CoS Options Analysis – Erroneous Transfers

1. High level objective

1.01 Eliminate/substantially reduce cases of erroneous transfer.

2. Description of the issue

2.1 An Erroneous Transfer currently causes considerable inconvenience and hassle for consumers. Rectifying mistakes is expensive for industry and industry processes can be unreliable.

Cause of ETs

2.2 Information on the ET rate and reasons were presented at the COSEG meeting on 20 May. We aim to update these figures for the COSEG discussion on 10 June. We have also asked Energy UK to provide information from their members on:

- ET rate and trend
- ET route cause and trend
- Any links between ETs and specific sales channels
- Use of the NOSI flow to triangulate sites (using MPxN, meter serial number and post code) prior to submitting a transfer request
- Use of ECOES and SCOGES prior to a transfer request
- Use of protocols for returning ET'd customers quickly and without fuss and the payment of compensation when this has not been confirmed to the customer in writing within 20 days.

Current remedy

2.3 Suppliers have arrangements in place to rectify ETs once they have occurred. These are codified in the Erroneous Transfer Customer Charter (ETCC) and supporting documents and are set out in the MRA[1] and SPAA.[2][3] These establish responsibility for the suppliers notified by the consumer (new or old) to initiate the repatriation of the consumer's supply to their original supplier using normal CoS processes. The ETCC specifies the timescales in which this should be done and the steps to ensure that the consumer is not charged twice for energy consumed.

Implication of the introduction of smart metering

2.4 Smart Meters introduce the risk that a new supplier may configure the metering system following an erroneous transfer in a way that fails to provide key services. For example, an erroneous switch from credit to prepay or a failure to establish off-peak tariffs and load control configurations. The consumer will have greater awareness and higher potential risk of detriments from an ET.

[1] MRA Agreed Procedure 10 http://mrasco.com/admin/documents/MAP10%20v2.8.pdf
[2] Schedule 10 http://www.spaa.co.uk/documents/spaa/current-version
[3] Non-domestic suppliers are not currently required to comply with SPAA and the MRA procedures apply to the domestic market only. They can be used in the domestic market on a bilateral basis.

Implication of CoS reforms

2.5 Shortening or removing the objection window may remove the possibility of an ET being prevented by the use of an objection.

2.6 Where the consumer becomes aware that they are to be switched and they contact either the losing or gaining supplier and can initiate a Customer Requested Objection. Suppliers can also use the cooperative objection option to prevent the switch from proceeding. Typically this may occur when the consumer receives a 'goodbye' notification from their current supplier or the gaining supplier is notified of a contract cancellation.

3. Options

3.1 A faster, slicker registration system with better data quality can be expected to reduce the number of ETs and make it easier to resolve the ones that do occur. Both of these are being considered under the banner of the CoS Project. However, the additional risks associated with an ET occurring on a Smart Meter suggest that a new CoS process should include measures to prevent and deter ETs from occurring. Note: the options below are not mutually exclusive.

Option 1: Verification of MPxN

3.2 The new supplier (acting as an ESCo for access control purposes) may be able to verify the matching of a meter to a customer by correlating a customer supplied meter reading with an actual smart meter reading or transmitting a Customer Information Number to the IHD and for the customer to confirm receipt

Option 2: Regulation

3.3 Regulatory sanctions could be used to incentivise good performance. Measures could include:

- Requiring a supplier to pay compensation to a ET'd consumer.
- Performance assurance measures under industry codes.
- Enforcement of licence conditions by Ofgem.

Option 3: Reform ET data flows

3.4 Automate data flows alerting suppliers as to when an ET has occurred. We would like to take the opportunity with COSEG to review improvements could be made to data flows between suppliers for resolving ETs; in particular in cases where security keys for SMETs meters need to be installed to correct a configuration.