

Decision

Supplier Guaranteed Standards of Performance for Switching: Decision on introduction of further Guaranteed Standards and Automatic Compensation

Publication date: 12 February 2020

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This paper sets out our decision on the three remaining switching related Supplier Guaranteed Standards of Performance from our September 2019 consultation. These revised Guaranteed Standards will ensure that suppliers provide compensation when domestic customer switches are delayed, when customers are erroneously switched, or when the issuance of final bills is delayed. This paper also contains the text of a final Statutory Instrument to implement these Guaranteed Standards.

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Executive summary

Guaranteed Standards of Performance for Switching: Implementation of Second Phase

Rationale for intervention

Ofgem is working hard to ensure that the retail energy market works better for consumers. Improving consumers' experience of switching, through the Faster and More Reliable Switching programme and other work, is an important pillar of this work to improve consumer engagement. Whilst switching levels continue to increase, poor outcomes experienced whilst switching can act as a barrier to engagement for consumers.

In 2019 we introduced new Guaranteed Standards of Performance for Switching to address some of the most common of these poor outcomes experienced in the switching process. Failure by suppliers to meet these Guaranteed Standards would result in suppliers being required to make an automatic compensation payment to the customers concerned.

In February 2019 we introduced the first tranche of Guaranteed Standards, meaning that from May 2019 onwards, suppliers would have to pay compensation if they fail to meet minimum standards for the identification, notification to customers, and rectification of Erroneous Switches, and the refund of credit balances to customers. At the same time, we commenced engagement with industry colleagues on a second tranche of Guaranteed Standards, relating to delayed switches, responsibility for (rather than resolution of) erroneous switches, and failure to issue a final bill on a timely basis. We have worked with industry colleagues and consumer advocates to produce Guaranteed Standards with an allocation of compensation that best reflects the responsibility for these sources of detriment.

The new Guaranteed Standards of Performance

We consulted on this second tranche of Guaranteed Standards in September 2019. Following consideration of stakeholder responses, we intend to proceed to implement the three remaining Guaranteed Standards. These are:

- The customer will receive a £30 standard payment from the gaining supplier if they fail to ensure that a switch is completed within 15 working days from the date they (the new supplier) receives sufficient information to ensure that a contract has been entered into by the Customer and to identify the relevant meter point or meter points to which the supplier transfer request relates;

- The customer will receive a £30 standard payment from the gaining supplier if they are erroneously transferred (even if the supplier restores the customer’s supply as required by the first tranche of Guaranteed Standards); and
- The customer will receive a £30 standard payment from the losing supplier if they fail to issue a final bill within six weeks of a switch.

Next steps

This paper forms our final decision on this second phase of Guaranteed Standards, and includes a final Statutory Instrument intended to implement them. This Statutory Instrument will now be scrutinised by the Joint Committee of Statutory Instruments in Parliament for 21 days. Suppliers will have a two-month period from the date of this publication to implement the new Guaranteed Standards, and will be required to make compensation payments if they breach the terms of the relevant Guaranteed Standards for switches initiated or final bills issued after the 1st day of May 2020.

This decision marks the final stage in our work to implement these Guaranteed Standards, although we will continue to monitor their performance and may make changes as appropriate (for example to align the Guaranteed Standards with the evolution of licence conditions). We will also continue to work closely with industry to target the root causes of switching problems and to make the retail market work better for consumers.

1. Introduction

Context and related publications

1.1. Ofgem regulates the gas and electricity markets in Great Britain. Our principal objective is to protect the interests of current and future gas and electricity consumers.

1.2. We are leading various initiatives to encourage and improve consumer engagement with the retail energy market. These include the implementation of new arrangements enabling faster and more reliable switching, the rollout of smart meters, and reform of electricity settlement arrangements.

1.3. In addition to making switching faster and more reliable, in 2017 we announced our intention to introduce new supplier Guaranteed Standards of Performance ('Guaranteed Standards') relating to customers' experience of switching.¹ Guaranteed Standards create a mechanism where customers receive automatic redress if suppliers' service levels fall below our expectations. This reflects one of the key priorities of our Forward Work Plan, to enable a better functioning retail market.²

1.4. On 12 June 2018 we published a consultation on introducing Supplier Guaranteed Standards of Performance for switching compensation (the 'June 2018 consultation').³ We proposed to introduce six new Guaranteed Standards to provide automatic compensation for consumers who suffer detriment when a change of energy supplier goes wrong.

1.5. On 23 November 2018 we published a decision and draft SI to implement four new Guaranteed Standards addressing the treatment of consumers who suffer an erroneous switch and the return of credit balances after the issuance of a final bill (the 'November 2018 decision').⁴ This was followed by a final SI after a statutory consultation (the 'February 2019 decision').⁵ These Guaranteed Standards became effective on 1st May 2019.

1.6. On 20 September 2019, we published a consultation on implementing the three remaining Guaranteed Standards (covering responsibility for delays to switches, delays to the issuance of final bills, and responsibility for causing (rather than resolving) erroneous

¹ 'Open letter: creating incentives for suppliers to improve switching performance' at <https://www.ofgem.gov.uk/publications-and-updates/open-letter-creating-incentives-suppliers-improve-switching-performance>

² Ofgem's Forward Work Plan for 2018/19 can be found at <https://www.ofgem.gov.uk/about-us/corporate-policy-planning-and-reporting/corporate-strategy-and-planning>.

³ 'Supplier Guaranteed Standards of Performance: Consultation on Switching Compensation' at <https://www.ofgem.gov.uk/publications-and-updates/supplier-guaranteed-standards-performance-consultation-switching-compensation>, 12 June 2018

⁴ 'Supplier Guaranteed Standards of Performance: Decision on Switching Compensation', <https://www.ofgem.gov.uk/publications-and-updates/supplier-guaranteed-standards-performance-decision-switching-compensation>

⁵ 'Supplier Guaranteed Standards of Performance for Switching - Final Decision and Statutory Instrument', at <https://www.ofgem.gov.uk/publications-and-updates/supplier-guaranteed-standards-performance-switching-final-decision-and-statutory-instrument>

switches (the 'September 2019 consultation').⁶ This consultation contained a draft Statutory Instrument intended to implement these measures.

Our decision making process

1.7. Alongside our September 2019 consultation, we published a document updating our assessment of the impact of our proposals.

1.8. We received 15 responses to the September 2019 consultation. These responses came from energy suppliers, consumer organisations, and industry bodies.

This document

1.9. In the next section of this document we outline our intended way forward to implement the remaining Guaranteed Standards. In the following section we outline these next steps in more detail and explain our justification for this approach. Appendix 1 provides a summary of the responses that we received to the questions included in the consultation and our response to them. A final Statutory Instrument is included in Appendix 2.

Your feedback

General feedback

1.10. We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this document. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned recommendations?
6. Any further comments?

Please send any general feedback comments to SwitchingCompensation@ofgem.gov.uk.

⁶ 'Supplier Guaranteed Standards of Performance for Switching: Consultation on Introduction of Further Guaranteed Standards and Automatic Compensation', at <https://www.ofgem.gov.uk/publications-and-updates/supplier-guaranteed-standards-performance-switching-consultation-introduction-further-guaranteed-standards-and-automatic-compensation>

2. Ofgem’s decision to implement the second phase of Guaranteed Standards

Section summary

This section indicates our intention to implement the second phase of Guaranteed Standards, and confirms that the Statutory Instrument as consulted upon in our September 2019 consultation has been revised and made.

This document

2.1. On 20 September 2019, we issued a consultation on the policy elements of our proposed second phase of Supplier Guaranteed Standards of Performance, alongside a statutory consultation on a draft Statutory Instrument intended to implement those Guaranteed Standards. This statutory consultation closed on 9 November 2019. This is our final decision on that consultation.

2.2. The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2020 (the Regulations) have been made by the Authority and received Ministerial consent. The updated Regulations will be published on www.legislation.gov.uk.

2.3. Suppliers will be required to make payments for breaches of these new Guaranteed Standards (in addition to the existing Guaranteed Standards as implemented in 2019) starting from 1st May 2020. We are publishing this decision now to maximise the time that suppliers are able to use to make appropriate changes to their systems, and to ensure that stakeholders are informed at the earliest opportunity.

2.4. We have considered the consultation responses that we have received, and whilst we have not made any fundamental changes to the Guaranteed Standards as proposed in the draft Statutory Instrument, we have changed the drafting of some of the exemptions and exclusions for the purposes of improving clarity and to ensure that the drafting better reflects the original policy intent.

2.5. These changes are explained in the next section of this document.

3. Changes and clarifications from the September 2019 consultation

Section summary

This section explains how we have developed the Guaranteed Standards and wording of the Statutory Instrument as a result of our policy and statutory consultations respectively. A detailed summary of responses to consultation questions can be found in Appendix 1.

The second phase of Guaranteed Standards

3.1. In our September 2019 consultation, we proposed three new Guaranteed Standards, revised from those initially consulted upon in the June 2018 consultation. These are shown in Table 1 below.

Table 1: Proposed Guaranteed Standards from the September 2019 Consultation

Lifecycle stage	Proposed new performance standard	Who makes payment?	Payment amount
Delayed switches	A To ensure a switch is completed within 21 calendar days from the date the new supplier receives sufficient information to ensure that a contract has been entered into by the consumer and to identify the relevant meter point or meter points to which the supplier transfer request relates, unless there are valid reasons for delay to switch.	Gaining supplier	£30
Erroneous transfers	C To ensure a consumer is not erroneously transferred.	Gaining supplier	£30
Final bill	E To issue final bills within six weeks of a switch.	Losing supplier	£30

3.2. We have made minor changes to the wording of Guaranteed Standard A based on the responses to our September 2019 consultation. In addition, we have added some further clarificatory text in the Statutory Instrument. However, the proposed Guaranteed Standards are substantively unchanged.

Regulation 6ZA/Guaranteed Standard A: Delayed switches

3.3. We have made some changes to our proposed Guaranteed Standard A (the new Regulation 6ZA) from the September 2019 consultation, to capture the effect of multiple bank holidays within a period for completing a switch, and to ensure that a gaining supplier is not unduly penalised where a switch has been processed using the Debt Assignment Protocol (DAP).

3.4. Respondents broadly agreed with our proposition that gaining suppliers only should be responsible for making a compensation payment in the event of a switch delayed beyond 21 calendar days, and that this period should be calculated from the point that the supplier has received sufficient information to ensure that a contract has been entered into by the customer at the specified meter point. We feel that this offers an appropriate timeframe for suppliers to complete a customer’s switch, without penalising those suppliers who need to conduct additional verification to ensure that they are switching the correct meter point with a valid customer contract.

3.5. However, a number of respondents indicated that the occurrence of numerous bank holidays within a 21 day period could make it difficult to complete a switch in time (for example around Easter and Christmas periods), and asked that bank holidays or non-working days should be excluded from the calculation of days for this measure. We have reflected this by amending the Guaranteed Standard so that a switch must be completed within 15 *working* days rather than 21 *calendar* days. Whilst this superficially creates a further measure in addition to those already in place to measure switch duration, the practical effect is that in any 21 calendar day period without bank holidays, the two measures will be the same.

3.6. One respondent requested further clarity on how the proposed new Guaranteed Standard A would interact with Faster Switching requirements. We recognise that the introduction of Faster and More Reliable Switching in mid-2021 will make a 15 working day requirement for switching compensation largely obsolete. We will review this Guaranteed Standard closer to that time and will propose changes to the underlying legislation if we deem it to be necessary.

3.7. The revised Guaranteed Standard A is shown in Table 2 below.

Table 2: Revised Guaranteed Standard A (Regulation 6ZA) for implementation

Lifecycle stage	Proposed new performance standard	Who makes payment?	Payment amount
Delayed switches	A To ensure a switch is completed within 15 working days from the date the new supplier receives sufficient information to ensure that a contract has been entered into by the consumer and to identify the relevant meter point or meter points to which the supplier transfer request relates, unless there are valid reasons for delay to switch.	Gaining supplier	£30

Value of compensation payments

3.8. Some respondents to the September 2019 consultation questioned whether a standard compensation payment of £30 is appropriate for all delayed switches.

3.9. One respondent asked whether all delayed switches genuinely warranted a compensation payment of £30, arguing that a more appropriate recompense for detriment would be something closer to the voluntary commitment of £5 a day used in the telecommunications sector. However, another respondent noted that the decision to make

only the gaining supplier responsible for a compensation payment meant that consumers would receive less compensation.

3.10. We consider that the existing standard compensation payment of £30 is an appropriate level of compensation for a breach of this Guaranteed Standard. Even where the perceived detriment is relatively low (for example a delay to a switch of a day or so), this still creates inconvenience, and the act of rectifying the detriment (for example by contacting the supplier to establish the switch’s progress) comes at a cost of time and effort to the consumer. A single standard payment has the benefit of offering a consistent level of compensation which is easily understood by all consumers, which therefore provides greater reassurance to consumers.

3.11. In our 2018 Request for Information we asked suppliers to indicate whether they offered compensation on a voluntary basis when consumers suffered detriment. Whilst we received a relatively small number of responses, those that we did receive indicated that where compensation was awarded on an *ex gratia* basis, this is typically between £20 and £50, which is consistent with our proposed single standard payment of £30. For this reason we do not propose to make changes to the standard payment offered under this Guaranteed Standard.

The Debt Assignment Protocol

3.12. In our consultation, we noted that our view was that suppliers implementing the Debt Assignment Protocol (DAP) should make compensation payments if they fail to complete a switch within 21 days.

3.13. Whilst all respondents to the consultation who expressed an opinion on this matter agreed that the DAP should not necessarily be an impediment to completing a switch within 21 days, some of these respondents argued that this requirement should be timed from the date that the gaining supplier agrees to take on the consumer’s debt under the terms of the Debt Assignment Protocol. One respondent noted that the decision by a gaining supplier to accept or reject a DAP could take up to 17 working days.

3.14. The procedure for suppliers to undertake the DAP is currently set out in the agreed procedures for SPAA and MRA. Table 3 shows the activity that is required under both codes (assuming a ‘happy path’ and that none of the initial flows sent by either supplier is incorrectly populated).

Table 3: The Debt Assignment Protocol process⁷

⁷ Information in this table is taken from the relevant sections of the Supply Point Administration Agreement and Master Registration Agreement, as extracted on 20 December 2019. ⁷ See “Schedule 9 Supply Point Administration Agreement Assignment of Debt in Relation to Prepayment Meters Agreed Procedure” at <https://www.spaa.co.uk/spaa-products/> and “MAP13 v2.0 - Procedure for the Assignment of Debt in Relation to Prepayment Meters”, at <https://www.mrasco.com/mra-products/mra-agreed-procedures/>.

Required activity under codes		Maximum time allowed under codes
0	The consumer approaches the gaining supplier to switch. The gaining supplier provides details of its terms, and the terms of DAP.	Process start
1	The losing (old) supplier sends an objection notification to MPAS (Electricity) or CDSP (Gas).	
2	Upon receipt of notification of the objection, the gaining (new) supplier requests consumer debt information from the losing (old) supplier using the G0806 data flow (gas) and/or the D0306 data flow (electricity).	4 working days (WDs)
3	Upon receipt of the request via the G0806 and/or the D0306 data flow, the losing supplier validates the data flow(s) and sends the appropriate information to the gaining supplier using the G0807 data flow (gas) and/or the D0307 data flow (electricity), or sends a G0806 data flow (gas) and/or the D0306 data flow (electricity) to the new supplier rejecting the original flow with the appropriate reason for rejection.	4 WDs
3a	If the G0806 and/or the D0306 data flow in (3) is rejected by the losing supplier, the gaining supplier will either send a corrected G0806 and/or the D0306 data flow or end the DAP process. Under the DAP process, the gaining supplier has a maximum of an additional three working days for the gaining supplier to receive the rejection request, upon which the process in (2) is restarted, adding an additional 8 working days.	3 WDs for receipt of rejection reason, plus 8 WDs to repeat steps 2 and 3.
4	Upon receipt of the debt information via the G0807 and/or the D0307 data flow in 3), the new supplier validates the data flow(s) and either: i) Rejects the inbound data flow, and sends an G0807 and/or the D0307 data flow to the losing supplier with a reason for rejection; or ii) Decides whether to proceed with the debt assignment. If it decides not to proceed, it should inform the consumer of the decision.	4WDs
4a	If the G0807 and/or the D0307 data flow in (4) is rejected by the gaining supplier with an appropriate rejection reason, the losing supplier will send a corrected G0807 and/or the D0307 data flow within a maximum of an additional three working days.	3WDs
5	Upon deciding to proceed, the new supplier shall send an appropriate confirmation flow (G0808 data flow (gas) and/or the D0308 data flow (electricity)) indicating acceptance to the old supplier.	5 WDs

3.15. The processes as set out above are established and regulated by industry codes and may be subject to change. If one of the initial flows provided by a supplier is rejected or incorrectly populated, this time may be extended according to the operation of either code. Based on the above, if the initial request for debt information is correctly populated by the gaining supplier and both suppliers follow the process without input error, the DAP process should take a maximum of 17 working days.

3.16. We consider that the use of a prepayment meter should not be an impediment to switching, and that the DAP is an important tool to support switching by consumers on these meters. We continue to believe that completion of a switch using the DAP should happen on a timely basis, and that where a switch is delayed consumers should be eligible to receive compensation.

3.17. However, as set out above, use of the DAP does create another process for gaining and losing suppliers to undertake within the existing window for completing a switch. It is important that the Guaranteed Standards do not present a disincentive for suppliers to take on prepayment customers with outstanding debts using the DAP. For this reason, we have decided that whilst a switch completed under the DAP should not be excluded from the terms of Guaranteed Standard A, a gaining supplier who agrees to proceed with the switch under the DAP should have an appropriate interval to complete the switch before a compensation payment becomes due.

3.18. Some respondents argued that the start of the period required to complete a switch before a compensation payment is due should be calculated from the date that the gaining supplier agrees to take on the customer's debt under the DAP. We agree that this seems like the obvious point to 'start the clock' on a switch utilising the DAP. However, there will always be a risk that parties take longer than the maximum periods set out in the code to agree the use of the DAP, and we do not consider that would be an appropriate reason for a consumer not to be compensated for a delayed switch.

3.19. For this reason, and based on of the timescales set out in code for the agreement of the DAP process as set out above, we have amended the SI so that where a customer using a prepayment meter switches to a supplier under the DAP, a compensation payment will be due if the switch is not completed within a period of 15 working days following confirmation of debt assignment by the new (gaining) supplier, and not more than a total of 32 working days from the day of receipt by the new supplier of sufficient information to confirm the supplier transfer relates to the customer who requested it, and to identify the meter point or meter points to which the supplier transfer request relates.

3.20. This 32-working day requirement is calculated based on the 'happy path' as set out in the current iterations of the agreed procedures contained within the MRA and SPAA documents. We have used the happy path because the extended timeline arises only when the gaining supplier has failed to provide correct information to the losing supplier and it is therefore within the power of the gaining supplier to ensure that this is correct. If the losing supplier rejects these flows without good reason, or otherwise delays the DAP process, this should be dealt with through the normal code enforcement processes.

3.21. Suppliers should note that this does not represent, in effect, an aggregate of 32 working days to switch a customer with a prepayment meter. If the objection is withdrawn by the losing supplier at any point, or the customer makes a payment to eliminate any outstanding debt, the supplier will be required to complete the switch within 15 working days of the receipt of sufficient information to do so, as with any other switch, in order to avoid the requirement to pay compensation. Similarly, if the DAP process is completed in fewer than 17 working days, a compensation payment will be due from the gaining supplier if it fails to complete the switch within 15 working days of confirmation of the debt assignment. Gaining suppliers should be able to measure this second requirement from the date at which the appropriate confirmation flow was sent.

3.22. Use of the DAP should not act as a deterrent to both suppliers working together to ensure that a switch takes place in as timely a manner as is possible. We remind suppliers

of their obligations to ensure the fair treatment of customers contained within the relevant supply licences.

Regulation 6ZC/Guaranteed Standard C: Erroneous switches

3.23. We continue to believe that it is important that the Guaranteed Standards incentivise the prevention of erroneous switches in addition to providing a remedy when detriment has materialised. Guaranteed Standard A (the new Regulation 6ZA) is drafted in a way to ensure that suppliers who contact a customer in order to verify that the correct meter point is being switched and that a valid contract exists with the customer will not face an increased risk of incurring a compensation payment for a delayed switch.

3.24. We have not proposed any changes to the formulation of Guaranteed Standard C as set out in the September 2019 consultation. The gaining supplier will be required to make a compensation payment if both gaining and losing supplier agree that the customer has been erroneously switched. We would note that both suppliers should engage constructively to decide whether a customer has been erroneously switched and that a decision should be made in good faith.

3.25. We would note that this Guaranteed Standard is intended to apply only to erroneous switches. Some respondents noted that a supplier might be directed by industry codes to register an otherwise unregistered meter point, which may technically happen without a valid contract being in place between the supplier and customer. Such a registration would not constitute a supplier transfer and therefore would not constitute a breach of the Guaranteed Standard (and therefore no compensation would be due).

Regulation 6CA/Guaranteed Standard E: Delayed final bills

3.26. Similarly, we have not made any significant revision to the proposed Guaranteed Standard E (the new Regulation 6CA) relating to final bills. Whilst it is preferable that a final bill is issued based on actual meter data, we continue to believe that the losing supplier should have adequate opportunity in a six week period to either obtain actual readings from the customer or gaining supplier, or where this is not possible, to produce a reliable estimate based on historic data.

3.27. We would note that this Guaranteed Standard relates to all circumstances in which a final bill is issued, regardless of whether this is caused by a switch, change of tenancy, or some other circumstance which creates the termination of a customer's contract. However, we have amended the drafting of the SI to reflect that in some circumstances a supplier may be notified of a change of tenancy after the supply relationship with the customer has been terminated, as a result of this being raised in some consultation responses.

3.28. Some respondents noted the existing exemption under this Guaranteed Standards which exempts a supplier from making a compensation payment where "there is an ongoing formal dispute between the old supplier and the customer, regarding billing that customer".⁸ This exemption is intended to capture any genuine, formal dispute between the

⁸ See "Supplier Guaranteed Standards of Performance for Switching: Consultation on introduction of further Guaranteed Standards and Automatic Compensation", at

losing supplier and a customer (or party acting on behalf of the customer) preventing the issue of the final bill to the customer. This would encompass matters relating to (for example) the value of meter readings or previous payments to the customer which would mean the sum owed to the supplier by the customer (or vice versa) cannot be calculated. However, suppliers should not unduly delay resolution of these issues, and will be required to report enduring episodes of detriment to Ofgem (see below).

3.29. Guaranteed Standard E relates to the issue of a final bill, not its receipt by the customer. Where a bill is produced using (for example) a customer's online account where the customer logs in to the account to access the bill, the Guaranteed Standard is deemed to be met if the supplier produces the bill and makes it available to the customer within six weeks, regardless of when the bill is accessed by the customer. If the customer elects to receive the bill by email or post, the supplier is deemed to have met the Guaranteed Standard when the bill is sent.

Suppliers of Last Resort (SoLR)

3.30. Where a supplier has inherited a customer's supply from another supplier under a Supplier of Last Resort (SoLR) scheme, it is not obliged to make payments for Guaranteed Standards where these obligations have been incurred by the previous supplier. However, in normal circumstances, a supplier who failed to issue a final bill to a customer that they had inherited as a result of a SoLR process within six weeks would be required to make an automatic compensation payment, as the failure of the Guaranteed Standard has been incurred by the supplier who had gained the customer under the SoLR process themselves, rather than their predecessor supplier.

3.31. However, one respondent to the consultation noted that it can be difficult to obtain reliable customer usage data where a supplier has acquired that customer from another supplier that has gone out of business. This respondent suggested that a supplier who obtains a customer through a SoLR should be exempt from making a compensation payment under Guaranteed Standard E for a period of three months after the supplier obtained the customer through the SoLR process. We consider that this is a reasonable request and have changed the Statutory Instrument to reflect this.

Limitations on the requirements to make additional compensation payments

3.32. In our September 2019 consultation, we noted that the Statutory Instrument as drafted did not remove the limitation on the number of Additional Standard Payments that could be made for a single failure and asked for stakeholder views on this measure.⁹

3.33. Responses to this question in our September consultation were mixed. Whilst the majority of respondents agreed with our decision not to remove the limitation on Additional Standard Payments, responses from consumer representatives disagreed strongly, citing

https://www.ofgem.gov.uk/system/files/docs/2019/09/switching_gsop_phase_2_policy_consultation_september_2019_final_version_.pdf, p45.

⁹ "Supplier Guaranteed Standards of Performance for Switching: Consultation on introduction of further Guaranteed Standards and Automatic Compensation", at https://www.ofgem.gov.uk/system/files/docs/2019/09/switching_gsop_phase_2_policy_consultation_september_2019_final_version_.pdf, pp35-36

more evidence of enduring episodes of detriment. These respondents argued that to place a limit on the number of Additional Standard Payments would reduce the incentive upon suppliers to resolve these cases.

3.34. Enduring episodes of detriment are clearly a serious problem, particularly when this detriment relates to erroneous switches. In our September 2019 consultation, we noted that whilst our Request for Information had provided evidence of some ongoing episodes of detriment, the lack of contextual information about the causes of such enduring episodes makes it difficult to assess whether a requirement resulting in a potentially open-ended requirement for compensation is proportionate, particularly in cases where a supplier is genuinely engaged but which are particularly difficult to resolve.

3.35. For this reason, we have not changed our position from the September 2019 consultation, that we do not have sufficient evidence to implement a potentially open-ended requirement for compensation. With this in mind, we have sought to implement alternative means of highlighting those suppliers for whom enduring episodes of detriment are common, and resolving the underlying issues causing these areas of underperformance.

3.36. We will be actively collecting data on the time taken by suppliers to resolve issues, including the number of incidences of long-standing detriment. Suppliers should expect to be challenged if they do not resolve enduring issues of detriment on a timely basis. The additional data that we expect to collect is set out below. These data will be used along with data from other sources in order to decide whether further regulatory action against poor-performing suppliers is warranted.

3.37. It should be noted that the payment of a Guaranteed Standard does not remove the customer's ability to seek other sources of resolution, such as referral to the Ombudsman service following a complaint; in such circumstances, the Ombudsman may decide on a different level of redress for the customer than the automatic compensation received.

Record keeping requirements

3.38. In our November 2018 decision, we indicated that we would collect regular quarterly reports from suppliers to ensure that the Guaranteed Standards are being correctly applied. Suppliers are required to proactively identify where the Guaranteed Standards are breached, make payments to eligible consumers using an appropriate payment mechanism, and record when these payments are made. At the time of writing, we have collected two iterations of these reports. Observation of the initial returns and the level of engagement from suppliers in providing them suggests that suppliers are generally applying the Guaranteed Standards as intended.

3.39. We intend to extend this collection of reporting to this second tranche of Guaranteed Standards. This will be collected as a single quarterly report, at the same time as future iterations of the first tranche of Guaranteed Standards. We will collect the same data for the new Guaranteed Standards, starting in the second quarter of 2020. The data that will be collected is summarised below:

- the **number of Guaranteed Standard payments made by the supplier**, for each of the Guaranteed Standards, specifying where these payments are made as the 'old' or 'new' supplier or the supplier with whom initial contact is made in the case of a Guaranteed Standard relating to erroneous transfers, or the 'gaining' or 'losing' supplier in the case of other Guaranteed Standards;

- the **number of declined payments for exempted events**, where a Guaranteed Standard which would otherwise have been paid but where no payment has been made due to one of the exemption reasons as set out in the Regulations;
- the **number of payments made within 10 days** of a Guaranteed Standard falling due;
- the **number of additional standard payments made** as required under Regulation 8 of the Guaranteed Standards, where a further payment has become due, because of the failure of the supplier to make a standard payment on a timely basis;
- the number of **customer service returners** processed by the supplier as a gaining supplier (where the customer has returned to their original supplier from the reporting supplier, after exercising the right to cancel within a 14 day period) and as a losing supplier (where the customer has returned to the reporting supplier by exercising the right to cancel within a 14 day period, after switching away to another supplier); and
- the **total value** (in pounds sterling) of payments made under a particular standard.

3.40. As set out above (and in our September 2019 consultation), we intend to collect additional data relating to ongoing episodes of detriment and their duration. In the absence of an open-ended requirement for compensation payments for unresolved episodes of detriment, collection of these data are intended to identify if suppliers are systematically failing to resolve ongoing problems. We will use this information to determine what, if any, regulatory action would be appropriate.

3.41. Table 4 shows the additional data that we intend to collect in order to identify enduring episodes of detriment. It should be noted that instances of detriment which are covered by an exclusion or exemption should be included in the reporting below; for example, if a supplier is unable to issue a final bill because of an ongoing dispute with the customer regarding the value of the final bill, the supplier would be exempted from making a standard payment, but these cases should be included in the reporting as set out below.

Table 4: Proposed additional data to identify enduring episodes of detriment

Relevant Regulation	Data to be collected	Reported by
6ZA (Guaranteed Standard A)	The number of switch requests in which resolution happens after a set number of days beyond the date of the receipt of adequate information.	Gaining supplier
	The number of switch requests which remain unactioned or unresolved after a set number of days beyond the date of the receipt of adequate information.	Gaining supplier
6C (Guaranteed Standard A1)	The number of confirmed erroneous switches where a customer has not been returned to the correct supplier after a set number of days following agreement that an erroneous switch has taken place.	Erroneously losing supplier

6A (Guaranteed Standard D)	The number of erroneous switches which are unactioned or unresolved after a number of days following the date of notification to the supplier.	Both suppliers
6CA (Guaranteed Standard E)	The average time (in calendar days) taken by suppliers to issue a final bill after a switch.	Losing supplier
	The number of final bills which are not issued after a number of days following notification to the supplier of a switch, change of tenancy or termination of supply by other means.	Losing supplier
	The number of calendar days that have elapsed since the notification (of a switch, change of tenancy or termination of supply by other means) of the longest outstanding final bill which has not been issued on the last day of the last month of the relevant quarter.	Losing supplier
6D (Guaranteed Standard F)	The average time (in calendar days) taken by suppliers to repay credit balances following issue of a final bill.	Losing supplier
	The number of credit balances which are not returned after a number of days following issue of a final bill.	Losing supplier
	The number of calendar days that have elapsed since the issue of the relevant final bill relating to the longest outstanding credit balance which had not been repaid on the last day of the last month of the relevant quarter.	Losing supplier

Exemptions from the requirement to make payments under Guaranteed Standards

3.42. The purpose of these Guaranteed Standards is to incentivise better supplier behaviour. For this reason we have sought to apply exceptions and exemptions only where necessary, or for where a supplier has failed to meet a Guaranteed Standard for reasons which are genuinely outside its control and the supplier has exhausted all options available to it to meet the Guaranteed Standard.

3.43. We have considered the suggestions for exceptions and exemptions raised by respondents to our September 2019 consultation and have considered their appropriateness when drafting the revised Statutory Instrument in Appendix 2. We have not significantly extended the exceptions and exemptions as set out in the draft Statutory Instrument.

3.44. However, we consider that the existing general exemptions contained within the Regulations would cover most of the examples as set out within the consultation responses.

3.45. As mentioned in our November 2018 decision, there are a number of existing exemptions contained within the existing Guaranteed Standards, which we consider it appropriate to retain.¹⁰ These exemptions include:

- where there is a genuine dispute between the supplier and the customer as to whether the supplier is obliged to make the standard payment;
- where the customer notifies the supplier that the customer does not wish the supplier to take any action, or any further action, in relation to the matter;
- where the supplier reasonably considers that the following matters are frivolous or vexatious;
- where the customer has committed an offence under the terms of the Electricity or Gas Acts, or the customer has failed to pay charges due to the supplier; and
- where it is not practicable for the supplier to meet the standards of performance due to exceptional reasons beyond the supplier's control.

3.46. In the course of their business, suppliers may encounter situations where they feel that the payment of a Guaranteed Standard may not be warranted, but which are not explicitly covered by the existing exemptions. Where this is the case, suppliers should consider whether the exemption for 'exceptional reasons beyond the supplier's control' should apply. When making this assessment, suppliers should consider the requirement to treat customers fairly under Standard Licence Condition (SLC) 0 of the Gas and Electricity supply licences.

Implementation and go-live

3.47. After the publication of our February 2019 decision, suppliers were given two months to implement the first tranche of Guaranteed Standards following ministerial signature and the 21-day period in Joint Committee of Statutory Instruments. Suppliers were generally able to implement the Guaranteed Standards in this period, and have had several additional months to ready themselves for implementation of this second phase. For this reason, we consider that two months will be sufficient for suppliers to implement the second tranche of Guaranteed Standards. This two month period will commence following the Statutory Instrument being made and sent to the Joint Committee (subject to any changes proposed by the Joint Committee).

3.48. Based on this timetable, we expect that the three new Guaranteed Standards will become live on 1 May 2020. After this date, compensation payments will be required for:

- For Regulation 6ZA (Guaranteed Standard A), any switches which are initiated after 1 May 2020;
- For Regulation 6ZC (Guaranteed Standard C), any switch which is initiated after 1 May 2020 and which is subsequently reported as being erroneous;
- For Regulation 6CA (Guaranteed Standard E), a final bill which is issued where a supply is terminated after 1 May 2020.

¹⁰ See "The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015" at <http://www.legislation.gov.uk/uksi/2015/1544/regulation/9/made>

3.49. Compensation payments for the existing first phase of Guaranteed Standards (regulations 6A to 6D) should be paid as normal.

Application to microbusinesses and other non-domestic customers

3.50. Respondents from consumer organisations expressed some regret that we had not extended the new Guaranteed Standards to microbusinesses.

3.51. In our June 2018 consultation, we indicated that these new Guaranteed Standards should apply to domestic customers only, and our analysis was based on this case. We have not conducted analysis to indicate whether these Guaranteed Standards should be extended to microbusinesses. However, we remain open to this possibility in the future.

The Erroneous Transfer Performance Assurance Board (ET PAB)

3.52. We note the response to the September 2019 consultation from the MRA Service Company and SPAA limited, sent on behalf of the Erroneous Transfer Performance Assurance Board (ET PAB). Whilst the implementation of the new Guaranteed Standard C represents the final stage in this phase of work to create a compensation scheme to compensate consumers who are erroneously switched, our ultimate goal is to work with industry to produce an environment where the causes of erroneous switches are better understood and all stakeholders work together to reduce their incidence. The introduction of ET PAB is a positive step in this direction, and we look forward to seeing the outcome of their work in the coming months.

Secure Communications Portal for MRA and SPAA

3.53. We are aware of the proposed introduction of the Secure Communications Portal, which will replace email communications for certain SPAA and MRA procedures. This facility is being developed by Gemserv. Agreements to establish the Portal will be introduced from spring 2020.

3.54. Many of the processes required within switching – and those processes which require timely execution to avoid liability for compensation payments under these Guaranteed Standards – require timely bilateral communication between suppliers. For this reason we would encourage suppliers to engage with the development of this portal.

4. Conclusion and next steps

Section summary

This section sets out our next steps for implementation of this second phase of Guaranteed Standards.

Implementation of Guaranteed Standards

4.1. We consider that these new Guaranteed Standards will support the effective operation of the retail market by providing recompense to customers who suffer detriment as a result of poor supplier behaviour, will improve customers' confidence in the operation of the retail market, and will complement the existing Guaranteed Standards implemented as the first stage of this work.

Publication of Statutory Instrument

4.2. Appendix 2 contains the revised Statutory Instrument, which has been amended based on responses to our September 2019 consultation. This Statutory Instrument has now been made and forms our final decision on this second phase of Guaranteed Standards.

4.3. Suppliers will have a two-month period from the date of publication of this Decision to implement the Guaranteed Standards. The Statutory Instrument will be subjected to scrutiny by the Joint Committee on Statutory Instruments in Parliament for 21 days. Starting on 1st May 2020, suppliers will be required to comply with the Guaranteed Standards and to make compensation payments if they breach their terms.

4.4. This decision marks the final stage in our work to implement these Guaranteed Standards, although we will continue to monitor their performance and may make changes as appropriate (for example to align the Guaranteed Standards with the evolution of licence conditions). However, we will continue to work closely with industry to target the root causes of switching problems and to make the retail market work better for consumers.

Appendices

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Appendix 1: Responses to consultation questions

Summary of responses to the September 2019 Consultation

1.1. In this section we give a summary of responses received to the individual questions in the September 2019 consultation, and give Ofgem’s view on the issues raised by those responses.

1.2. In total, we received 15 responses from stakeholders. The majority of stakeholders who responded to the consultation were energy suppliers, including large and small suppliers. However, we also received responses from consumer groups, and industry bodies.

Response to consultation questions

1.3. Below we consider detailed responses to the individual questions asked in the Consultation.

Question 1: Do you agree with our assessment that the likely costs and logistical difficulties of implementing an allocation of compensation on a case-by-case basis would be likely to outweigh the benefits?

1.4. We received 13 responses that directly addressed this question.

1.5. All respondents who directly addressed this question either agreed with or offered qualified support for our assessment that allocating compensation on a case-by-case basis would be disproportionately complex or costly. Some of those who offered qualified support argued that, whilst a case-by-case allocation would be preferable, the technology does not exist at this stage to make it feasible.

1.6. Our response: We agree with respondents that allocation on a case-by-case basis is not proportionate at this stage. As a result, we have opted for a system which allocates all compensation for a particular Guaranteed Standard to either the gaining or losing supplier, regardless of the individual circumstances in which the breach was caused. Whilst we recognise that in a small minority of cases, this may mean that a gaining or losing supplier may be required to pay compensation where they may not be solely responsible for the

underlying source of detriment, we believe (based on analysis at the Working Group) that this is a sufficiently unusual event to mean that the cost of a system to remove such incidences would not be warranted. Therefore, we recognise that allocation to a gaining or losing supplier, whilst not ideal, is the most appropriate means of delivering compensation available to us. We will work with industry and forums such as the Erroneous Transfer Performance Assurance Board to further reduce such incidences.

Question 2: Do you agree that gaining suppliers only should bear responsibility for making compensation payments under Guaranteed Standard A?

1.7. We received 14 responses that directly addressed this question.

1.8. Most respondents agreed that gaining suppliers should bear responsibility for making compensation payments for delayed switches. One respondent noted that this would make the process simpler for consumers, in that they would only have to deal with (and to receive compensation from) one supplier.

1.9. One respondent note that that the revised Guaranteed Standard would result in less compensation being paid to consumers, as the Guaranteed Standard as consulted upon in the June 2018 consultation required both gaining and losing suppliers to make a payment. However, another respondent argued that “[the respondent] does not believe that a customer’s experience of a delayed switch would warrant compensation to the value of £30.” This respondent argued that the impact of a delayed switch was that the customer would not be switched onto their preferred (cheaper) tariff until a few days later, and that the detriment arising from such an event would equate to less than £30. This respondent argued that their own complaints data indicated that consumers were less likely to contact them regarding the speed of a switch than for other reasons such as erroneous transfers or agent interactions. The respondent considered that a more appropriate measure of detriment would be something similar to the voluntary commitment of £5 a day introduced by Ofcom in the telecommunications sector.

1.10. One respondent requested further clarity on how this Guaranteed Standard would interact with Faster Switching requirements.

1.11. Our response: We share the view of the majority of respondents that the most appropriate attribution of responsibility for compensation is for gaining suppliers only to make payment, and would note that this approach was developed with the assistance of the Working Group. Appendix 2 of the September 2019 consultation shows the reasons

suggested by this group that a switch may be delayed.¹¹ Whilst this analysis suggests that there are some fringe reasons that the activity of a losing supplier might result in a delay in the registration process, our view remains that these are not significant enough to warrant a more complex distribution of compensation. The view of most respondents would support this conclusion.

1.12. We continue to consider that the existing standard compensation payment of £30 is an appropriate level of compensation for a breach of this Guaranteed Standard. We consider that the detriment arising from a delayed switch is not limited to the cost of remaining on a more expensive tariff for a few days. A delay of even a few days is likely to produce uncertainty for the customer and may require multiple contacts with the supplier, creating an inconvenience which can be rectified at a cost of time and effort to the customer. We would note that data provided to our Request for Information which contributed to our Impact Assessment accompanying our November 2018 decision indicated that suppliers made *ex gratia* compensation payments of between £10 and £50 for episodes of detriment before an automatic compensation scheme was established, with one major supplier providing an *ex gratia* payment of £20 for customers whose switches were delayed.¹²

1.13. Setting compensation payments at a standard level also means that customers can be confident that they will receive the same compensation regardless of supplier. A single £30 compensation payment provides a strong incentive for suppliers to avoid delayed switches.

1.14. It remains our intention to move towards the implementation of next-working-day switching as part of the Faster and More Reliable Switching programme. When this programme is fully implemented, we would expect this Guaranteed Standard to be amended to reflect an appropriate compensation measure.

Question 3: Do you agree that measuring Guaranteed Standard A from the receipt of sufficient information to ensure that a contract has been entered into by the

¹¹ "Supplier Guaranteed Standards of Performance for Switching: Consultation on introduction of further Guaranteed Standards and Automatic Compensation", at https://www.ofgem.gov.uk/system/files/docs/2019/09/switching_gsop_phase_2_policy_consultation_september_2019_final_version_.pdf, p48

¹² "Impact Assessment: Supplier Guaranteed Standards of Performance for Switching", https://www.ofgem.gov.uk/system/files/docs/2018/11/impact_assessment.pdf, p4

customer and to identify the relevant meter points to which the switch relates allows enough opportunity for a gaining supplier to effectively validate the switch?

1.15. We received 10 responses that directly addressed this question.

1.16. One respondent noted that the proposed standard differed from other measures of switch completion, and particularly from that contained within the supplier licence.¹³ The respondent notes that using the definition in the supplier licence (21 calendar days from the ‘relevant date’) or that used by the Energy Switch Guarantee (21 days from the date that the new supplier receives a completed application).¹⁴ The respondent argues that the measure as proposed in the Guaranteed Standard will require a new approach to managing the switching window.

1.17. One respondent noted that there was likely to be a variation in how individual suppliers interpret what constitutes the receipt of sufficient information. The implications of this would be that consumers would potentially receive different outcomes depending on the policy of the supplier concerned.

1.18. Some respondents noted the role that price comparison websites (PCWs) have in providing customer data to suppliers. One respondent noted that PCWs are the single largest route to market for domestic customers, and that suppliers have relatively little opportunity to influence the data that is provided to them by PCWs about their consumers. The respondent suggested that Ofgem should include measures relating to the timely provision of consumer data in its Confidence Code.

¹³ See Standard Condition 14A.1 of Standard conditions of electricity supply licence, at https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf?utm_source=ofgem&utm_medium=&utm_term=&utm_content=licencecondition&utm_campaign=epr, and Standard Condition 14A.1 of Standard conditions of gas supplier licence, at https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20conditions%20consolidated%20-%20Current%20Version.pdf?utm_source=ofgem&utm_medium=&utm_term=&utm_content=licencecondition&utm_campaign=epr.

¹⁴ See “The Energy Switch Guarantee”, at <https://s3-eu-west-1.amazonaws.com/switchguarantee2018/wp-content/uploads/20180531153431/Energy-Switch-Guarantee-June-2016.pdf>, retrieved 25 November 2019.

1.19. Our response: As we set out in our September 2019 consultation, we consider that this measure (developed with the help of the Working Group) incentivises suppliers to improve outcomes for consumers without creating an additional risk of poor outcomes caused by lack of opportunity for data verification. Whilst we note that some respondents argued that this created the potential for limited differences in interpretation across suppliers, we consider that there should not be significant variation in the time taken by suppliers to request additional information from a customer. However, we would remind suppliers not to create undue delay in validating this information (as we stated in the September 2019 consultation). Unless the customer elects to provide any additional information requested by the supplier by post, receipt of this information (and therefore the start of the 21 day requirement within the Guaranteed Standard) would be counted from the same time as it was provided by the customer.

1.20. We do not agree that the use of the 'relevant date' for switching performance represents the outcome that should be targeted for the purposes of these Guaranteed Standards. Whilst the licence theoretically creates the opportunity for a 35 day switch, we consider that a 21 day switch is a more appropriate target for these Guaranteed Standards. Engagement with suppliers has suggested that this target is not excessively ambitious provided that they have the opportunity to obtain adequate information from customers to verify a switch.

1.21. We are aware that PCWs represent a significant route to market for all suppliers. However, once suppliers have received a customer's details from the PCW, the revised measure should allow the opportunity to address deficiencies in this information without undue penalty. Once again, we would remind suppliers that they are ultimately responsible for the outcomes for their customers, regardless of the route to market through which these customers are obtained.

Question 4: Do you agree that gaining suppliers will be able to measure when sufficient information is received for the purposes of reporting on Guaranteed Standard A?

1.22. We received 13 responses that directly addressed this question. All respondents who expressed an opinion agreed that suppliers would be able to measure when they had received sufficient information to complete a switch.

1.23. Our response: It is encouraging that all respondents agreed that it would be possible to measure when they have received sufficient information. This will be reflected in the reporting of this measure.

Question 5: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard A?

Question 6: Are there any other reasons for failing to complete a switch within 21 days which could warrant an exemption from paying compensation under Guaranteed Standard A?

1.24. We received 12 responses that directly addressed question 5, and 12 responses that directly addressed question 6.

1.25. Most respondents agreed with the exceptions and exemptions as set out in the consultation paper. However, one respondent expressed some reservations about the exemptions not following those set out in the supply licence and the perceived failure to follow the approach to measuring a delayed switch as set out in either the supply licences or the Energy Switch Guarantee.

1.26. A number of respondents indicated that the occurrence of numerous bank holidays within a 21 day period could make it difficult to complete a switch in time (for example around Easter and Christmas periods). These respondents suggested that bank holidays or non-working days should be excluded from the calculation of days for this measure.

1.27. One respondent noted that Ofgem has specifically allowed an exemption for when a switch is delayed due to a previous supplier transfer being processed at the same time as a meter point. The respondent argues that this should be extended to any industry rejection.

1.28. Our response: We continue to believe that, barring exceptional circumstances, suppliers should be able to complete a switch within 21 days. For this reason we have deliberately been cautious when applying exemptions.

1.29. Whilst we have not replicated the exemptions from the supply licence in the Guaranteed Standards, we would draw suppliers' attention to the drafting of the proposed Regulations and exemptions contained in the existing Regulations, which will apply to these new Guaranteed Standards. The draft Statutory Instrument excludes switches which are subject to an objection by the losing supplier. Regulation 9 (3) (e) of the existing Electricity

and Gas (Standards of Performance) (Suppliers) Regulations 2015 states that a supplier is not obliged to make a standard payment if it is not reasonably practicable for the supplier to meet the individual standard of performance as a result of circumstances beyond the control of the supplier. Suppliers applying the Regulations should consider whether the circumstances meet the test implied by this exemption when applying them.

1.30. We note that many respondents to the consultation suggested excluding bank holidays from the calculation of the 21 day period in which suppliers must switch a customer. We have reflected this in the revised Statutory Instrument by replacing this requirement with one to complete a switch within 15 working days. This in effect preserves the same requirement but excludes bank holidays from the calculation of days to complete the switch.

Question 7: Do you agree that suppliers implementing the Debt Assignment Protocol should not be exempt from making compensation payments if they fail to complete a switch within 21 days?

1.31. We received 13 responses that directly addressed this question.

1.32. All respondents who expressed an opinion on this matter agreed that the Debt Assignment Protocol should not necessarily be an impediment to completing a switch within 21 days.

1.33. However, a number of respondents suggested that the 21 day requirement should be timed from the date that the gaining supplier agrees to take on the customer's debt under the terms of the Debt Assignment Protocol.

1.34. Our response: As set out in our September 2019 consultation, we consider that the use of a prepayment meter should not be an impediment to switching. Use of the Debt Assignment Protocol (DAP) should not be an impediment to switching and customers who use the DAP should not receive poorer outcomes than those on credit meters.

1.35. In our September 2019 consultation, we noted that it should be possible to resolve most objections for switches within 21 days, unless the objection is unresolved for reasons outside the gaining supplier's control. An example of such an unresolved objection might be where the customer does not repay an outstanding debit balance at the time of a switch. Since the purpose of the DAP is to ensure that prepayment customers who are in debt are

able to switch supplier, to replicate this exemption for prepayment customers would potentially be inimical to the operation of the DAP.

1.36. For this reason, we consider that it is reasonable for a gaining supplier to be allowed a longer period to complete a switch before a compensation payment is due, when that switch utilises the DAP. This is explored in the main body of the document. As we set out in the September 2019 consultation, we consider that it is important that the existence of Guaranteed Standards does not present a disincentive for suppliers to use the DAP.

Question 8: Do you agree with our proposal that responsibility for compensation under Guaranteed Standard C should be borne by gaining suppliers only?

1.37. We received 14 responses that directly addressed this question. All respondents either supported or offered qualified support for this proposal.

1.38. Respondents representing consumer organisations noted that erroneous switches are a major issue for consumers. Other respondents suggested that, whilst it was appropriate to create an automatic compensation mechanism for consumers who suffer erroneous switches, their root causes should also be addressed.

1.39. Some respondents asked for more information on what constitutes reasonable endeavours when contacting parties with whom a supplier has no previous relationship.

1.40. One respondent suggested that erroneous switches caused by poor industry data should warrant an exemption from payment under the Guaranteed Standards. However, another respondent noted that ongoing work to improve industry data as part of the Switching Programme should significantly reduce incidence of erroneous switches.

1.41. One respondent expressed concerns about misleading sales activities, where “domestic customers who make use of ‘restricted’ or ‘complex’ electricity metering equipment are provided with quotes based upon accurate consumption data but an inaccurate understanding of how the metering equipment actually works”. The respondent noted that in these circumstances it is common for consumers with electric heating to have two MPANs related to a single meter serial number, or vice versa. This can lead to instances where only one MPAN is switched when a customer makes a switching request. The respondent argues that in these circumstances, it should be considered that no valid supply contract is in place and therefore the customer should be eligible to receive compensation as if an erroneous transfer has taken place.

1.42. Our response: It remains Ofgem’s view that an automatic compensation payment for consumers who suffer an erroneous switch is necessary and appropriate.

1.43. We do not consider it appropriate that erroneous switches which are caused by issues with industry data should be exempt from making a compensation payment. Whilst we recognise that industry data, and particularly industry address data, is imperfect, we consider that suppliers should have ample opportunity to verify that a switch is not erroneous before it is completed, and our revised formulation of Guaranteed Standard A means that suppliers will not increase the risk of incurring a penalty for doing so.

1.44. As we have indicated in previous consultations and decision documents, it is very difficult for Ofgem to set expectations on what constitutes ‘reasonable endeavours’ for locating a customer on an *ex ante* basis. Suppliers should use their own judgement about what constitutes fair treatment of customers under these circumstances.

1.45. Resolving issues with related MPANs falls outside the scope of this Guaranteed Standard. A failure to switch multiple related MPANs would not necessarily invalidate the contract between customer and supplier relating to a switch where a contract has been signed by the customer and relates to that customer’s meter point, and it is not possible for us to treat contracts as such as invalid purely because they lead to a poor customer outcome. However, we agree that the failure of suppliers to switch related MPANs is a significant issue, and would note that there is a major programme of work being undertaken by industry, under the aegis of the Faster and More Reliable Switching programme, to resolve data issues with them.

Question 9: Do you agree that the trigger for making a compensation payment under Guaranteed Standard C should be the agreement between suppliers that a switch was undertaken with no valid contract in place?

1.46. We received 13 responses that directly addressed this question.

1.47. All respondents agreed that this Guaranteed Standard should be triggered by the agreement between suppliers. One respondent noted that it was important that a clear escalation process is agreed and effectively monitored by the ET PAB. One respondent noted that clarification was necessary on what constitutes a valid contract.

1.48. Our response: We agree with respondents that agreement between suppliers is the appropriate trigger for a compensation payment. Whilst we will continue to support the

work of ET PAB, it is an industry-led initiative and its programme of work should be decided by the ET PAB itself.

1.49. For the purposes of this SI, a contract is valid when it has been entered into by the customer and relates to the premises that the customer wishes to switch. A contract will still be valid if it meets these criteria within the statutory 14-day 'cooling-off' period as required by the Consumer Rights Directive; however, if the customer exercises his or her statutory right to cancel the contract during this period, then a valid contract no longer exists.

Question 10: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard C?

Question 11: Are there other reasons under which a supplier should be exempted from making a compensation payment under Guaranteed Standard C?

1.50. We received 13 responses that directly addressed both question 10 and question 11. The majority of respondents agreed with our proposed exceptions and exemptions for this Guaranteed Standard.

1.51. One respondent noted that there is a lack of clarity around what constitutes good reason for suspecting fraud, and noted that Ofgem should support industry in developing best practice for identifying fraud.

1.52. One respondent noted that Ofgem should provide further clarity on the cases of erroneous switches where a supplier is required to register an unregistered meter point in order to be compliant with industry codes. The respondent argued that shipperless and unregistered meter points should be excluded from this Guaranteed Standard. They note that in these cases, registration will proceed without a valid contract in place.

1.53. One respondent observed that there should be an exemption for erroneous switches caused by poor data.

1.54. One respondent noted that bilateral erroneous switches (where a supplier takes on wrong supply leading to multiple further erroneous switches on the part of other supplier) should be a valid exemption.

1.55. One respondent noted that it would be helpful if the ET PAB could produce reporting on meter points which produce serial erroneous switches.

1.56. Our response: We welcome the view of most respondents that the exemptions and exclusions from this Guaranteed Standard are appropriate.

1.57. We would note that registration of an unregistered meter point, whilst it may happen outside of a contractual relationship between supplier and customer, does not constitute a supplier transfer as is required by this Guaranteed Standard. Therefore, whilst we would not expect any compensation payment to be made as a result of a supplier registering a meter point as directed by industry codes, we do not consider that a separate exemption is necessary.

1.58. We do not consider it appropriate that erroneous switches caused by poor data should be exempted from compensation payments. Whilst we recognise that a supplier is not always the source of problems with data used in switching, we consider that a supplier should have appropriate opportunity within the duration of the switching process to ensure that the meter point being switched is the correct one.

1.59. We do not consider that it is desirable or appropriate for Ofgem to provide guidance on what constitutes fraudulent behaviour by customers. Suppliers will have their own processes for identifying fraud on the part of customers, and what constitutes 'good reason' will depend on the individual circumstances of the case.

1.60. As set out above, whilst we continue to support the work of ET PAB, it is an industry-led initiative and its programme of work should be decided by the ET PAB itself.

Question 12: Do you agree that responsibility for compensation for issuing a final bill after six weeks should be borne by losing suppliers only under Guaranteed Standard E?

1.61. We received 14 responses that directly addressed this question.

1.62. Almost all the respondents who directly answered this question agreed that it is most appropriate that responsibility for compensation under this Guaranteed Standard is borne by the losing supplier.

1.63. However, some respondents noted that they remained concerned about an increase in final billing to estimated meter reads as a result of this Guaranteed Standard. One respondent indicated that they would like to see a further review with an associated impact assessment to assess the potential increase in disputed reads.

1.64. Our response: In our September 2019 consultation, we stated that "... losing suppliers should possess, or should be able to acquire, appropriate information to bill the customer with sufficient accuracy in six weeks for both fuels". We continue to believe that this is the case.

1.65. It is clearly preferable that a customer's final bill is calculated based on actual data wherever possible. Whilst it may not always be possible for a losing supplier to calculate a final bill based on an opening read provided by the gaining supplier, they should be able to issue a bill based on the most accurate data that it holds for usage at a property, or for them to contact the customer themselves for a meter reading. Respondents have not provided evidence that calculation of a final bill based on estimated data would present a worse outcome than a failure to issue a final bill of any sort after six weeks, nor any indication regarding how this should be resolved if actual data is not forthcoming. For this reason we continue to believe that this Guaranteed Standard is appropriate.

Question 13: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard E?

Question 14: Are there any other reasons for failing to issue a final bill within six weeks which warrant an exemption from paying compensation under Guaranteed Standard E?

1.66. We received 13 responses that directly addressed each of question 13 and 14.

1.67. Some respondents observed that suppliers often receive notification of a Change of Tenancy event only after this event has occurred, and that the departed customer is then billed retrospectively for the use up to the date that they left the property. In these circumstances, it would be fairer for the Guaranteed Standard to be calculated from the point at which the supplier receives notification of the Change of Tenancy event.

1.68. Similarly, some respondents noted that a supplier may only become aware that a meter point has been de-energised or disconnected until after the event. The Guaranteed

Standard should be missed if the supplier fails to provide a final bill within six weeks of notification, rather than de-energisation.

1.69. A further respondent argued that a missing customer reading should constitute a valid exemption from the need to make a payment.

1.70. Some respondents expressed concern about risks from an increased incidence of final bills issued based on estimated readings. One respondent asked how the Guaranteed Standard complements SLC 27.17 of the Gas and Electricity supply licences, which states that a supplier must take 'all reasonable steps' to send a final bill to a customer within six weeks, and that not all 'reasonable steps' were reflected in the proposed exemptions for the Guaranteed Standards.¹⁵ This respondent, and one other respondent, argued that final bills based on estimated readings should be exempt from the terms of the Guaranteed Standards.

1.71. One respondent expressed their strong belief that this obligation should have the same sufficient information clause as Guaranteed Standard A. They noted that it was reasonable to wait for more than six weeks for an accurate reading for the customer or for the Missing Reads process to complete.

1.72. One respondent noted that it may take longer for a supplier to issue a final bill where a customer switches from an appointed Supplier of Last Resort (SoLR), and suggested that this exemption should apply within 3 months of appointment of the SoLR.

1.73. One respondent suggested that they would welcome a further exemption that would capture a customer disputing final reads prior to the issue of a final bill. Another respondent welcomed the existing exemption for genuine disputes between customer and supplier, but noted that the current drafting of the Guaranteed Standard is too narrow as it

¹⁵ See Standard Condition 27.17 of Standard conditions of electricity supply licence, at https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf?utm_source=ofgem&utm_medium=&utm_term=&utm_content=licencecondition&utm_campaign=epr, and Standard Condition 27.17 of Standard conditions of gas supplier licence, at https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20condition%20consolidated%20-%20Current%20Version.pdf?utm_source=ofgem&utm_medium=&utm_term=&utm_content=licencecondition&utm_campaign=epr.

excludes those instances where a supplier is effectively acting on a consumer's behalf by disputing a final meter reading at the customer's instigation. The respondent notes that the exemption as currently drafted risked creating a perverse incentive to avoid disputing a meter reading where this was in the customer's interest.

1.74. Our response: As we have stated previously, it is difficult for Ofgem to state on an *ex ante* basis what constitutes 'reasonable steps' to issue a final bill, as required by the Gas and Electricity supply licences. They might include such measures as contacting a customer to establish a meter reading, or creating an estimate using historic data. As we have stated previously, the existing Regulation 9 (3) (e) of the existing Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 states that a supplier is not obliged to make a standard payment if it is not reasonably practicable for the supplier to meet the individual standard of performance as a result of circumstances beyond the control of the supplier. If a supplier believes that the circumstances which prevent it from issuing a final bill meets the test in this exemption, it should not make a payment under the Guaranteed Standard.

1.75. In the case of Change of Tenancy events and de-activation of meter points it is possible that the supplier may not become aware of a change until some time after it has happened, and therefore it is reasonable that a Guaranteed Standard should be calculated from the point that the supplier is notified of a Change of Tenancy event or the de-energisation of a meter point, if this is after the actual termination of supply. We have amended the terms of the Guaranteed Standard to reflect this.

1.76. We do not agree that a missing customer reading should constitute a valid reason for an exemption from this Guaranteed Standard. Our view remains that a six week period following the termination of supply (or notification of the end of the customer's contract), aligned with the supplier licence, and should represent a reasonable period for the supplier to collect data based on the customer's actual usage or a reasonable estimate of actual usage. From the responses that we have received, it is not clear what new information would become apparent after six weeks which would make it less likely that a supplier would issue a bill based on estimated data after this point, or what is the likelihood that the missing reads process in electricity will yield a more accurate final bill for the customer.

1.77. The existing exemption states that a supplier is not obliged to make a payment under this Guaranteed Standard if "there is an ongoing formal dispute between the old supplier

and the customer, regarding billing that customer".¹⁶ Our intent when creating this exemption was to capture any formal dispute relating to the creation of the final bill that might prevent the issue of the bill, whether the dispute relates to the value of meter readings or any other aspect of billing, and whether the dispute stems from the customer themselves or a party who is acting on their behalf.

1.78. Whilst in normal circumstances, a supplier who failed to issue a final bill to a customer that they had inherited as a result of a SoLR process within six weeks would be required to make an automatic compensation payment, we note that the circumstances of the SoLR process could potentially make it challenging for suppliers to obtain reliable usage data for customers whose supply they have obtained through this method. We consider that it is reasonable that a supplier should be exempt from making a payment under Guaranteed Standard E for a customer whose supplier they have obtained as part of a SoLR process in the three months before the termination of the customer's supply contract with the new supplier, or notification of the termination of supply. A three-month period should allow suppliers to request or obtain reliable usage data for customers that they acquire through a SoLR process. We have updated the Statutory Instrument to reflect this exemption.

Question 15: Do you agree with our assessment that it would not be proportionate to implement an open-ended requirement to pay compensation for enduring issues of detriment?

1.79. We received 13 responses that directly addressed this question. Almost all respondents agreed with Ofgem's view as set out in the September 2019 consultation, with the exception of two respondents representing consumer groups, who disagreed strongly. One of these respondents cited the example of a customer who had not received a final bill eight months after making a switch request, noting that, without further payments after the initial Standard Payment, a supplier may regard a case as being 'closed' and deprioritise resolution. This respondent supported the use of reporting measures to identify particularly long-standing cases of detriment.

¹⁶ See "Supplier Guaranteed Standards of Performance for Switching: Consultation on introduction of further Guaranteed Standards and Automatic Compensation", at https://www.ofgem.gov.uk/system/files/docs/2019/09/switching_gsop_phase_2_policy_consultation_september_2019_final_version_.pdf, p45.

1.80. Our response: We view enduring episodes of detriment as a serious problem, particularly when this detriment relates to erroneous switches. However, as noted in our September 2019 consultation, the lack of contextual information about the causes of these enduring episodes makes it difficult to assess whether a requirement resulting in a potentially open-ended requirement for compensation is appropriate. In the case identified by the respondent, the potential redress could run into hundreds of pounds; whilst this would undoubtedly be a powerful deterrent to resolve the underlying issue, it remains unclear whether this would be proportionate to the detriment suffered by the consumer.

1.81. With this in mind, we do not consider that it is appropriate to extend an ongoing requirement for enduring episodes of detriment. However, we will be actively collecting data on the number of such incidences at each supplier (see below), and suppliers should expect to be challenged if they do not resolve enduring issues of detriment on a timely basis.

Question 16: Would changing reporting requirements to allow Ofgem to collect data on the time taken to issue final bills or repay credit balances present a significant additional cost when compared with the current requirements?

1.82. We received 12 responses that directly addressed this question. Views expressed in responses were mixed. Some respondents observed that any additional costs would not be significant. Others noted that whilst it was possible that extending criteria for reporting would present some additional cost, it was hard to tell what these costs would be without knowing in advance what the reporting requirements would be.

1.83. Our response: We consider that introducing new reporting measures is a proportionate measure to mitigate enduring episodes of detriment. As set out in the Reporting Requirements section above, following implementation of these Guaranteed Standards we will require suppliers to report to us on the number of delayed and erroneous switches which are unresolved for long periods, in addition to collecting data on the time taken by suppliers to issue final bills or repay credit balances. This data will be collected in addition to supporting data from other sources. Appropriate regulatory action could then be taken on the basis of this information.

Appendix 2: Final text of the Statutory Instrument

STATUTORY INSTRUMENTS

2020 No.

ELECTRICITY

GAS

The Electricity and Gas (Standards of Performance) (Suppliers) (Amendment) Regulations 2020

Made - - - - - ***
Coming into force - - - - - 1st May 2020

The Gas and Electricity Markets Authority⁽¹⁷⁾ (the “Authority”) makes the following Regulations in exercise of the powers conferred by sections 33A and 47 of the Gas Act 1986⁽¹⁸⁾ (the “Gas Act”) and sections 39 and 60 of the Electricity Act 1989⁽¹⁹⁾ (the “Electricity Act”).

In accordance with section 33BAA(1)(a)⁽²⁰⁾ of the Gas Act and section 40B(1)(a)⁽²¹⁾ of the Electricity Act, the Authority has considered the results of research to discover the views of a representative sample of persons likely to be affected by these Regulations.

In accordance with section 33BAA(1)(b), (2) and (3) of the Gas Act and section 40B(1)(b), (2) and (3) of the Electricity Act, the Authority has published a notice of its proposals and considered the representations made in respect of those proposals.

⁽¹⁷⁾ The Gas and Electricity Markets Authority was established by section 1(1) of the Utilities Act 2000 (c.27).

⁽¹⁸⁾ 1986 c.44; section 33A was inserted by section 11 of the Competition and Service (Utilities) Act 1992 (c.43) and amended by paragraph 34 of Schedule 3 and paragraph 1 of Schedule 6 to the Gas Act 1995 (c.45), and by section 90(1) of, and paragraph 13 of Schedule 6 and Schedule 8 to, the Utilities Act 2000; and section 47 was amended by Schedule 2 to the Offshore Safety Act 1992 (c.15), paragraph 9 of Schedule 1 to the Competition and Service (Utilities) Act 1992, paragraph 53 of Schedule 3 to the Gas Act 1995 and sections 3(2) and 100 of the Utilities Act 2000.

⁽¹⁹⁾ 1989 c.29; section 39 was amended by sections 3(2) and 54(1) of, and paragraph 32 of Schedule 6 and paragraph 1 of Schedule 8 to, the Utilities Act 2000; and section 60 was amended by section 3(2) of the Utilities Act 2000.

⁽²⁰⁾ Section 33BAA was inserted by section 92 of the Utilities Act 2000 and amended by paragraph 4 of Schedule 1 to S.I.2014/631.

⁽²¹⁾ Section 40B was inserted by section 56 of the Utilities Act 2000 and amended by paragraph 5 of Schedule 1 to S.I. 2014/631.

In accordance with section 33BAA(1)(c) and (4) of the Gas Act and section 40B(1)(c) and (4) of the Electricity Act, the Authority has consulted Citizens Advice and Citizens Advice Scotland, gas suppliers, electricity suppliers, and persons and bodies appearing to be representative of persons likely to be affected by these Regulations.

The Secretary of State has consented to the making of these Regulations in accordance with section 33A(2) of the Gas Act and section 39(1) of the Electricity Act.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Electricity and Gas (Standards of Performance) (Suppliers) (Amendment) Regulations 2020 and come into force on 1st May 2020.

(2) In these Regulations, “the Principal Regulations” means the Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015⁽²²⁾.

Amendment of the Principal Regulations

2. In regulation 2(1) (General interpretation) of the Principal Regulations—

- (a) in the definition of “new supplier”⁽²³⁾, before “responsibility” insert “, or will have,”;
- (b) after the definition of “old supplier” insert—

““prepayment meter” means any meter operating in a mode that requires a customer to pay for the consumption of gas or electricity through that meter in advance of that consumption;”

- (c) after the definition of “supplier” insert—

““supplier transfer” means in relation to any domestic premises at which a supplier is supplying gas or electricity, the transfer of responsibility for the supply of gas or electricity to a new supplier;”.

3. In regulation 4 (Faulty meters) of the Principal Regulations, in paragraph (6), omit the definition of “prepayment meter” and the preceding “; and”.

4. In regulation 5 (Faulty prepayment meters) of the Principal Regulations, in paragraph (7), omit ““prepayment meter” has the meaning given in regulation 4(6);”.

5. After regulation 6 (Reconnection) of the Principal Regulations insert—

“Obligation to complete a supplier transfer

6ZA.—(1) This regulation applies where a customer requests a supplier transfer.

(2) This regulation does not apply where the supplier transfer cannot be completed because—

- (a) the customer notifies the new supplier that they do not wish the supplier transfer to take place;
- (b) a previous supplier transfer is being processed in relation to the same meter point; or
- (c) the customer’s current supplier objects to the supplier transfer.

(3) Where this regulation applies the new supplier must complete the supplier transfer—

- (a) within the period of 15 working days beginning with the day of receipt by the new supplier of sufficient information to—
 - (i) confirm the supplier transfer relates to the customer who requested it, and
 - (ii) identify the meter point or meter points to which the supplier transfer request relates;

⁽²²⁾ S.I. 2015/1544 as amended by S.I. 2019/218.

⁽²³⁾ Definition of ‘new supplier’ was inserted by regulation 2(2) of S.I. 2019/218.

- (b) where the customer has requested a supplier transfer takes places on a date after the end of the period referred to in sub-paragraph (a), on the date requested; or
- (c) where the customer has existing debt on a prepayment meter and the new supplier agrees to be assigned that debt, within the period of 15 working days beginning with the day of that assignment being agreed between the old and new supplier, but no later than 32 working days from receipt by the new supplier of the information in sub-paragraph (a)(i) and (ii).

Avoidance of erroneous transfers

6ZB.—(1) This regulation applies where a new supplier proposes to complete a supplier transfer.

(2) This regulation does not apply where a customer is transferred to a supplier appointed by the Authority following a last resort supply direction being given within 21 working days of an agreement reached in accordance with regulation 6C(1)(b).

(3) Where this regulation applies the new supplier must only complete a supplier transfer where there is a valid contract with the customer who is subject to the supplier transfer.

(4) For the purposes of this regulation, failure to meet the standard of performance in paragraph (3) is determined when the old supplier and the new supplier have agreed that the customer has been transferred without a valid contract.”

6. After regulation 6C⁽²⁴⁾ (Resolution of erroneous transfers) of the Principal Regulations insert—

“Provision of a final bill

6CA.—(1) This regulation applies where a supplier no longer has responsibility for the supply of electricity or gas to the customer where—

- (a) a customer transfers to another supplier under a valid contract; or
- (b) a supplier’s responsibility for the supply of electricity or gas to the customer has otherwise terminated.

(2) This regulation does not apply where responsibility for the supply of electricity or gas to a customer transfers from one supplier to another supplier without a valid contract.

(3) Where this regulation applies in circumstances where a customer transfers to another supplier under a valid contract, the old supplier must within 6 weeks of the supplier no longer having responsibility for the supply of electricity or gas, issue the customer’s final bill.

(4) Where this regulation applies in circumstances where a supplier’s responsibility for the supply of electricity or gas to the customer has otherwise terminated, that supplier must issue the customer’s final bill within 6 weeks of the later of the date on which—

- (a) the supplier no longer has responsibility for the supply of electricity or gas; or
- (b) the supplier is notified of no longer having responsibility for the supply of electricity or gas”.

7. In regulation 9 (Exemptions and limitations to supplier payment obligations) of the Principal Regulations, after paragraph (7A)⁽²⁵⁾ insert—

“(7AA) A supplier is not obliged to make a standard payment following failure to meet the individual standard of performance under regulation 6ZB, where—

- (a) a customer has withdrawn a request for a supplier transfer after the supplier transfer has completed —
 - (i) in accordance with any term in the contract between the new supplier and the customer, or

⁽²⁴⁾ Regulation 6C was inserted by SI 2019/218.

⁽²⁵⁾ Regulation 9(7A) was inserted by SI 2019/218.

- (ii) by virtue of any enactment, or
- (b) having agreed with the old supplier that the customer has been transferred without a valid contract in accordance with regulation 6C(1), the new supplier reasonably believes this is as a result of fraudulent activity by that customer.

(7AB) A new supplier is not obliged to make an additional standard payment under regulation 8(3) following a failure to make a standard payment under regulation 8(2) after failing to meet the individual standard of performance under regulation 6A or 6ZB, where—

- (a) the new supplier has insufficient contact details for the customer who has been transferred to the new supplier without a valid contract, and that new supplier can demonstrate that it has used reasonable endeavours to obtain sufficient contact details for that customer in order to make the standard payment; or
- (b) the customer who has been transferred from one supplier to another without a valid contract provided the new supplier with an inaccurate or incomplete—
 - (i) postal address, where the standard payment is to be sent by cheque in the post; or
 - (ii) electronic payment details, where the standard payment is to be made by electronic transfer.

(7AC) The old supplier is not obliged to make a standard payment following failure to meet the individual standard of performance under regulation 6CA where—

- (a) there is an ongoing formal dispute between the old supplier and the customer, regarding billing that customer;
- (b) the customer did not provide a postal address to which to issue the final bill and the old supplier has no alternative electronic address to which to issue the final bill for that customer;
- (c) the final bill was issued by the old supplier but not received by the customer because the customer provided the old supplier with an inaccurate or incomplete—
 - (i) postal address, where the final bill was issued by post; or
 - (ii) electronic address, where the final bill was issued by electronic communication; or
- (d) the final bill is in respect of a customer who was transferred to the old supplier appointed by the Authority following a last resort supply direction being given within the 3 months prior to the date on which the old supplier no longer had responsibility for the supply of gas or electricity.”

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

22 January 2020

Dermot Nolan
A member of the Authority

I consent

Kwasi Kwarteng
Minister of State

Date

Department for Business, Energy and Industrial Strategy

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Electricity and Gas (Standards of Performance) (Suppliers) Regulation 2015 (S.I. 2015/1544) (the “Principal Regulations”).

Regulations 5 and 6 insert new performance standards that must be met by the gas and electricity suppliers into the Principal Regulations. The new performance standards are in relation to the obligation to complete a supplier transfer (regulation 6ZA), avoidance of erroneous transfer (regulation 6ZB) and provision of a final bill (regulation 6CA).

Regulation 7 inserts provisions into regulation 9 of the Principal Regulations, in respect of exemptions and limitations to supplier payment obligations for failure to meet the new performance standards.

Appendix 3: List of non-confidential respondents

1.1. We received 15 responses to the September 2019 consultation. Non-confidential respondents are listed below.

Centrica

Citizens Advice

Citizens Advice Scotland

EDF

Energy UK

eON

Green Network Energy

MRA Service Company and SPAA Ltd (Joint response on behalf of the Erroneous Transfer Performance Assurance Board)

nPower

Ovo

Peoples Energy

PurePlanet

ScottishPower

Shell Energy

SSE