

Workgroup objectives

To consider the introduction of potential address data quality remedies, in particular to support faster and reliable consumer switching requirements, but also to improve the current consumer switching experience.

Intended outcomes of potential changes

- Accurate address data held on a new central registration system to support faster more reliable switching for both Gas and Electricity customers.
- Improved address data accuracy to support more reliable switching for Gas and Electricity customers in the short to medium term (before fast and more reliable switching is fully implemented).
- Any impacts of poor address data quality on smart rollout should be minimised, where possible.

Scope

Industry has committed to consider the following potential remedies set out in the report:

- Common Gas and Electricity address formats
- Adoption of UPRNs; and
- TPI access to customer information from ECOES and SCOGES

The analysis of potential remedies should consider the following:

- Data formats - (e.g. how address data should be consistently formatted to improve its accuracy)
- Data requirements (e.g. what are the requirements for using UPRNs to support accurate address data).
- Data access and updates (e.g. who should access and update address data; and when and how should this be done).¹

We would expect the group to consider both domestic and non-domestic consumers as part of the work scope. The group's work will feed into the business process design for Ofgem's next-day switching programme.

Responsibilities and activities

Consumer detriment – root causes, impacts and materiality

- Root cause analysis (e.g. using robust and representative data sample) to determine why address data is inaccurate. This should include which type of party is responsible and why (e.g. supplier, consumer, other).
- Identify how these root causes relate to the impacts on consumers of poor address data quality (e.g. erroneous transfers, delayed transfers, abandoned transfers).
- Assess the materiality of these causes and impacts.

Current market arrangements and processes

- Identify the relevant arrangements and processes used by industry and market participants to support and improve address data quality, and assess how effective these

¹The letter published by Ofgem on domestic consumer TPI information flows [date TBA] was considering TPI access with a view to enabling more up-to-date information about the status of a consumer's switch. We suggest that this objective of the TPI remedy should also be considered in-scope (including , where relevant, any other relevant types of non-address data which supports the objective of updating a consumer about the status of a switch).

are. Where relevant, this should be linked to above analysis on causes and impacts (e.g. processes used by suppliers to identify an MPxN).

Remedy design

- Define what the potential remedies should look like and identify and explain their specific uses for addressing the consumer detriment.² As set out in the outcomes above, this should cover the period before central registration is introduced; and also potential remedies that would require central registration (these could be taken forward by the Ofgem-run next-day switching programme in 2015).

Assessing the benefits, Issues, Risks and Dependencies

- Identify and assess the benefits of the defined potential remedies (clearly linking the solutions and their uses to the identified potential causes and impacts on the consumer switching experience).
- Identify and assess any issues and risks which may limit the benefits case (including any measures to mitigate or prevent). For example, this may include (but not be limited to):
 - Impact on data privacy, security and misuse of consumer data (TPI access)
 - Existing and future licence and service offering restrictions (UPRNs)

Assessing the costs

- Identify and assess the costs of implementing solutions and any barriers to industry adoption (including how these vary across different market participants, where relevant).³

Changes to market arrangements and industry governance

- Identify what changes would be necessary to industry governance, monitoring, enforcement or processes, to implement any reforms recommended by the workgroup.
- Identify appropriate timings for implementation, and the drivers for these, in light of the above intended outcomes.

Work group logistics and process

- Agree a report timetable for completing the workgroup, with a view to providing a report to Ofgem, by end of 2015 (described further below).
- Agree an evidence and analysis base in a timely way. Where evidence gaps exist we would expect the reasons to be documented, and the group to consider if and how these can be overcome.
- We expect the group's work to be aligned, where applicable, with any workgroup activities to develop the Modifications UNC 468 and IGT056 - modifications may give effect to certain recommendations on UPRNs.

Outputs

- Provide a report to Ofgem by end of 2015.
- This should include recommendations on whether and how to introduce the potential solution(s). The analysis which leads to these recommendations should also include an impact assessment/cost benefit analysis (as described above).

² For example, uses identified for UPRNs could be to link gas and electricity metering points for dual fuel registration, as a validation check via the triangulation process to reduce the risk of selecting incorrect MPRNs and MPANs, and to trace 'plots to postal addresses'.

³ For clarity we suggest that workgroup assumes that central registration will happen so costs would be in addition to those of the new central registration system.

- Recommendations which relate to faster/reliable switching will feed into the Ofgem-run next-day switching programme – the workgroups for this programme will start at the end of 2015.⁴
- Provide Ofgem (and the industry) with an opportunity to review the report in a timely way, in advance of sign-off.

Working group governance

- [TBC]

Membership and Representation

- Members will be industry experts nominated by Electricity and Gas codes.
- We would welcome an approach that facilitates cross-industry discussion, to incorporate the views of diverse range of stakeholders and subject matter experts (e.g. Ordnance Survey)
- Ofgem will be invited to attend all meetings.
- [anything else TBC]

Chair

- [TBC]

Decision making

- [TBC]

Secretariat

- [TBC]

⁴ <https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/smarter-markets-programme/change-supplier>