recco

The Business Case

Consumer Consent Service

Modernising the energy market to drive innovation and support national goals for efficiency, sustainability, and consumer protection

Confidential Data

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Contents

Executive Summary

The Consumer Consent Consultation, led by Ofgem, aims to empower energy consumers by providing secure, transparent, and efficient management of their energy data. This initiative aligns with the broader goals of enabling tailored services, fostering innovation, and supporting the UK's sustainability and Net Zero objectives. By addressing inconsistent consent practices in the energy sector, the service promises to improve user experiences, reduce barriers to innovation, and enhance sector-wide efficiency.

The Retail Energy Code Company (RECCo) is the "minded-to" Delivery Body in Ofgem's consultation. This preparatory work has been undertaken to ensure readiness for selection and successful delivery of the **Consumer Consent Service**. Should RECCo is not selected as the governance or Delivery Body, the costs outlined in this business case will not be incurred.

Strategic Objectives

1. Empower consumers with greater control over the consensual sharing of their energy data.
2. Promote the right level of protection with robust privacy measures.
3. Enable innovation of tariffs and products by lowering barriers for third-party services.
4. Support decarbonisation and sustainability goals.

Key Features

- A phased approach, starting with a Minimum Viable Product (MVP) to minimise risks while ensuring scalability.

- Robust privacy and security measures, aligned with GDPR and other regulatory requirements.

- Iterative development guided by continuous stakeholder feedback and agile methodologies.

- Inclusion of vulnerable consumer groups to ensure accessibility and equity.

Stakeholder & Regulatory Alignment

The consultation has been broadly supported with some mixed responses from industry stakeholders. By fostering collaboration across energy providers, regulators, and consumer advocacy groups, RECCo aims to ensure the service is both inclusive and effective. The plan includes leveraging existing frameworks like the Retail Energy Code (REC) to streamline governance and implementation.

Economic & Financial Outlook

- Investment project costs: £2.7m in FY25/26, £4.6m in FY26/27

- Service delivery costs: £2.0m in FY27/28 (shown within REC service costs in the indicative financial projections in the published 2025 Forward Work Plan). These will be enduring year-on-year costs.

- Cost-efficiency measures include utilising pre-existing solutions and adopting a scalable design.

- Critical roles like project management, data protection, and service delivery would be staffed to support development and operations.

Management & Delivery

- A governance framework with nine workstreams, including regulatory compliance, user research, and security.

- Agile delivery is modelled on the Government Digital Service framework, progressing through Discovery, Alpha, Beta, and Live Phases.

- Emphasis on co-development with stakeholders to foster innovation and inclusivity.

Risks & Mitigation

Potential challenges include data quality issues, scalability risks, and user adoption barriers. Mitigation strategies involve proactive stakeholder engagement, iterative testing, and robust financial oversight to ensure the service effectively meets its objectives.

Conclusion

The Consumer Consent Service represents a transformative step in modernising the retail energy market, fostering consumer empowerment, and driving sector-wide innovation. With the potential to revolutionise new products and energy services through the provision of energy data, this initiative aligns with national goals for efficiency, sustainability, and consumer protection. RECCo and the REC is well-positioned to lead this effort, leveraging its expertise and stakeholder collaboration to deliver value for all.

Introduction

Consumer Consent is key to a more transparent, efficient, and consumer-centric energy market. By giving consumers control over their energy (gas, electric, heat, or other) data, enabling innovation through third-party services, and advancing sustainability goals, this initiative will support the transformation of how energy is managed and consumed.

A phased approach – starting with an MVP and expanding functionality – will minimise risks and, with appropriate design and consultation, ensure scalability to benefit all consumers, including vulnerable groups. The proposed budget would support these goals while delivering value for money and ensuring long-term sustainability.

With its proven delivery expertise, RECCo is ideally suited to develop and oversee the Consumer Consent Service under the REC, whose objectives and mission to protect consumer data and improve retail energy market efficiency align with this initiative.

In its consultation on Consumer Consent, published in August 2024, Ofgem stated that its minded-to position was to appoint RECCo as the governance and Delivery Body for the service. The regulator is expected to confirm its final decision on the Delivery Body in the first half of 2025, considering stakeholder feedback received through the consultation process.

At RECCo, we have prepared this document to ensure our readiness and to provide transparency about our intentions should Ofgem appoints us as both the governance and the Delivery Body. This would allow us to start our work quickly and efficiently. In particular, the document provides a Business Case that outlines our planned approach to fulfilling the role. It does not cover the broader Business Case for Consumer Consents, which is to be provided by Ofgem. All aspects of this Business Case are subject to Ofgem's final decision. This is expected to evolve accordingly alongside any future changes to Ofgem's position. This Business Case is designed in alignment with HM Treasury's Green Book methodology, reflecting RECCo's commitment to transparency in its Forward Work Plan. It complements, rather than replaces, the regulator's role in Business Case activities.

Throughout this document, we use the term "Consumer Consent Service" to encompass the comprehensive delivery of systems, technology, mechanisms, processes, governance, and capabilities required to effectively meet the needs of consumers and the market. We are dedicated to creating and delivering value for energy consumers, with innovation at the core of this commitment. The Consumer Consent Service, when implemented effectively, will empower individuals by giving them control over their energy data, fostering trust, enabling new services, and driving sector-wide innovation.

CRECCO

Delivering this service necessitates navigating a complex landscape of interdependencies, balancing security, cost efficiency, and service resilience, while addressing diverse stakeholder needs. We are committed to consulting with stakeholders including consumers, government, regulators, energy providers, and wider market participants through ongoing engagement and collaboration at each project stage.

Consumer Consent has the potential to revolutionise energy services for consumers. We look forward to working together to develop a service that shapes a future-ready energy market.

Strategic Case

Strategic Summary

A Consumer Consent Service will empower consumers in the evolving energy market, enabling tailored services, cost savings, inclusivity, and progress toward Net Zero goals. It aims to address inconsistent consent practices, streamline processes, improve user experiences, and reduce barriers to innovation.

Guided by Ofgem's design principles, the service would enhance data control, build trust, and foster collaboration. Objectives include empowering consumers, promoting efficiency, enabling innovation, ensuring robust privacy, and supporting decarbonisation.

Should RECCo be confirmed as the delivery body, an iterative design approach and proactive stakeholder engagement position the service to meet regulatory, market, and consumer needs while driving sustainability and long-term benefits.

The Imperative

The Consumer Consent Service will play a pivotal role in engaging consumers with the evolving energy market by enabling:

- More tailored services that empower individuals to reduce costs and enhance service quality.

- As demand shifts to more economical times, it will contribute to overall cost reductions, benefiting all consumers –not just those using the service.

- Inclusivity, ensuring timely support for those who need it most.

- Accelerate progress toward Net Zero goals, including decarbonised electricity by 2030 via efficient energy system planning when combined with other Ofgem and government initiatives.

Modern technologies provide an opportunity to transform energy services by enhancing data-driven services that require consumer consent. To achieve this, services must be trustworthy, transparent, accessible, and user-friendly, giving consumers better control over who accesses and uses their data.

Ofgem's Consumer Consent consultation highlights the critical role of digitalisation and effective data use in achieving Net Zero while minimising consumer costs. By granting consumers control over their data, consent services can deliver measurable benefits. Similarly, Citizens Advice underscores the need for consumer-centric services that improve outcomes for consumers and the sector alike.

Currently, inconsistent approaches to obtaining and managing consumer consent hinder wider innovation and confuse consumers. A coordinated sector-wide approach could streamline processes, enhance consumer experiences, encourage competition by reducing barriers for new entrants, and support the ongoing evolution of services.

In the long term, a robust Consumer Consent Service could extend benefits beyond the energy sector. By federating with consent systems in other industries, it can unlock broader opportunities, enabling consumers to benefit from seamless data sharing across sectors while effectively serving their immediate energy needs.

Benefits

Stakeholders stand to gain many wide-ranging benefits from delivering a Consumer Consent Service. Here, we have summarised a qualitative view of these benefits. We expect wider benefits will also be achievable in the long term.

Consumer

- ✓ Consumer Empowerment, informed decision making and control
- ✓ Enable consumers to take advantage of energy-saving services
- ✓ Consumer Trust, transparency in data being shared, protection and inclusion of vulnerable
- ✓ Consumers will be empowered to reduce their energy consumption, achieving net-zero goals by switch to greener tariffs
- ✓ Optimise energy consumption and contribute to decarbonisation
- ✓ Enhanced Competition, in the energy market, provides better services and drive down prices by encouraging the development of new, tailored energy services
- ✓ Shifting energy demand to the most economic point will support an overall reduction in energy costs, benefitting all consumers even if they do not utilise the service

Industry

- ✓ Utilise efficiencies across other REC obligations to realise synergies to reduce time and cost
- ✓ Market Efficiency, standardised consent platform will make it easier for third-party providers
- ✓ Enhanced Competition, foster competition in the energy market, driving down prices and encouraging the development of new, tailored energy services
- ✓ Innovation to support for new energy services
- ✓ Flexibility in new technologies and innovations within the energy sector, encouraging continuous evolution
- ✓ Optimise energy consumption and contribute to decarbonisation

Regulatory

- ✓ Efficient, future-focused strategic investments made with the consumer front of mind
- ✓ Regulatory Alignment benefits of aligning the Code with the delivery body
- ✓ Utilise efficiencies across other REC obligations to realise synergies to reduce time and cost
- ✓ Utilisation of 2023 Open Data project focus areas and key principles for solution development
- ✓ Innovation to support for new energy services
- ✓ Flexibility in new technologies and innovations within the energy sector, encouraging continuous evolution
- ✓ Alignment with net-zero goals, more efficient, secure, and sustainable energy future

Stakeholders

For context, here's a high-level outline of the key stakeholders involved in the Consumer Consent Service.

History

The management of consumer data has been a key focus in the energy sector for a long time. Various programmes have addressed related issues by investigating and investing in the ethical and consensual use of consumers' data. Much can be learned from these past experiences, and they provide context for current developments and decision-making. Here's a timeline of these efforts.
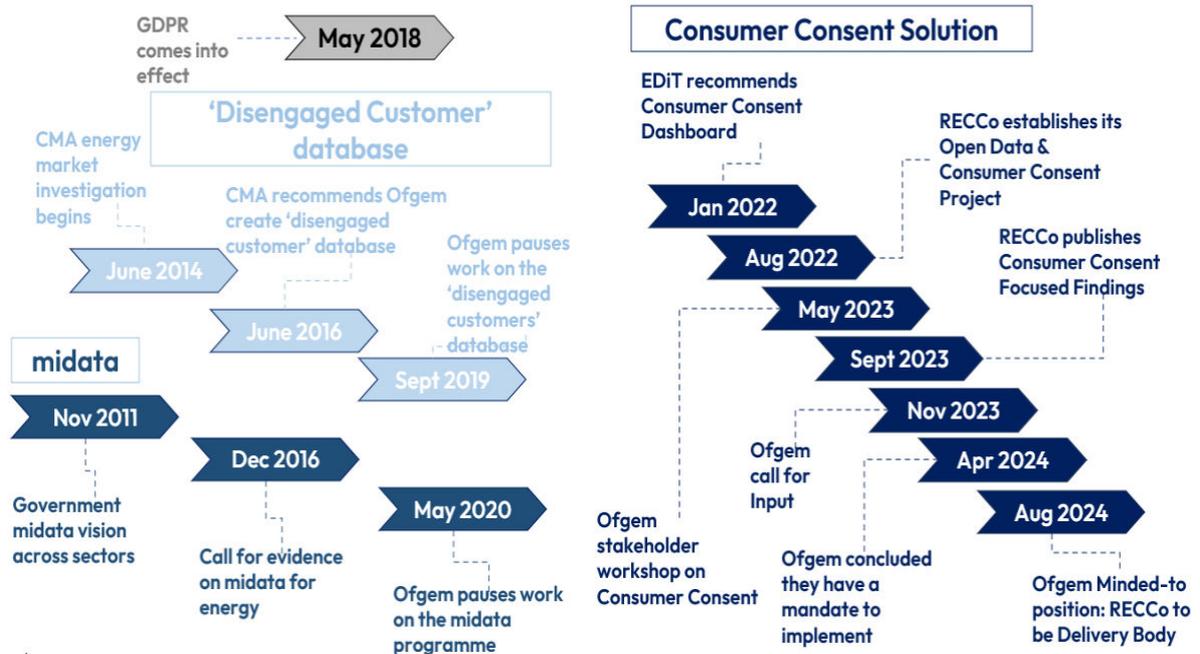
Regulation

Ofgem's engagement in the Consumer Consent Service began with a [Call for Input](#) in November 2023, inviting feedback on the need and potential options for a Consumer Consent Service in the energy sector. While most stakeholders supported a regulated Consumer Consent Service as a viable approach, some expressed concerns about its complexity, cost, and data privacy implications.

In August 2024, Ofgem published its Consumer Consent Service [consultation](#), outlining proposed design principles, key features, and a recommendation to appoint RECCo as the Delivery Body. The proposed principles, subject to change, include:

- Simple and low friction

- Interoperable

- Agile, flexible, and scalable

- Transparent and informative

- Inclusive by design

- Secure by design

The consultation calls for a digital solution that allows consumers to share their energy data with trusted third parties, manage consent processes (granting, reviewing, and revoking), and comply with regulatory requirements. The solution must promote trust and foster innovation in the energy sector.

As part of our preparatory work, we are addressing these requirements and considering diverse stakeholder views, including those with reservations about the solution. To optimise the design, we continuously engage with stakeholders, including those who did not participate in Ofgem's consultations. This early and ongoing engagement ensures that the Consumer Consent Service effectively reflects stakeholder input and meets Ofgem's standards. For further details, see the Management Case section.

Objectives

Ofgem's Consumer Consent Service consultation outlines two key roles.

1. Governance of the Consumer Consent Service.
2. Delivery Body for its implementation.

Ofgem's "minded to" position is for RECCo to assume both roles.

In preparation, we are planning scenarios in which we may be responsible for one or both roles. We have drafted high-level objectives, listed in no particular order, to guide our efforts. This will ensure the service upholds its commitments to transparency, security, innovation, and consumer empowerment.

No.	Objective	Comment
1	Empower consumers with greater data control.	Develop a flexible service that allows consumers to control their data-sharing preferences easily and securely.
2	Promote consumer trust through transparency and accountability.	Ensure the service creates consumer trust by providing clear and transparent data-sharing practices.
3	Support market efficiency and reduce friction for service providers.	Deliver a service that streamlines data sharing processes across the energy market, increasing efficiency.
4	Facilitate innovation by enabling third-party services.	Foster a competitive and innovative energy market by lowering barriers to entry for service providers.
5	Ensure robust security and privacy protections.	Embed security and privacy-by-design principles to protect consumer data and comply with regulatory standards.
6	Contribute to decarbonisation and sustainability goals.	Support the energy sector's transition to a low-carbon economy by encouraging greater consumer participation.
7	Develop an agile, flexible, and scalable service.	Ensure the platform is built to scale and evolves with the energy market's future needs.
8	Deliver value for money.	Ensure cost-effective delivery by providing a high-impact service with efficient use of resources.

These objectives ensure that the Consumer Consent Service would deliver the necessary outputs to achieve the desired outcomes of consumer empowerment, market efficiency, and innovation while upholding privacy, security, and sustainability standards.

Economic Case

Economic Summary

Should RECCo be selected as the Delivery Body, the options for delivering a Consumer Consent Service will be assessed against Critical Success Factors (CSFs). These include value for money, supplier capability, industry support, risk mitigation, and alignment with strategic goals. These CSFs are key to ensuring the service addresses consumer needs and complies with regulatory objectives. The regulator is responsible for conducting a market-wide Cost-Benefit Analysis (CBA), with RECCo providing support as needed.

Critical Success Factors

To select the best option for delivering the Consumer Consent Service, it is essential to evaluate available options against clearly defined CSFs, which represent the fundamental elements necessary for the project to meet its objectives successfully. While more detailed options are needed for a thorough evaluation, an initial set of CSFs has been developed to ensure consumer and stakeholder needs remain central to the service.

These CSFs align with the project's objectives, ensuring RECCo maintains control, delivers value for money, and confirms market capability to implement the chosen option. They also account for future flexibility, long-term vision, and delivery risks. The draft CSFs are outlined here, pending further input and prioritisation to be completed in the design phase through consultation.

No.	Critical Success Factors (CSF)
1	Benefit to consumer
2	Enables positive behaviours (i.e., cohesion and outcomes focus)
3	Alignment to REC objectives
4	Value for money
5	Mitigation of delivery and operational risk
6	Industry acceptance/support
7	Supplier capacity/capability
8	Ability to flex, intercept, or address changes to the licence, as directed by the regulator/DESNZ
9	Minimises interface and handoff risks between providers
10	Provides the correct control, knowledge, and responsibility boundary for RECCo in line with licence obligations/or under the REC

Evaluating Options

In Ofgem's consultation on the Consumer Consent Service, stakeholders were asked to provide views on centralised, decentralised, or hybrid delivery models. In practice, different components of the service will likely align with different models. For instance, a list of accredited organisations may be centralised, while data transfer processes could be decentralised.

At this stage, a preferred delivery option has not been finalised, although it is likely to be a hybrid for different service components. To make an informed decision, we must further define the delivery options and apply CSFs to evaluate them. Should we be selected as the delivery body, this evaluation will involve consulting with a broad range of stakeholders during the design phase. This collaborative approach would ensure the system design is guided by industry and stakeholder input, maximising its potential to deliver economic and consumer benefits.

Cost-Benefit Analysis

Conducting a CBA is a standard practice for building the economic case for investments like the Consumer Consent Service. The regulators determine the necessity and scope of a CBA. RECCo will support Ofgem as necessary to facilitate this process and will use the REC Change process to implement any required adjustments effectively.

Existing Marketplace Solutions

In preparation, should RECCo be selected as the delivery body, we are engaging with organisations that offer existing solutions which could be utilised or adapted to enhance the delivery of the Consumer Consent Service. Leveraging pre-existing solutions has the potential to reduce development time and costs compared to building a fully bespoke, 'greenfield' solution. At this preparatory stage, our primary objectives are to:

1. Understand the existing marketplace and available solutions.

2. Learn from the experiences of these organisations regarding challenges, complexities, and risks.

We are not yet making decisions about adopting specific solutions from the marketplace. These considerations would only be addressed if RECCo is appointed as the Delivery Body. We remain open and eager to connect with organisations offering pre-existing solutions that meet all or part of the Consumer Consent Service requirements.

Management Case

Management Summary

The Consumer Consent Service would empower consumers, improve energy market efficiency, and support sustainability goals like Net Zero. Should RECCo be selected as the delivery body, we will leverage an agile delivery approach, progressing through Discovery, Alpha, Beta, and Live Phases. Initial efforts focus on delivering an MVP, followed by iterative feature releases to build a comprehensive service.

Comprehensive programme governance will be deployed, consisting of nine workstreams covering all aspects for the successful delivery of the Consumer Consent Service's life cycle. These include Programme Governance, Regulatory Compliance, Security and Data Protection, Technology Selection, Commercial and Financial, User Research and Consumer Engagement, broader Stakeholder Engagement, and enduring Service Delivery. Each of these is described more fully below. Risks will be actively managed using the RAID (Risks, Assumptions, Issues, and Dependencies) process, addressing concerns like design timelines, data quality, scalability, and security.

Stakeholder collaboration and inclusivity are central to the service's development, ensuring alignment with industry needs and consumer priorities. RECCo's approach emphasises transparency, continuous improvement, and robust financial oversight to maximise value while fostering trust and innovation in the evolving energy market.

Programme Governance Framework

We have identified **nine key workstreams** required to deliver the Consumer Consent Service. Here is an outline and introduction for each workstream.
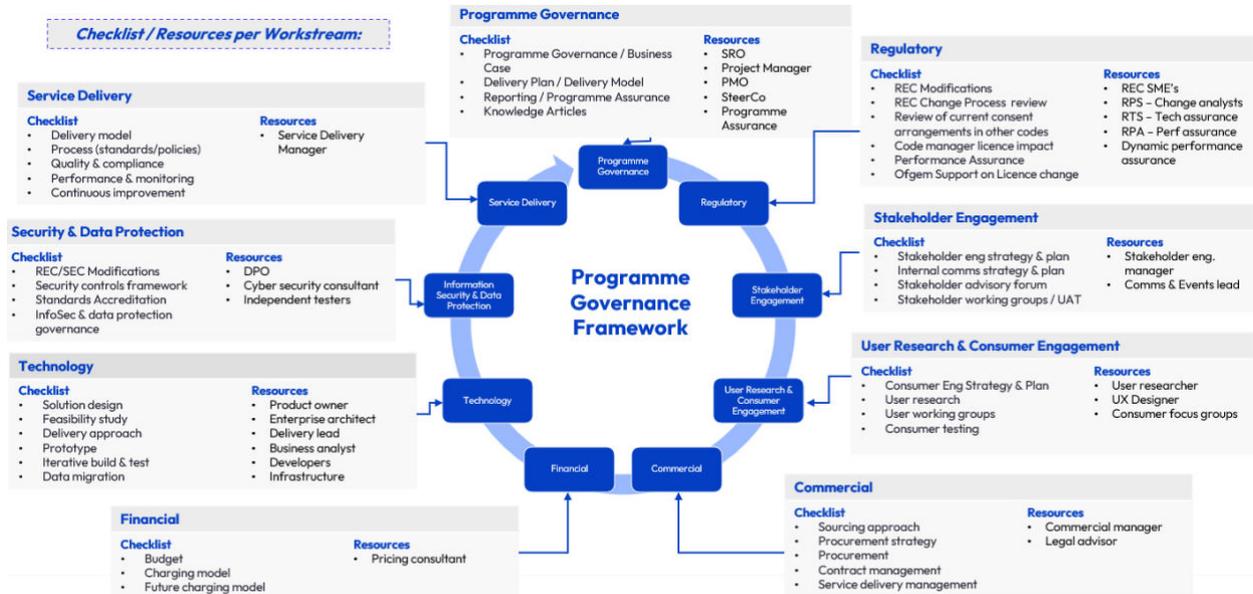
1. **Programme Governance**: Establishes robust governance to enable agile decision-making for successful design, delivery, testing, and implementation. It includes specific involvement from industry parties, Ofgem, end users and service providers in governance.

2. **Regulatory**: Ensures compliance, monitoring, and reporting requirements under the REC are met. This includes drafting REC Change proposals and enabling agile programme delivery.

3. **Stakeholder Engagement**: Develops and extends a framework for engaging stakeholders and end users. Facilitates collaborative design, aligns interests, enables consultation, addresses concerns, and prepares for successful delivery.

4. **User Research & Consumer Engagement**: Gathers insights to align the service with user expectations. Focuses on trust-building, understanding user pain points, and creating personas, use cases, and prototypes for feedback.

5. **Commercial**: Establishes the commercial framework necessary for the delivery of the Consumer Consent Service.

6. **Financial**: Defines an appropriate charging model and principles for the Consumer Consent Service.

7. **Information Security & Data Protection**: Implements robust security practices to protect consumer data, ensuring compliance with security measures and maintaining ISO27001 accreditation beyond project completion.

8. **Technical**: Captures and implements consumer consent requirements, conducts feasibility studies on existing solutions, identifies gaps, and ensures the solution meets consumer, industry, and REC obligations.

9. **Service Delivery**: Develops an operational delivery model to meet REC or other code obligations. Manages processes, teams, and tools, driving efficiency, quality, and customer satisfaction while ensuring ongoing collaboration and service improvements.

Co-Develop with the Market

We aim to co-develop the Consumer Consent Service collaboratively with the market, leveraging an open-working approach to foster innovation and inclusivity. By adhering to Ofgem's Data Best Practice principles, we will ensure transparency, build trust, and strengthen stakeholder engagement. Utilising the REC Change process, we will promote transparency to deliver a robust, comprehensive service aligned with market needs and regulatory standards.

Adopting an agile delivery approach with iterative and incremental progress will enable rapid adjustments based on continuous feedback. This best ensures earlier delivery of consumer value, increasing benefits over time while keeping security and consumer needs at the forefront. Through this collaborative and adaptive approach, we are committed to empowering consumers and advancing the GB retail energy sector.

Stakeholder Engagement Approach

RECCo's proven stakeholder engagement practices would ensure inclusivity, providing representation for all relevant parties, including small suppliers and consumer advocacy groups. This approach, underpinned by the REC Change process, will align with stakeholder interests while addressing concerns to enable successful delivery.

Dedicated steering committees, working groups, stakeholder advisory panels, and consumer forums will foster collaboration between industry and consumer representatives. These platforms will address stakeholder-specific issues, align on service delivery, and proactively mitigate risks. This transparent process will build trust, confidence, and alignment with Ofgem's principles.

Should RECCo be appointed the delivery body, the draft outlined here will be refined in the next phase following the conclusion of Ofgem's consultation and initial industry engagement.

![RECCO logo]

Draft Consumer Consent Governance Stakeholder Groups
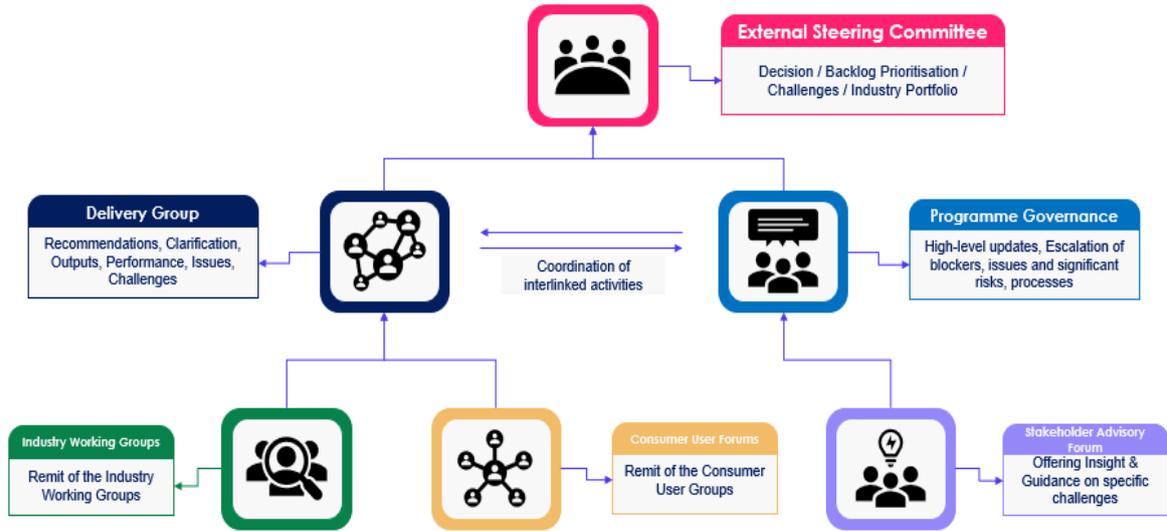
RECCo will ensure transparency by publishing updates, decisions, and meeting outputs on accessible platforms in alignment with the Ofgem Data Best Practice principles. Clear documentation and communication regarding the proposed service and changes will be provided, adhering to the REC Change proposal process.

Draft Consumer Consent Communications & Engagement Channels

RECCo website
Communicate using newsfeeds Overview & Progress, and key deliverables of the project in Our Programmes page .

CM Weekly Bulletin
Progress report, with reference to deliverables on the website, at key stages & milestones of the project.

Social Media
(Linkedin) Include a progress report, with reference to deliverables on the website, key milestones, or requests which reaches outside REC parties.

Future Engagement/ Forums
Steering Committee/ Consumer Consent Stakeholder Advisory Forum (CCSAF) / Industry Working Groups / Consumer User forums,

RECCo Newsletter
Progress report, with reference to deliverables on the website, at key stages & milestones of the project.

REC OAMs
Key updates on the progress of the project which they can include in their conversations with stakeholders as appropriate;

Webinars
Provide stakeholders with a more detailed update on progress, obtain views as we develop and implement the solution.

Approach to Governance Role

We plan to leverage the existing REC change and performance assurance processes for delivery and ongoing service management. This approach minimises the burden on the industry by avoiding the need to develop entirely new processes, saving time and costs.

Through our responsibility for the governance, we would ensure that the service is aligned with regulatory frameworks, especially concerning consumer data protection, security, and transparency. We would capture and implement the requirements relating to compliance, monitoring, and reporting, which RECCo would be obligated to provide as part of the REC. We anticipate this would currently involve:

- Introducing a new REC Schedule with performance-assured obligations.

- Updating the Data Specification.

- Engaging with a broader and potentially new set of users and innovators beyond current REC parties.

- Engaging with consumers during project delivery and indirectly during operation.

- Potentially changing the REC charging regime, which may alter the commercial profile.

If the REC is appointed as the Governing Body but RECCo is not appointed as the Delivery Body, governance activities will focus on ensuring the chosen provider delivers the Consumer Consent Service in compliance with REC obligations. These activities will broadly remain applicable but will be adapted as necessary.

Approach to Delivery Body Role

Should we be selected as the Delivery Body, we would oversee procurement and technical solution management with a strong focus on stakeholder and consumer engagement.
Key activities include:

- **Consumer Engagement & User Research:** Conducting user research to understand consumer journeys, define personas, and identify current and future needs, ensuring a consumer-centric approach.

- **Stakeholder Engagement:** Collaborating with industry and consumer focus groups to explore use cases, impacts, trust, scalability, security, costs, and benefits, integrating insights into the process.

- **Requirements Gathering:** Collecting detailed requirements, including epics and features, to align with stakeholder objectives and consumer needs.

- **UX Prototype Development:** Creating user experience prototypes to ensure a simple, intuitive, and consumer-friendly service.

- **Solution Identification:** Selecting the best solution for consumers, industry, and providers, focusing on MVP delivery and scalability for future needs.

- **Feasibility Studies:** Evaluating potential partners and existing services to meet stakeholder and consumer expectations efficiently.

- **Procurement Strategy:** Defining a clear procurement strategy that incorporates stakeholder and consumer input for effective decision-making.

- **Sourcing & Resourcing Model:** Developing an optimal resource allocation model with stakeholder and consumer perspectives in mind.

- **Security & Controls Framework:** Establishing a robust security framework, including ISO accreditation, to ensure compliance and address data protection concerns.

- **Service Partner Selection:** Choosing the most suitable partners for implementation, guided by consultation feedback and focused on building trust and confidence.

- **Delivery Approach & Model:** Utilising an agile, iterative framework to integrate user feedback at every stage, ensuring adaptive improvements that align with consumer needs and expectations.

Delivery Methodology

Should RECCo be selected as the Delivery Body, we would adopt an agile approach to developing the Consumer Consent Service, modelled on GDS (Government Digital Service) standards and prioritising incremental, iterative delivery. This method enables manageable phases, earlier value delivery, and continuous improvement based on user feedback.

It ensures we can quickly adapt to evolving regulatory requirements, market changes, and user needs. The benefits of this approach include:

- **User-Centered Design:** Guided by GDS principles, we will prioritise user needs, ensuring an intuitive service that meets diverse requirements, including those of vulnerable populations. Iterative development enables early feature testing and feedback to refine the user experience.

- **Risk Mitigation:** Incremental delivery identifies and addresses risks early, avoiding the pitfalls of large-scale deployments by releasing smaller, functional increments for testing and validation.

- **Faster Time to Value:** Each iteration delivers a functional product, allowing stakeholders to realise early benefits. Initial versions can include basic consent management, with advanced features introduced in subsequent phases.

- **Regulatory Compliance & Adaptability:** Agile delivery integrates compliance checks with laws like GDPR and adapts quickly to regulatory changes, ensuring the service remains legally robust and responsive to market oversight.

- **Continuous Improvement & Innovation:** Iterative feedback loops drive refinement and innovation, integrating proven emerging technologies and adapting to market trends like increased smart meter coverage and dynamic pricing.

- **Collaboration & Transparency:** Regular communication and stakeholder collaboration ensure goal alignment and accountability. Transparency fosters trust with stakeholders, including government and industry regulators.

Our approach better ensures the delivery of a secure, scalable, and user-friendly service that supports energy transition goals and fosters consumer trust.

MVP Delivery Phases

We would plan to use the GDS constructs Discovery, Alpha, Beta, and Live Phases. Initially, we will focus on delivering the MVP through these phases, followed by regular feature releases. Each new feature would undergo its own Discovery, Alpha, Beta, and Live Phases, gradually building toward a comprehensive Consumer Consent Service that fulfils all agreed service requirements. Here is a brief overview of each phase.

1. **Discovery Phase**: Validates the problem, user needs, and regulatory context through research and stakeholder engagement, addressing the question: *"Should we do it?"* As new features are continually developed, discovery would be an ongoing process, creating feedback loops to integrate evolving user needs, policy changes, and technical insights into development.

2. **Alpha Phase**: Explores and tests potential solutions, confirming the product vision and approach while answering: *"Can we do it?"* This phase allows for confident scoping and estimating while maintaining flexibility to adjust strategy or design, minimising the cost of changes.

3. **Beta Phase**: This phase builds and tests the service with real users, delivering tangible value while generating feedback for refinement. The service is not yet fully resilient but offers early validation of market needs. This phase answers: *"Are we doing it right?"* It helps avoid misaligned investments and optimises the product strategy and roadmap for maximum return on investment.

4. **Live Phase**: The service is fully deployed, actively maintained, and compliant with Service Level Agreements (SLAs). Operations and maintenance ensure the service remains effective and responsive to user needs. As new features are added, each undergoes its own Discovery, Alpha, and Beta Phases before integration, progressively enhancing the service's sophistication and scope.

Risk Management

Should RECCo be selected as the Delivery Body, the Programme Governance Framework incorporates a RAID Management Process to continuously monitor and address key elements throughout the programme lifecycle and into operational service delivery. This process ensures RAIDs are effectively managed, supporting smoother delivery and the achievement of strategic objectives. Regular monitoring of a centralised RAID log, along with timely reporting and evaluation, ensures mitigation measures are implemented, constraints are addressed, and opportunities are maximised.

Key high-level risks are detailed in the **Appendix** and will be expanded in later phases. While risks cannot be eliminated, active mitigation strategies aim to reduce their likelihood and impact. Here is a brief overview of each risk and mitigation strategy.

1. **Design & Delivery Timeline**

   ➢ **Risks**: Insufficient time to design the service, constrained industry resources, and challenges in delivering quality use cases.

   ➢ **Mitigation**: Adopt agile, iterative delivery; validate designs with prototypes and user feedback; and align timelines with industry input.

2. **Data Quality & Provisioning**

   ➢ **Risks**: Poor data quality or uncertainty over data providers for the MVP.

   ➢ **Mitigation**: Establish standards, conduct early stakeholder engagement, and use the REC Change process for alignment.

3. **Security & Privacy**

   ➢ **Risks**: Vulnerabilities from third-party vendors, non-compliance with data regulations, and unauthorised access to consumer data.

   ➢ **Mitigation**: Implement stringent security frameworks, ensure GDPR compliance, and conduct regular testing to address potential breaches and vulnerabilities.

4. **User Adoption & Accessibility**

   ➢ **Risks**: Low adoption due to unclear use cases, lack of inclusivity, or misaligned solutions.

   ➢ **Mitigation**: Engage consumer advocacy groups, test prototypes with users (including vulnerable groups), and incorporate feedback into iterative improvements.

5. **Scalability & System Performance**

> ➢ **Risks**: Inability to scale efficiently with rapid user growth, leading to system outages.

> ➢ **Mitigation**: Design for scalability, implement rate limiting, and maintain governance trust through transparency.

6. **Financial Oversight & Value**

> ➢ **Risks**: Overspending or low adoption leading to limited benefits.

> ➢ **Mitigation**: Create a detailed business case through the REC Change process, resource plans, and delivery models, and engage users early to ensure the service delivers value incrementally.

The mitigation strategies emphasise proactive stakeholder engagement, iterative development, robust security, and careful financial and resource planning to address risks effectively.

Commercial Case

Commercial Summary

The Consumer Consent Service aims to deliver value for money by balancing cost-effectiveness, quality, and sustainability. Key capabilities include product design, user experience, data governance, and security, refined through stakeholder feedback and alignment with regulatory requirements.

RECCo employs an intelligent sourcing approach, evaluating external and in-house options to maximise efficiency and transparency. Should RECCo be selected as the Delivery Body, performance will be measured through KPIs, cost-benefit analyses, and user feedback. Ensuring compliance with industry standards and fostering stakeholder collaboration are central to the programme's success. This approach would best meet regulatory goals, empower consumers, and build trust in the energy sector.

Initial View of Service Capability Requirements

We are currently conducting preparatory work to understand the anticipated requirements for the Consumer Consent Service. If appointed as the Delivery Body, we will undertake a more in-depth process to refine these requirements, incorporating ongoing stakeholder feedback throughout delivery.

Our initial insights come from Ofgem consultations, responses, ICO regulations, publications (e.g., Energy Digitalisation Taskforce report), and stakeholder meetings. These efforts have enabled us to develop a high-level view of requirements, which we plan to expand into more detailed capabilities.

Capability Categories & Scope

1. **Product & Service**: Defines the service's offerings for end-consumers and intermediaries.

2. **User Experience**: Covers user interactions with the service, including consumers and intermediaries.

3. **Data Architecture**: Details how data is defined, used, and shared within the service.

4. **Data Governance**: Establishes policies and practices for managing data, including roles and responsibilities.

5. **Solution Design & Delivery**: Outlines technology design requirements for the solution's ecosystem.

6. **Security**: Specifies measures to ensure appropriate security across use cases.

7. **Ways of Working**: Guides how the delivery programme should operate to ensure effective implementation.

8. **Programme Governance**: Defines stakeholder engagement and decision-making processes for service delivery.

9. **Ongoing Refinement**: These requirements will evolve as we engage further with stakeholders and conduct additional research. If appointed, we will maintain transparency through regular updates on requirements, enabling stakeholders to invest confidently and provide high-quality feedback for optimal service delivery.

RECCo Strategy for Obtaining the Capabilities

RECCo employs an intelligent sourcing strategy to ensure the development of services is entrusted to capable providers or organisations. Should we be selected as the delivery body, when multiple options exist for obtaining a capability, the project team will evaluate these options based on factors such as previous experience, capacity, capability, and cost. Recommendations will be presented to the steering group for approval.

Options for capability development may include procuring services, extending current services, in-house capability, and placing obligations on REC parties, such as data providers, to develop specific capabilities. A blended approach will likely be used to deliver the service's various components effectively.

For procurement, RECCo will adhere to its published Procurement Principles, ensuring transparency, fairness, efficiency, and accountability throughout the process. These principles foster trust, encourage competition, and maximise value for stakeholders and end consumers. This approach reflects our commitment to ethical conduct, sustainability, regulatory compliance, and excellence in procurement practices. For more details, our Procurement Principles can be found here.

Value for Money

Value for Money means delivering the best possible outcomes at the lowest cost while maintaining quality, usability, and security. The Consumer Consent Service must meet regulatory and consumer requirements efficiently and effectively.

Ensuring Value for Money

- **Cost-Effectiveness**
  - ➢ **Efficient Resource Use:** Optimise technology and human resources to minimise costs.
  - ➢ **Scalable Design:** Develop a system capable of handling growth without significant additional expense.

- **Quality Assurance**
  - ➢ **User-Centric Design:** Create an accessible, user-friendly system for all, including vulnerable and digitally excluded users.
  - ➢ **Security and Compliance:** Maintain adherence to security standards and regulatory requirements to build trust and avoid penalties.
  - ➢ **External Assurance:** Engage independent organisations for program delivery assurance.

- **Sustainability**
  - ➢ **Future-Proofing**: Design for adaptability to future energy sector and regulatory changes.
  - ➢ **Environmental Considerations**: Minimise energy consumption and resource usage to reduce the solution's environmental impact.

- **Stakeholder Engagement**
  - ➢ **Industry Collaboration**: Work with stakeholders to align the service with their needs and leverage existing infrastructure.
  - ➢ **Consumer Involvement**: Actively involve consumers to ensure the service meets their priorities and addresses their concerns effectively.

Demonstrating Value for Money

Demonstrating value for money will be achieved through all or a selection of the below depending on the final service and costs to implement these approaches.

- **Performance Metrics**

  - **Key Performance Indicators (KPIs)**: Develop KPIs to evaluate cost savings, user satisfaction, and compliance.

  - **Regular Reporting**: Provide stakeholders with regular updates demonstrating how the service delivers value.

- **Cost-Benefit Analysis**

  - **Detailed Analysis**: Conduct comprehensive assessments to quantify benefits against incurred costs.

  - **Comparative Studies**: Benchmark the service's performance against alternatives or previous systems.

- **User Feedback**

  - **Surveys & Interviews**: Gather feedback from consumers and industry participants to assess satisfaction and identify improvement opportunities.

  - **Continuous Improvement**: Use feedback to drive iterative enhancements to the service.

- **Regulatory Compliance**

  - **Adherence to Standards**: Ensure compliance with regulations and industry standards, such as those set by Ofgem.

  - **Accreditation**: Obtain certifications to validate the service's security and quality.

Conclusion

To ensure value for money in the Consumer Consent Service for the GB energy sector, it's essential to focus on cost-effectiveness, quality assurance, sustainability, and stakeholder engagement. Value can be demonstrated through clear performance metrics, cost-benefit analyses, user feedback, and regulatory compliance. This approach will meet industry requirements while building consumer trust and satisfaction.

Financial Case

Financial Summary

Early cost estimates for the Consumer Consent Service anticipate a multi-year programme with iterative development cycles. Estimated investment project costs include £2.7m for FY25/26 and £4.6m for FY26/27. We estimate the enduring service cost to be circa £2.0m from FY27/28 onwards, with the majority allocated to outsourced resources. Cost apportionment covers governance, REC service, engagement, and solution development.

Six critical roles – including a Project Manager, Business Analyst, Product Owner, Solution Architect, Data Protection Officer, and Service Manager – will support delivery and operation. Robust financial governance will ensure budget control, compliance, transparency, and accountability through regular audits and escalation processes.

No expenditure or recruitment will occur without Ofgem confirming our selection as the Delivery Body.

Estimating Budgets

Estimating costs early in a programme that still requires regulatory and detailed design consultations presents challenges, and these estimates may evolve over time. However, an initial cost estimate has been developed based on the details provided in this Business Case. Resource costs were calculated using average market rates and timelines from comparable programmes, applying the agile delivery approach outlined earlier.

The programme is expected to span multiple years, progressing through iterative development cycles. Efforts will prioritise leveraging existing solutions where feasible and cost-effective. Additionally, existing REC processes will be adapted to include Consumer Consent requirements, facilitating cost savings and operational efficiencies.

Estimated Costs

This is based on RECCo being named as both the Delivery and Governance Body by Ofgem, should RECCo only perform the role of governance a portion of this budget would be required. At a high level, here are the estimated costs for each FY.

- **FY25/26**: £2.7m investment project costs.

- **FY26/27**: £4.6m investment project costs.

- **FY27/28**: £2.0m anticipated enduring service delivery costs.

We have prepared detailed resource plans to support these costs, but we have not provided the breakdown between internal and external costs at this stage to ensure we protect any competitive procurement activity. However, should any REC Party require further details on the cost makeup, we will share that on a confidential basis to the extent that it does not compromise the integrity of the procurement process.

Cost apportionment between different categories for project delivery in FY25/26 and FY26/27. To protect and maintain competitive tension, we have redacted the % cost allocation. This may be shared confidentially to REC Parties if requested.

Category	%	Workstream Alignment from Management Section
Governance	[redacted]	Programme Governance & Financial
REC Service	[redacted]	Regulatory & Service Delivery
Engagement	[redacted]	Stakeholder Engagement, User Research & Consumer Engagement
Solution Development	[redacted]	Security & Data Protection, Technology & Commercial
Total	100%	

Recruitment

Six roles have been identified as critical to the service development. Should RECCo be named the Delivery Body, five of these would be recruited in FY2025/26, with the Service Manager coming in FY2026/27, in line with the new service going live. If RECCo is not selected as the Governance or Delivery Body, these roles will not be recruited.

1. **Project Manager**: Essential to achieving successful project outcomes. An internal project manager increases alignment with delivery goals and ensures continuity. This resource can also be deployed on future projects, maximising long-term value.

2. **Business Analyst**: Develop in-depth knowledge of the service requirements and their potential delivery methods. Retaining this knowledge is essential for supporting enduring service. Currently, RECCo employs a single Business Analyst, enabling this analyst to transition to other projects and reducing reliance on external consultants.

3. **Product Owner**: Crucial in engaging stakeholders to drive continuous service improvement. This responsibility is vital both during project delivery and throughout the ongoing operation of the enduring service.

4. **Solution Architect**: A deep understanding of the solution's technical architecture is essential for driving change and holding service providers accountable. Retaining this expertise internally ensures consistent oversight and effective solution management.

5. **Data Protection Officer**: As responsibilities increase, RECCo must manage data protection activities effectively. Strengthening existing information security and data protection capabilities is the most effective way to achieve this.

6. **Service Manager**: Collaborating closely with the Product Owner, the Service Manager will oversee provider performance and ensure the service operates as intended, meeting stakeholder expectations and delivering consistent value.

Financial Governance of Costs

Programme governance would be established to ensure strict control over the approved budget. Expenditures will be closely monitored against the budget, with any deviations reported to the necessary body. Predefined threshold limits will be set, and any costs exceeding these limits will be reported and escalated through an established process. Escalating unresolved issues, significant risks, or threshold breaches would ultimately reach Ofgem as the Governing Body if necessary.

Regular audits and assurance checks will be conducted to confirm that budget management aligns with policies, regulations, and best practices. These reviews will validate that all programme spending follows the approved process, providing independent oversight of financial data and forecasts. This approach ensures accountability, transparency, and robust financial control throughout the programme.

Appendix

Risk & Mitigation Log

These risks are not in priority or size order.

Risk	Mitigation
Ofgem's specified timescale for the Design Phase in the consultation is not sufficient to design the service.	• Influence Ofgem during consultation to extend the Design Phase or move decision-making for Design Phase length into REC Change process. • Agile delivery approach, with small iterative releases, will enable the system to be designed based on consumer industry needs and adaptable based on consumer group feedback.
Availability of industry resources for this project may be constrained, given competing needs.	• Reuse solutions and capabilities to minimise the burdens created by this initiative. • Coordinate with other initiatives, like DSI (Data Sharing Infrastructure) and FMAR (Flexibility Market Asset Register). • Use licencing to incentivise investment and action. • Engage with stakeholder advisory panels early in the solution design. • Share project timelines and indicate when industry involvement is required, along with their expectation.
Time available for the service design would impact the deliverability of use cases and the quality/timeliness of services.	• Use wireframes and prototypes to validate and verify the service with users as soon as possible. • Adapt timelines based to enable quality to be met.
Quality of data from different stakeholders may not be suitable for the requirements of the service.	• Apply standards to future data collection. • Triage service journey failures and share insights. • Help industry prioritise data quality investment.

Uncertainty remains regarding which organisation will provide the data for the MVP and how it will be provisioned for the service; a determination that will only be possible once a more detailed design is finalised.	• Engage stakeholders early to enable planning. • Conduct detailed requirements gathering. • Use REC Change process to facilitate alignment on data provision.
Third-party vendors (e.g., cloud providers or third-party brokers) may introduce vulnerabilities into the system through lax security practices or inadequate data controls.	• Implement relevant cybersecurity controls / standards framework. • Outline clear security obligations with third-party service provider contracts, including vulnerability and PEN testing.
Compliance violations and unauthorised data sharing could occur if consent records are not properly updated or validated.	• Deliver a governance framework that ensures compliance with privacy and data protection regulations, while providing transparency on how data is handled by all stakeholders. • Build stringent security protocols, including encryption, multi-factor authentication, and GDPR-compliant data handling, to protect consumer data from unauthorised access. • Utilise cypher and encryption technology.
Unauthorised access to sensitive consumer data (e.g., energy usage patterns and personal identifiers). A breach could lead to legal penalties under GDPR and loss of consumer trust.	• Ensure the platform is secure by design, with strict data privacy measures and GDPR compliance. • Outline detailed guidelines on how consumer data should be handled, stored, and shared in compliance with GDPR and other relevant privacy laws. • Include encryption, multi-factor authentication (where applicable), and GDPR-compliant data handling, to protect consumer data from unauthorised access. • Implement user identification and verification.
Delivery Body (or key stakeholders) suffer a cyber-attack that erodes consumer trust.	• Engage NCSC and other security/privacy stakeholders from the outset and continually. • Test every service release for security/privacy compliance and resolve issues ahead of release.

Vulnerable consumers are not able to use the system if the service does not provide the means for consumers to get help when they need it (including digital exclusion, socioeconomic and language barriers).	• Include vulnerable consumers in focus groups and test wireframes and prototype services with them. • Partner with charities and consumer bodies; use their knowledge and test within their services. • Design systems to ensure accessibility and inclusivity, particularly for those with limited digital access or language barriers.
Actual user needs and the scope of the interests of consumers are highly uncertain, which can impact user adoption of the service.	• Establish Consumer Advocacy Groups to engage early on the Solution Design. • Create prototypes to gather feedback and insight for end users. • Conduct surveys to capture perspectives of consumers and advocacy groups on privacy, ease of use, and trust. • Host consultations to enable wider engagement where consumers and advocacy groups can voice their opinions on the proposed consent service and its impact on data privacy and security.
System experiences rapid user growth (e.g., more energy providers or consumers); may not scale efficiently, leading to slow performance or outages.	• Scalability through controllability granting access will sustain design and process transparency as complexity grows over time, ensuring stakeholders responsible for governance (security, privacy, performance, etc.) and retain trust in the Service Design. • Implement rate limiting in line with technical limitations.
Suitability/specificity of the use case, which may result in building the 'wrong' service or causing confusion about the intended use case.	• Continually research and test with users throughout delivery and be ready to adapt use cases and requirements as learning takes place.
Spend consumer money with little end benefit because of lack of adoption of a solution or suitability.	• Engage with end users early in the solution design via Consumer User Groups and Industry Working Groups. • Create prototypes to gather feedback and insight to support the MVP. • Rollout MVP and manage subsequent changes via an iterative delivery based on feedback, making incremental improvements.

Spend exceeds the funding agreed for the project.	- Clear Business Case for FY25/26. - Clear resource planning assumptions. - Define delivery sourcing model. - Detailed delivery plan to support the Business Case, resource assumption, and sourcing model.

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