be ‘backed out’ via an Erroneous Transfer.

In cases where one leg of a dual fuel switch is held up but the other proceeds smoothly, suppliers have confirmed that the customer benefits from the dual fuel tariff from the time that the first leg of

the switch is completed. There is no evidence of customers being placed on a less advantageous tariff for one fuel while waiting for the second switch to be completed.

Options

By covering both electricity and gas registration, the introduction of CRS offers the opportunity to coordinate the progress of dual fuel switch transactions. It would be possible to arrange for dual fuel switches to proceed only if both parts are valid: this is referred to as a 'one fail / all fail' facility (i.e. if a problem is encountered with the gas transaction the electricity switch would be rejected until the gas problem had been resolved, or vice versa).

Discussion with the User Group and EDAG has focused on whether the reliability of dual fuel switching would be enhanced by providing this 'one fail / all fail' facility. Alternatively the two registration requests would continue to be processed independently, as today.

It should be noted that customer interactions will be with suppliers or their agents (e.g. third party intermediaries) and that customers will not interact directly with the CRS. Accordingly even if the 'one fail / all fail' facility is offered by CRS, customers will only be offered this choice if their prospective supplier chooses to present it to them.

Conclusions and Recommendation

The 'one fail / all fail' option has the attraction of ensuring that dual fuel switches are synchronised. Given increased visibility of the switch taking place (via smart meters) and a much shorter timescale ('next day') this could reduce uncertainty in customers' minds and the volume of enquiries to suppliers.

However at the User Group meeting suppliers voiced the opinion that a 'one fail / all fail' facility would not be used. They would not wish the successful leg of the dual fuel switch to be held back by problems encountered in the other.

By the time of the EDAG meeting, suppliers had reflected on this position and concluded that there would be merit in including the 'one fail / all fail' facility, confirming that some customers would welcome the certainty of both switches happening on a single date: this 'ticks' two of our design principles, namely reliability for customers and switching experience. Accordingly EDAG's position was that suppliers – potentially acting on the customer's instruction – should be able to select for each dual fuel switch whether the requests be processed independently by CRS or as 'one fail / all fail'.

The 'one fail / all fail' facility is more complex than processing registration requests independently and might be seen to introduce incremental cost. However CRS will require this functionality to handle 'related MPANs' (as defined in the MRA)¹. Therefore the incremental cost of providing this option for dual fuel switches is expected to be immaterial.

¹ Related MPANs generally relate to twin element meters, such those used for Economy 7 tariffs.

The Design Authority is invited to authorise the inclusion in CRS of a 'one fail / all fail' facility for dual fuel switches: independent processing of dual fuel registration requests will also be permitted.

DA Decision Log

Date of DA Meeting	30 March 2016
Decisions (from Ofgem website)	Approved as baseline. The Design Authority unanimously approved the inclusion in the Central Registration Service (CRS) of a 'one fail/all fail' facility for dual fuel switches. Independent processing of dual fuel registration requests will also be permitted
Notes	