
Authority decision on Retail Energy Code (REC) modification R0155: Change of Occupier: Evidentiary Standards and Timescales

Decision: The Authority¹ has decided to approve² this change proposal³

Target audience: REC Board, REC Parties and other interested parties

Date of publication: 4 February 2025

Implementation date: 27 June 2025

Background

As part of our Non-Domestic Market Review, we were informed of excessive and inconsistent documentation requested by some suppliers to prove a Change of Tenancy (CoT)/ Change of Occupier (CoO). This has the potential to cause significant delays when trying to secure a new contract.

Responses from consumers included examples of suppliers making it difficult for a new customer to prove that they have taken over the responsibility for a property and called for consistency amongst suppliers as to which documents, or combination of documents, are required to demonstrate a CoT. Some suppliers were keen to emphasise that whilst some processes might seem onerous, allowing suppliers to take reasonable steps to prevent fraud, and the subsequent accumulation of bad debt, was in the interests of all customers.

Following publication of our decision document, [Non-domestic market review: decision | Ofgem](#), RECCo led development of this work with a working group consisting of representatives from across the sector.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

³ 'Change' and 'modification' are used interchangeably in this document.

This Change Proposal builds on that work and seeks to address industry concerns and to bring improvements to the CoO process.

The change proposal

The solution proposed by REC focuses on an evidentiary list of documents that Energy Suppliers may wish to refer to determine if a CoO has taken place. In addition, it also introduces required Service Level Agreements (SLAs) for Energy Suppliers to review evidentiary documents and communicate the outcome of their review process to the provider of the evidence (either the Consumer or a TPI).

The proposed legal text solution proposes the introduction of a new REC Schedule titled 'Non-Domestic Change of Occupier.' The REC Schedule would only apply to Non-Domestic Premises and would set out obligations for Energy Suppliers in relation to a CoO at a Non-Domestic Premise including:

- Obligations relating to a CoO without a Switch
- Obligations relating to a CoO with a Switch
- A non-exhaustive list of example evidence which Energy Suppliers might seek to rely upon in assessing whether there has been a CoO
- The Service Level agreements (SLAs) for Energy Suppliers, upon receiving notification of a CoO, to determine and communicate to the Consumer that there has been a CoO, or not, and whether the Energy Supplier has sufficient information to make such a determination for a CoO without a Switch; and
- The SLAs for a CoO with a Switch whereby the Losing Supplier must determine whether there has been a CoO and notify the Gaining Supplier.

REC Change Panel⁴ recommendation

At the REC Change Panel meeting on 17 December 2024, a majority of the REC Change Panel considered that R0155 would better facilitate the REC Objectives (a), (b), and (c), and the REC Change Panel therefore recommended its approval.

Our decision

We have considered the issues raised by the change proposal and the Final Change Report (FCR) dated 18 December 2024. We have considered and taken into account the responses to the industry consultation which is attached to the FCR. We have concluded that:

- implementation of the change proposal will better facilitate the achievement of the applicable Objectives of the REC;⁵ and
- approving the change is consistent with our principal objective and statutory duties.⁶

Reasons for our decision

We consider this change proposal will better facilitate REC Objectives a, b, and c.

(a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement

The REC's mission is to "facilitate the efficient and effective running of the retail energy market, including its systems and processes." Compared to current processes, R0155 provides more efficiency and effectiveness by introducing agreed evidentiary standards and timescales. The proposed reporting requirements will also ensure that Energy Suppliers adhere to Code obligations, resulting in positive Consumer outcomes.

⁴ The REC Change Panel is established and constituted pursuant to and in accordance with [Standard Condition 11B.8\(a\) of the Electricity Supply Licence](#) and [Standard Condition 11.8\(a\) of the Gas Supply Licence](#).

⁵ As set out in [Standard Condition 11B.6 of the Electricity Supply Licence](#) and [Standard Condition 11.6 of the Gas Supply Licence](#).

⁶ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 and the Gas Act 1986.

We note the concerns that were raised in response to the REC's Impact Assessment and Consultation, in particular around the original proposals for performance assurance and the requirement for MPxN level data. We are comfortable that the revised proposals as presented to the Performance Assurance Board on 26 November 2024, and in Section 8 of the Change Report, represents a more pragmatic solution. We will also continue to work with REC to explore synergies with the new Ofgem Request For Information (RFI) to reduce where possible the need for reports to be submitted separately and to different places.

(b) to ensure customers interests and data is protected in the operation of the REC

R0155 will reduce the risks consumers face in relation to being held responsible for previous occupiers' debts and thus potentially placed on more expensive deemed contracts; facing inconsistent requests from Energy Suppliers around proof of evidence for the CoO; and inconsistencies around timescales for having evidence reviewed and new contracts being agreed. It will do so by the introduction of a reasonable SLA to review evidentiary document for a CoO and reducing the length of time they are on unfavourable deemed contracts.

We note the concerns raised by some respondents to the REC impact assessment and consultation about the ten working day timescale for a supplier to accept or reject a document being too long. However, we consider that it strikes a reasonable balance between improving the customer experience and giving suppliers sufficient time to assess the validity of the documents. We would however expect suppliers, where they think that they will need more than one document to satisfy their own internal auditing requirements, wherever possible, to ask for all of the documents at the same time rather than continually going back to the customer to ask for further evidence and thus prolonging this stage of the process. We also expect suppliers to engage with their customer to request documents that the customer can reasonably be expected to produce at the time.

(c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs

There is currently no obligation for REC parties to use REC central systems and communication processes to communicate between each other. By mandating the Secure Data Exchange Service (SDEP) (the REC's secure means of sharing data), R0155 ensures efficient and

appropriate use of the central systems and communication infrastructure in place under the REC.

The non-exhaustive list of evidentiary standards and documents will be securely shared amongst Energy Supplier's through a mandated and secured system. We note the concerns that were raised about the limitations of SDEP during the REC impact assessment and consultation processes, however we are cognisant that during the working groups, impact assessment or consultation, no suitable alternative proposal was provided. We do not think that pausing this change until the full SDEP solution could be implemented is appropriate when balanced against the risk of ongoing consumer detriment. We encourage the Code Manager to continue to work in this area to bring about improvements as soon as reasonably possible.

Decision notice

In accordance with Standard Condition 11B of the Electricity Supply Licence and Standard Condition 11 of the Gas Supply Licence, the Authority hereby approves REC Change Proposal R0155: Change of Occupier: Evidentiary Standards and Timescales.

Louise van Rensburg

Head of Non-Domestic Retail Policy

Signed on behalf of the Authority and authorised for that purpose.