



Retail Energy Code Company

Annual Report

2024-25



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Glossary



Welcome message / Chair



Hannah Nixon
RECCo Board Chair

I'm pleased to introduce this year's Annual Report, which reflects a busy and productive period for RECCo. Having joined as Chair on 1 April 2025, I write this with the benefit of thoughtful, insightful conversations with my predecessor, Dr Chris Anastasi, as well as the [Board](#), the [Executive team](#), and our wider stakeholders. I do so with great appreciation for the strong foundations laid before my appointment.

RECCo has made significant strides over the past financial year, advancing an ambitious work programme aligned with its mission and the evolving needs of the retail energy market. As detailed in Sid Cox's operational highlights, RECCo achieved key milestones across major industry programmes, digital innovation, and consumer protection.

This past year, RECCo also strategically examined its future operating model. With changes expected across the wider energy codes landscape and increasing demands driven by digital transformation, the Board and Executive team have worked closely to ensure the organisation is ready to evolve its services and support industry needs. As always, stakeholder insights have

helped shape this thinking. Our priority remains on the effective delivery of existing and new services under the Retail Energy Code (REC) to benefit consumers, REC Parties, and the wider market.

RECCo operates as a virtual organisation, attracting and retaining a diverse and skilled workforce from across the UK. We support our people through training, clear career development opportunities, and a strong focus on physical and mental wellbeing.

Acknowledging the realities of remote work, we stay connected through regular check-ins and open feedback channels, including employee surveys. These efforts have helped maintain strong engagement and retention, ensuring we continue to meet the expectations of our stakeholders.

Our Corporate Affairs team has developed and delivered a comprehensive engagement and communications programme. This has been effective in keeping stakeholders informed, heard, and involved—ensuring their priorities and concerns are understood and addressed across the organisation.

I know how much RECCo values its relationships with stakeholders and remains committed to listening to—and acting on—their expertise and feedback. I look forward to connecting with many of you as I continue to settle into my role.

I want to pay tribute to the leadership and dedication of my predecessor, Dr Chris Anastasi. Throughout the past year, Chris—together with the wider Board—provided essential guidance, constructive challenges, and effective oversight. Their contributions have helped RECCo maintain strong governance while delivering on its commitments.

As I take forward my tenure, I do so with a deep appreciation for RECCo's progress to date and a clear understanding of our critical role in supporting the energy market's transition. I'm confident in our direction and optimistic about the opportunities ahead.

On behalf of the RECCo Board, thank you for your continued support and engagement—I look forward to working with you all.



As I take forward my tenure, I do so with deep appreciation for RECCo's progress to date and a clear understanding of our critical role in supporting the energy market's transition

Operational highlights / CEO

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Sid Cox
Chief Executive Officer



Over the past year, RECCo has continued to deliver tangible outcomes that support a stronger, more responsive retail energy market. As part of our commitment to transparency, we introduced [Quarterly Reporting](#) to keep stakeholders regularly informed, culminating in this [Annual Report 2024-25](#).

We reached a key milestone during this period by publishing our first standalone [Strategy 2025-30](#). Developed in close consultation with stakeholders and grounded in a strong understanding of the market and regulatory environment, it reflects how far we've progressed since entering live service four years ago.

We've built our strategy around three core aims—**Perform, Protect, Progress**—guiding our work over the next five years. We finalised these priorities following extensive consultation and strong support from stakeholders across the industry.

We've delivered or made strong progress on all commitments in our [Strategy & Forward Work Plan 2024-27](#). Key achievements include meeting every [Market-wide Half Hourly Settlement](#) (MHHS) milestone on time, and developing a dedicated [Energy Theft Unit proposal](#)—now under Ofgem's consideration through the REC Change Process.

We made a robust case for transferring **Central Registration Service (CRS) governance and operation** to RECCo. While disappointed by the outcome of Ofgem's decision, our efforts delivered tangible outcomes—**substantial service cost reductions** by the Data Communications Company (DCC), reflected in our [Budget 2025-26](#), and Ofgem's recommendation for a [CRS Improvements Plan](#), developed collaboratively with DCC and now being delivered.

We focused on **procuring a single Digital Services provider** to unify the Code Manager's Digital Services, creating a modern, scalable, user-focused ecosystem. With the contract award pending, we're preparing for the design and build phases, which are supported by a dedicated user group. Go-live target is Autumn 2026.

We took on new responsibilities that reflect our growing role in shaping the sector's future. Ofgem appointed us as **delivery body for the Consumer Consent Service**, a critical step towards giving consumers control over their energy data, unlocking more personalised services, and supporting innovation across the market.

We welcomed the Department for Energy Security and Net Zero's (DESNZ) confirmation that the [Tariff Data Specification](#) will be governed under the REC. Part of the Smart Secure Electricity System (SSES) programme, this initiative will support a more efficient electricity system and reduce market costs.

We're committed to delivering value through responsible financial management. In 2024-25, we managed a **£53 million budget**, with a projected year-end outturn of **c£42 million**. Aligned with our transparency commitments, we returned around **£4.3 million** to industry during the year: £1.8 million via MHHS charge reductions and around £2.5 million via lower REC charges. A final rebate will follow the statutory audit in Summer 2025. These returns reflect firm cost control, effective project management, and careful contract oversight of REC Service Providers.

Stakeholder satisfaction with REC Services rose in 2024, with our [Annual Satisfaction Survey](#) showing an average increase from 7.0 to 7.5 out of 10 across our collective REC Services. This reflects the efforts of our

team and service partners—and the impact of your feedback. Your input shaped improvements, such as re-platforming the Gas Enquiry Service and reviewing the REC Change Process, which we will continue to build on in 2025-26.

Effective stakeholder engagement remains central to our approach. We've delivered **over 240 engagements with nearly 950 stakeholders**—strengthening relationships, enhancing transparency, and building mutual understanding. We thank you for your insight and challenge—both are crucial to shaping our work and improving the retail energy market for consumers.

Your feedback is essential. We encourage you to share your thoughts on this report via our [short survey](#) or email us at communications@retailenergycode.co.uk to help build a retail energy market fit for the future.

Our core functions guide everything we do:

- ▶ **Maintain and evolve the REC**
- ▶ **Design, procure, and manage REC Services**
- ▶ **Deliver our Forward Work Plan—aligned with government and regulatory priorities and informed by stakeholder input**

Operational highlights / at a glance

Year in Review

- ▶ Met all Market-wide Half Hourly Settlement (MHHS) programme milestones on time
- ▶ Launched a new API gateway, laying a scalable foundation for our future REC Digital Services
- ▶ Delivered Payment Levelisation Reconciliation from April 2024, supporting vulnerable consumers and helping to tackle fuel poverty
- ▶ Re-platformed the Gas Enquiry Service in October 2024, boosting system stability and response times
- ▶ Reviewed and improved the REC Change Process (via CR R0167) to accelerate change delivery, enhance solution quality and stakeholder, and introduce a new issue-raising mechanism
- ▶ Appointed by Ofgem to deliver the new Consumer Consent Service, putting consumers in control of their energy data
- ▶ REC designated by DESNZ as the home for Tariff Interoperability governance, enabling greater demand-side flexibility in the Great Britain energy market
- ▶ Developed the Business Case and proposals to progress a new dedicated policing unit to combat energy theft and protect consumers

Service Provider Performance

- ▶ Increased stakeholder satisfaction with REC Services from 7.0 to 7.5/10 in the 2024 Annual Satisfaction Survey
- ▶ Achieved consistently high performance from all RECCo Service Providers, with an average of 97% of KPIs met over the year
- ▶ Only six RECCo Service Provider events resulted in credit payments—returning more than £259,000 to the industry

£259k credit payments returned to industry

Stakeholder Savings

- ▶ Projected savings of c£11 million for stakeholders in 2024-25 by managing a £53 million budget with an expected outturn of £42 million
- ▶ Delivered c£3 million in Central Registration Service savings through collaboration with the DCC, alongside acceleration of DCC rebate payments
- ▶ Accelerated the rebate process to improve REC Party cash flow, returning £4.3 million to industry in 2024-25, including:
 - ▶ £1.8 million through MHHS charge reductions aligned to the wider programme plan recalibration
 - ▶ £2.5 million through reduced REC Charges from lower Central Registration Service costs via the DCC
- ▶ Delivered efficiencies through effective change allowance management, strategic procurement, project deferrals, billing of non-REC Parties, credit recovery, and maturity-aligned recruitment

£11m budget rebate to stakeholders

Organisational Performance

- ▶ Delivered more than 240 stakeholder engagements, reaching nearly 950 stakeholders, strengthening collaboration and transparency
- ▶ Named finalists in two categories at the 2025 Women in Utilities Awards:
 - ▶ Best Employer for Women—Under 500 Employees
 - ▶ Returning Star—Kimberley Watkiss, Head of HR, People & Culture
- ▶ Maintained a 96% employee retention rate
- ▶ Strengthened culture and confidence, with employee survey results showing:
 - ▶ 93% believe we're positioned to succeed over the next 3 years
 - ▶ 95% agree their line manager genuinely cares about their wellbeing

96% employee retention rate

Operational achievements

Our Strategy & Forward Work Plan 2024-27 outlined our project commitments to deliver efficiency, innovation, and stakeholder value.

Reflecting on the past 12 months, we're pleased to present an overview of our progress and achievements —made possible by the dedication, expertise, and collaboration of our people and service providers, who are central to delivering on our ambitions.

We successfully completed 21 commitments, with an additional five currently in progress.



Operational achievements / Code Management

1

Project Code Management	
Commitment	Achievement
Enhance efficiency and effectiveness of REC Change Management Process	Streamlined Change Management In July 2024, we implemented improvements to REC Schedule 5 through Change Proposal R0167, directly addressing stakeholder feedback calling for a more efficient and streamlined REC Change Process. We also enhanced the REC Portal Change Register by working with the Code Manager Service Provider (CMSP) to introduce a change portfolio overview—making it easier for users to engage with and track changes more effectively. Following improvements, the number of working days to progress change has reduced from 238 in April 2024 to just 176 in March 2025.
Grow Code Manager support resource	Strengthened Code Manager Service Delivery We reviewed and enhanced the end-to-end delivery of the Code Manager Service by expanding support teams, including adding additional Operational Account Managers (OAM) and change specialists to the team to ensure the service remains responsive to stakeholder needs and adaptable to industry change.
Optimise REC Service user engagement and accessibility across REC help desks and other advisory services	Improved REC Portal User Experience As part of our UX/UI project, we delivered a suite of enhancements to improve the REC Portal's usability and accessibility, directly responding to stakeholder feedback. Positive user feedback has highlighted easier access to key information. All input is welcomed, logged centrally, and informs the REC CMSP's continuous improvement programme.
Improve the REC Performance Assurance Regime in response to stakeholder feedback	Enhanced REC Performance Assurance Regime We developed and implemented a Performance Assurance Improvement Plan, which included upskilling OAMs and Service Desk staff, launching Performance Assurance check-ins for Energy Suppliers, and enhancing the market entry training and guidance process for REC Parties. We also simplified reporting and data submissions with an escalation process for missing data and clarified guidance on the Energy Theft Detection Incentive Scheme.
Improve user experience across digital platforms	Upgraded REC Digital Interfaces We're procuring a Digital Services provider to support the development of a new suite of Digital Services for REC stakeholders, launching from September 2026. In parallel, we've enhanced the existing REC Portal, with a redesigned mega-menu for improved navigation, a revamped landing page, and simplified application forms—all aimed at improving user experience and accessibility.

Operational achievements / Enquiry Services & Tariff Levelisation

Project Enquiry Services	
Commitment	Achievement
Enhance data management practices	<p>Initiated Open Data Rollout</p> <p>We began implementing our Open Data initiative by raising and progressing REC Change Request R0148, which proposes a classification-based data access model. This model will allow data items marked as 'Always Open' to be made publicly available without restriction, while applying appropriate controls to other data items for compliance with data protection requirements.</p> <p>We've worked closely with our Enquiry Service Providers to define the necessary requirements and develop a delivery plan. Engagement sessions have taken place, and the Change Proposal is now at the Impact Assessment stage with C&C and Xoserve.</p>
Improve capacity and performance of Energy Enquiry Services	<p>Re-platformed Gas Enquiry Service</p> <p>We successfully re-platformed the Gas Enquiry Service (GES) in October 2024, delivering faster response times, improved stability, and greater resilience through a new cloud-first architecture. Users continue to access gas market data seamlessly, with the system now better equipped for future demands.</p> <p>We maintained strong performance across the Electricity Enquiry Service (EES) while initiating enhancements to improve API speed and scalability.</p>

Project Tariff Levelisation	
Commitment	Achievement
Deliver payment levelisation reconciliation from 1 April 2024	<p>Delivered Tariff Levelisation Reconciliation</p> <p>We successfully delivered payment levelisation reconciliation from 1 April 2024, with all subsequent billing cycles completed on time. In January 2025, we implemented REC Change R0182 to support reconciliation of adjustments for multi-register metering, with no reported issues to date. A two-month hypercare phase concluded in April 2025, and the project has now closed.</p>
Assess impact of standing charge levelisation to inform future policy development	<p>Reviewed Standing Charge Levelisation</p> <p>Ofgem confirmed that it's no longer progressing its proposals to introduce volumetric levelisation.</p>

Operational achievements / Switching – Central Registration Services

3

Project Switching – Central Registration Services	
Commitment	Achievement
Implement recommendations from P1 Major Incident	Strengthened Major Switching Incident (MSI) Responses Following the P1 Major Incident within the Central Switching Service in July 2023, an action plan was developed based on learnings, with RECCo and DCC closing all actions in early 2025, following close monitoring from the Performance Assurance Board (PAB). In February 2025, the Change Panel approved REC Change Proposal R0168, Clarify & Strengthen CRS Providers Requirements, which was implemented in the same month. This Change ensures that if DCC encounters another incident, it must continue following its existing Switching Operator (SO) incident management processes. If unresolved, DCC will now also be required to follow the new REC Category 3 Major Switch Incident: Switching Operator Best Practice Document.
Improve capacity and performance of Energy Improve incident and performance management procedures	Refined Performance Measures We implemented changes to improve how Central Switching Service Request performance is measured and incentivised, focusing on responses to Market Messages and Switch processing at gate closure. We continue to work with DCC and CMSPs to deliver further operational improvements based on feedback from the CRS Switching Stakeholder Advisory Forum and the SO Forum.
Review governance model, implement improvements, and enhance working with DCC	Enhanced Coordination with DCC We strengthened governance and collaboration with DCC by launching a new Technical Change Steering Group, promoting a “design first” approach to change impact assessments, and aligning with DCC on a single annual view of planned CRS activity. We also worked with peer code bodies to improve visibility of unresolved CRS incidents and supported the resolution of a key Go-Live issue to align MPRS and CSS, focused on ensuring all consumers can switch.
Engage with Ofgem on separation of CRS from DCC Licence	Launched CRS Improvements Plan In December 2024, Ofgem decided not to transfer CRS delivery from DCC to RECCo, despite industry support for the move. Citing potential risks, Ofgem instead tasked DCC with improving performance and asked RECCo to support in the review of CRS governance and the operating model. This review is now complete. Ofgem and the REC PAB approved the CRS Improvements Plan , which was developed collaboratively and launched in May 2025.

Operational achievements / Data & Digitalisation

Project Data & Digitalisation	
Commitment	Achievement
Support Ofgem and DESNZ in their development of Consumer Consent policy	<p>Confirmed Consumer Consent Service Delivery Body</p> <p>Ofgem appointed RECCo as the governance and delivery body for the new Consumer Consent Service. We're responsible for designing, developing, and deploying the solution, alongside supporting a supplier licence obligation to ensure all consent is recorded through it. The project is now being mobilised in close collaboration with Ofgem and industry stakeholders.</p>
Implement changes to our enterprise architecture, including an API gateway	<p>Built Scalable Digital Foundation</p> <p>We've deployed the production version of the API gateway, which is currently supporting proof-of-concept services. We're now planning broader adoption across our projects, starting with Digital Services in 2025. We will continue to explore how the API gateway can enhance security and deliver technological benefits across REC Services for users.</p>
Strengthen our system security	<p>Reinforced Security Controls</p> <p>We've reviewed and implemented significant changes to our security systems, enhancing overall performance and ensuring alignment with evolving security needs. While security and data events reflected external market trends, no data breaches were reported to the Information Commissioner's Office (ICO), and our controls performed as expected. We're committed to ongoing improvements to uphold robust system security.</p>
Continue to develop AI capability	<p>Progressed AI Integration</p> <p>We've made incremental improvements to the REC's AI Energy Retail Information Network (ERIN) tool based on stakeholder feedback, with a focus on refining search functionality. As part of our ongoing efforts, we continue to assess the optimal timing for upgrading AI capabilities within REC digital tools, in line with our Digital Services project.</p>

Operational achievements / Energy Theft Reduction Programme

Project Energy Theft Reduction Programme	
Commitment	Achievement
Improve efficacy of Theft Detection Incentive Scheme	Enhanced Energy Theft Arrangements We established a new Theft Issues Group to collaborate with stakeholders on various issues related to the REC energy theft arrangements. We also raised Change Proposal R0173 to improve the efficacy of the incentive scheme by rewarding the desired suppliers' behaviours rather than only the outcome of an investigation. The proposal has been approved by Ofgem—and is on track for implementation in the 2026-27 financial year, as part of the Theft Detection Incentive Scheme.
Develop a portal to improve industry-wide data sharing	Progressed Theft Data Portal Trial We launched a new theft data portal with DeterTech for a 12-month trial to facilitate data sharing and insights with REC Parties. During the trial, which ended on 31 May 2025, we delivered 121 demo sessions. Positive feedback from stakeholders has led to discussions with DeterTech about extending the trial and enhancing the portal with additional relevant data.
Consult on proposal for a dedicated Energy Theft Unit	Advanced Police Partnership Proposal We published an Outline Energy Theft Unit (ETU) Business Case in January 2025 and raised Change Request R0233 and R0234 to progress the solution following positive stakeholder responses. R0233 and R0234 have been approved by the REC Change Panel. We're awaiting Ofgem's decision before progressing the introduction of the ETU (City of London Police) and the RECCo-led Referral Assessment Service.
Progress recommendations of E2E process review	Drafted Theft Review White Paper We collaborated with the Theft Issues Group to draft a White Paper outlining operational, regulatory, and technological challenges with existing energy theft arrangements. The paper aims to drive industry collaboration, inform policy, and support innovation in tackling energy theft.

Operational achievements / MHHS, Code Reform & Third-Party Intermediaries

Project | Market-wide Hourly Settlement (MHHS)

Commitment	Achievement
<p>Deliver six core workstreams to support implementation of MHHS</p>	<p>Supported MHHS Delivery Through Core Workstreams</p> <p>We advanced six key workstream proposals—code drafting, qualification, design changes, testing, operational readiness, and stakeholder engagement—to support successful MHHS programme implementation under the REC.</p> <p>We delivered all 2024-25 requirements on time and within budget and we remain on track to deliver the remaining workstream requirements in 2025-26 in line with the MHHS programme plan.</p>

Project | Code Reform & Licencing

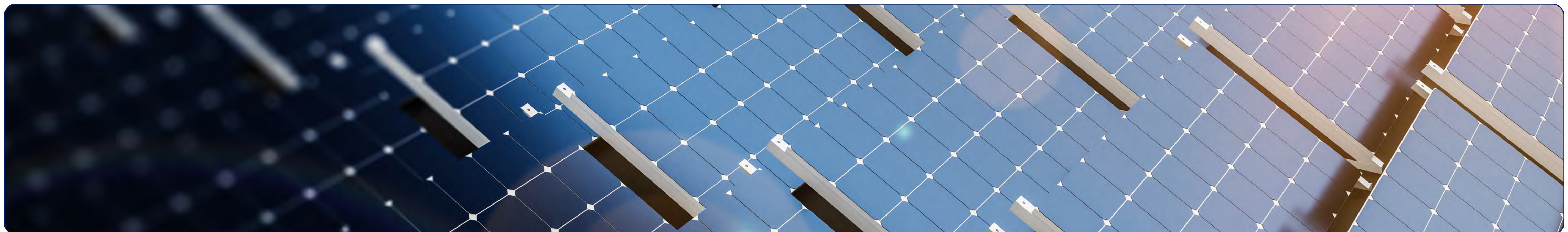
Commitment	Achievement
<p>Engage and implement Code governance reform</p> <p>Undertake preparation and process to acquire Code Manager Licence</p>	<p>Prepared for Code Reform & Licensing</p> <p>We continued to engage with Ofgem’s code governance reform project and advanced preparations to earn the REC Code Manager Licence. This included responding to consultations, progressing an eligibility assessment, and formally confirming our intention to apply for the licence. Ofgem has confirmed that the award of the REC Code Manager Licence to RECCo will follow a non-competitive process. We submitted the formal application in June 2025.</p>

Project | Third-Party Intermediaries (TPI)

Commitment	Achievement
<p>Develop assurance and accreditation processes for TPI Code of Practice (CoP)</p>	<p>Advanced TPI Code Assurance</p> <p>We submitted REC Change Proposals R0137 and R0137A to Ofgem to introduce mandatory assurance and accreditation for TPIs. While Ofgem did not approve either proposal, we will continue to strengthen the voluntary TPI CoP—now with 45 signatories—to support its wider adoption as a benchmark for best practice.</p>

Operational achievements / Our People

Project Our People	
Commitment	Achievement
<p>Launch a comprehensive programme to enhance team capabilities</p>	<p>Invested in People & Skills</p> <p>We launched a programme to review our Target Operating Model in response to the evolving energy landscape and code reform proposals, which concluded earlier this year. This led to the identification of key capabilities and capacity requirements, informing our 2025-26 budget. We continue to conduct comprehensive needs analysis across all departments to identify development areas and create tailored upskilling plans—our priority remains developing our people through customised training programmes. For example, we’ve delivered a company-wide wellbeing and resilience training programme.</p>
<p>Introduce new initiatives to support physical and mental health</p>	<p>Promoted Health & Wellbeing</p> <p>Following our first Employee Engagement Survey in February 2024, we developed a People Action Plan to enhance employee wellbeing, which includes wellness workshops and mental health awareness sessions. We introduced new support policies for bereavement, pregnancy loss, and fertility treatment, and expanded our network of mental health first aiders. Additionally, we’ve implemented key initiatives, including becoming a menopause-friendly organisation and offering wellbeing and resilience training.</p> <p>We’re pleased these efforts have been recognised externally, as we’ve been announced as a finalist for Best Employer for Women (under 500 employees) in the upcoming Women in Utilities 2025 Awards. We also saw increased engagement and satisfaction scores in our February 2025 Employee Engagement Survey, reflecting the positive impact of these initiatives.</p>



Strategy and budget performance

This section outlines how we manage industry funds with transparency and discipline to deliver value and support strategic priorities.

- ▶ Procuring services and managing performance
- ▶ Applying financial levers to drive value
- ▶ Controlling budgets and costs
- ▶ Returning value to REC Parties
- ▶ Planning strategically for 2025–28



Strategy and budget performance



Brian O'Shea
Chief Finance
& Commercial Officer

Financial management

Under REC clause 5.3, RECCo is responsible for procuring and supplying Retail Energy Code (REC) Services to REC Service Users. We manage these services through carefully structured contracts and performance regimes, which include the recovery of liquidated damages when REC Service Providers fail to meet their Key Performance Indicators (KPI).

These recovered amounts are returned to REC Funding Parties via reduced service charges.

That's because we're committed to delivering value-for-money through effective procurement, strong contract lifecycle management, and prudent financial stewardship.

Our strategy combines both hard and soft levers to ensure REC Service Providers are accountable, efficient in their delivery, and the services are aligned with stakeholder expectations.

Hard levers

- ▶ Clearly defined KPIs (quantitative, qualitative, and stakeholder satisfaction-based), with associated service credits for non-performance
- ▶ No evergreen contracts, ensuring regular commercial review
- ▶ Certainty and transparency in contract costs
- ▶ Contractual obligations for continuous service improvement and efficiency

Soft levers

- ▶ Deploying an enhanced RECCo service management function
- ▶ An integrated approach to service management and commercial management, ensuring that service providers deliver on their operational delivery obligations and contractual obligations
- ▶ Structured change control processes
- ▶ The ability to partially terminate underperforming service elements

While current contracts do not facilitate the broad sharing of information beyond the contracting parties, we're entering a key phase of our procurement cycle where we can renegotiate existing contracts and procure future services. We intend to adopt the latest best practices, as exemplified by the **Model Services Contract v2.3**, endorsed by the Government in 2023. This model emphasises transparency, data sharing, and collaborative supplier relationships, which are central to our evolving procurement strategy.

Procurement cycle

Our commitment to value also extends to our internal operations and project delivery. We continue to use a zero-based budgeting methodology, applying robust cost estimates of anticipated costs that reflect the needs of our strategic priorities outlined within our Strategy and supporting Forward Work Plan. REC Parties remain actively engaged throughout the budgeting process and retain the right to appeal

allowances to Ofgem, ensuring strong governance and transparency of REC costs.

Budget cycle

In 2025, the RECCo Board will continue to develop the Budget and Forward Work Plan cycle, building on the enhanced disclosure and clarity introduced in the [Budget 2025-26](#). These improvements aim to provide clearer justification for planned activities and spending, and promote competitive procurement. The primary objective will be to drive value across the supply chain, thereby benefiting consumers.



We're committed to delivering value-for-money through effective procurement, strong contract lifecycle management, and prudent financial stewardship

Strategy and budget performance / rebate & contingency

Returning value to REC Parties

Reflecting the dynamic market environment and the lifecycle maturity of our contracts and services, the [Budget 2024-25](#) reflected a prudent approach to striking a balance between addressing the immediate challenges presented and preparing for longer-term priorities (see [Figure 1](#)).

Our Budget 2024-25 was £53 million, and our expected year-end outturn is c£42 million. In line with our commitment to financial transparency and returning value to REC Parties, we took steps to reduce charges in-year where material underspends were identified.

- ▶ **October 2024:** reimbursed c£1.8 million to the industry through a reduction in MHHS-specific charges
- ▶ **January 2025:** reimbursed a further c£2.5 million through a reduction in REC charges
- ▶ **Summer 2025:** remaining underspend will be returned following the completion of our statutory audit

Working with DCC, we identified that the full year expected outturn for CRS for 2024-25 would be c£3 million less than originally budgeted. We've agreed on an amendment to the REC to enable the budget to be re-baselined downwards, allowing the return of that money in-year to RECCo from January to March 2025 rather than through a rebate to charges in financial year 2026-27. Because of the timing, we were unable to return this to industry before March 2025 and therefore it will form a major part of the further rebate mentioned above.

The MHHS rebate of c£1.8m returned to industry in the year arose due to a recalibration of the programme delivery timescale. This resulted in certain costs expected to be incurred in 2024-25 to be deferred to subsequent time periods, and our Budget 2025-26 reflects that.

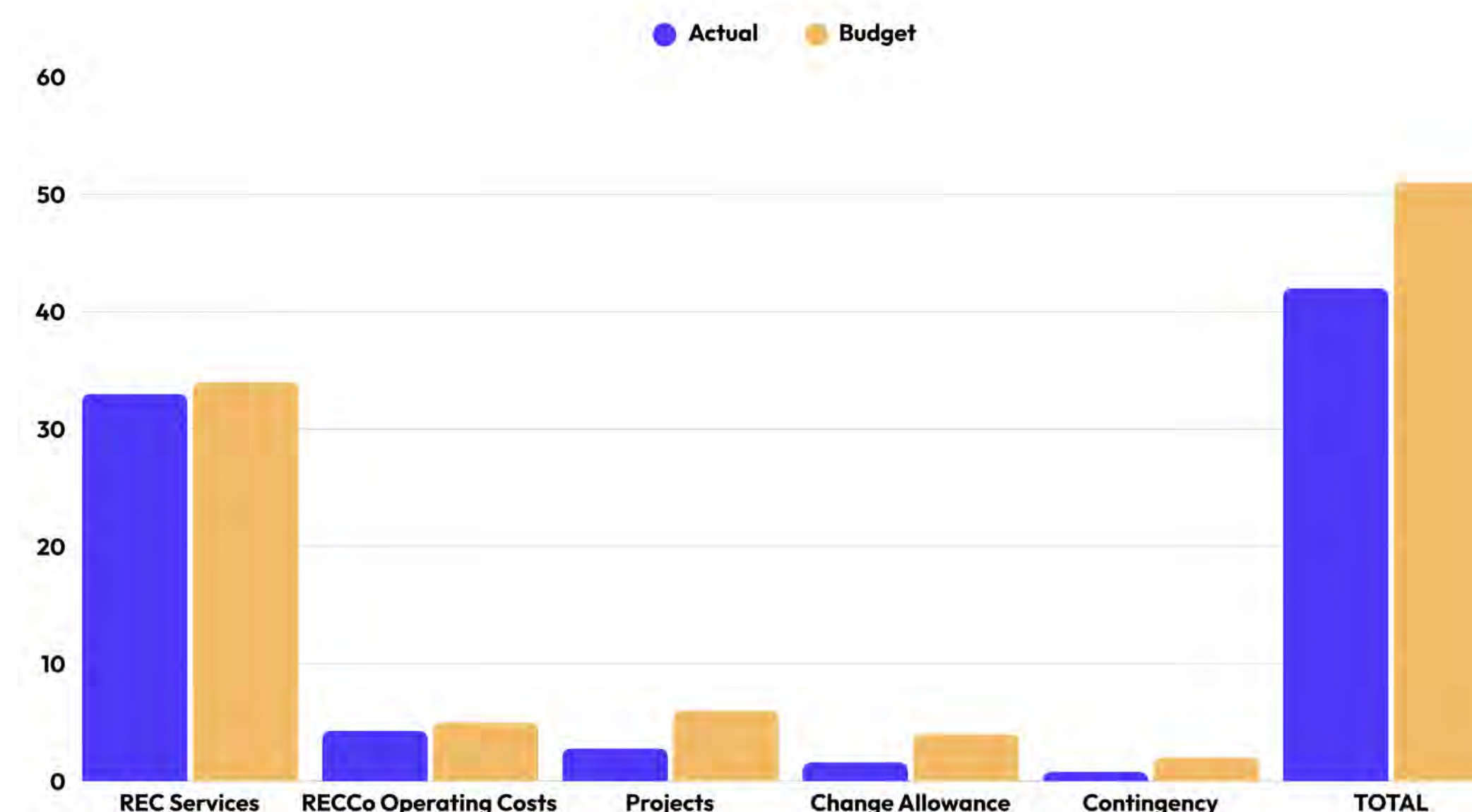
Key work contributing to rebate

- ▶ Cost savings in service and project delivery, most notably CRS costs and the MHHS programme
- ▶ Charging non-REC Parties for their use of REC Services
- ▶ Proactive credit control and minimisation of bad debt
- ▶ Reprioritisation of non-urgent projects
- ▶ Recalibration by MHHS programme of delivery timescales
- ▶ Aligning recruitment plans with RECCo's evolving needs

Contingency allowance

During 2024-25, in response to new regulatory requirements, we utilised an element of the **contingency allowance** to address emerging regulatory requirements. This included responding to Ofgem's consultation on the potential transfer of CRS responsibility to RECCo and assessing RECCo's suitability to deliver DESNZ's Smart Secure Electricity System (SSES) Tariff Interoperability initiative.

Figure 1: Expected financial results 2024-25 (subject to audit)



Strategy and budget performance / next steps

Future planning documents

Together, our final [Strategy 2025-30](#), [Forward Work Plan 2025-28](#), and [Budget 2025-26](#) outline our long-term vision, key workstreams, and financial commitments. These documents shape our priorities and inform future planning to ensure we deliver high-quality Code Management, safeguard consumer interests, and support innovation in the Great Britain retail energy market.

Strategic themes for 2025-28

We will continue to deliver against our four overarching strategic themes:

1. Service excellence
2. Consumer protection and data security
3. Innovation and market facilitation
4. Upcoming regulatory adjustments

These strategic themes frame our long-term planning and investment and ensure we remain agile, impactful, and aligned with energy sector developments.

Delivery priorities for 2025-28

Our key delivery priorities for the coming year:

1. Deliver excellent service across all REC Services and stakeholder interactions
2. Support and enable innovation in the retail energy market
3. Build capacity and capability across teams, platforms, and services
4. Advance six key programmes central to our mission

Our six key programmes

1. REC Services and continued evolution
2. Market-wide Half Hourly Settlement (MHHS)
3. Code Reform and Licence
4. Consumer Consent Service (CCS)
5. Tariff Interoperability Standard
6. Introducing an Energy Theft Unit (ETU)

These priorities align with our three strategic aims—Perform, Protect, Progress—and underpin our continued focus on high-quality Code Management and service delivery to benefit the market and end consumers.

Financial planning for 2025-28

Our [Budget 2025-26](#) supports these delivery priorities and strategic themes, providing the necessary investment to improve service quality, deliver key programmes, strengthen internal capabilities, and ensure effective management of REC Services.

Building on firm foundations

Our direction is shaped by ongoing stakeholder engagement, guidance from Ofgem and the Government, and insights drawn from service performance and delivery data. We continue to evolve our role with transparency and purpose—operating under a not-for-profit model with independent governance that prioritises consumer and market outcomes.

With clearly defined priorities, responsible financial stewardship, and a track record of delivery, we’re well-positioned to create long-term value for the market participants who fund us and the consumers they serve.

Looking ahead

As we enter the next financial year, our focus is on delivering against our commitments and translating plans into measurable outcomes, strengthening industry collaboration, and staying responsive to emerging needs and opportunities.

We will continue demonstrating our impact through transparent reporting and engagement, including [Quarterly and Annual Reports](#).



Appendices

This section explains how key parts of the REC governance framework performed during the 2024-25 reporting period. It highlights how these functions operated, what they delivered, and how they are being improved for the year ahead.

- ▶ REC Code Manager Service
- ▶ REC Change Management
- ▶ REC Performance Assurance
- ▶ REC Services



REC Code Manager Service / performance

Overview

The REC Code Manager Service Providers (CMSP) ensure the effective and efficient delivery of the REC’s daily functions and processes. This includes supporting REC Parties in fulfilling their code obligations.

Key responsibilities

- ▶ End-to-end delivery of the REC Change Process
- ▶ Expert party support through the entry and exit process and Operational Account Managers (OAM)
- ▶ Providing the [REC Portal](#) and Service Desk, acting as the primary point of contact for REC Parties
- ▶ Develop and deliver the Performance Assurance Framework (PAF)
- ▶ Assure the performance of REC Parties, Service Users, and REC Service Providers
- ▶ Deliver education and training in response to stakeholder needs
- ▶ Keep REC Parties informed of code developments through communications, including weekly REC Bulletins
- ▶ Manage REC Committees
- ▶ Manage data through the [REC Digital Navigator](#) and REC technical interfaces
- ▶ Enable safe testing of market innovations through the REC sandbox

Service highlights

REC Party feedback continually evolves the REC CMSP’s services. The team held over 55 Committee and 1,145 OAM meetings, hosted 20 webinars, and published 102 REC Bulletins (see [Figure 2](#)).

Key service changes

- ▶ Introduced the REC Change Issues Group to discuss key issues and inform change developments
- ▶ Implemented an improved REC Change Process following a full review of stakeholder pain points. This included introducing a new pre-Change process and providing better visibility of Change through enhanced reporting
- ▶ Continued to upskill our OAMs and Service Desk points of contact
- ▶ Improved usability of REC Portal and Digital Navigator for our stakeholders, introducing a new landing page and menus
- ▶ Continued to invest in, improve, and refine our AI Energy Retail Information Network (ERIN) tool to help our stakeholders navigate the REC and understand their obligations
- ▶ Introduced Performance Assurance check-ins to provide Parties with increased touchpoints with the Performance Assurance team
- ▶ Improved consultation on Performance Assurance Issues via the REC Change Issues Group and introduced new quarterly webinars
- ▶ Launched “How To” videos to help REC Parties use to the Performance Assurance dashboards and submit reports

Performance summary

We hold commercial contracts with three organisations (Gemserve, Capgemini, and Deloitte) that collectively deliver the Code Manager Service. These contracts define specific service levels, which we closely monitor in collaboration with these organisations.

When service levels are unmet, a service credit system is activated, returning funds to REC Parties during the annual Budget reconciliation process. This performance evaluation regime also plays a critical role in identifying service issues, triggering investigations, and facilitating resolutions when necessary. For example:

- ▶ The CMSPs met their monthly service levels throughout 2024-25, each achieving an **average score between 90% and 100%**
- ▶ Overall, seven events triggered **service credits totalling more than £259,000**

Figure 2: REC Service highlights



REC Code Manager Service / insights & actions



Stakeholder satisfaction insights

Our Annual Satisfaction Survey 2024 offered additional insights into the performance of the REC Manager service. Despite a challenging overall satisfaction target of > 8/10, the Code Manager Service collectively scored 7.4/10, marking an improved performance from 2023. However, missing this target means that between 1% and 4% of their annual contract value will be refundable to RECCo.

We received high recognition for the consistency and expertise of our OAMs, and improvements to our stakeholder communications and engagement, the REC Process, and usability of the REC Portal.

- ▶ 7.4/10 average satisfaction score for REC OAMs
- ▶ 61% of respondents noted positive improvements (particularly in communications)
- ▶ 14% of respondents identified stakeholder engagement as the top area for further improvement (consistency, speed, and clarity)

OAMs were rated very highly for their knowledge and consistent support.

“OAMs are easy to access and have been really helpful in managing the clients and the interactions that we work with.”

Performance Assurance engagement has increased, but we need to refine how it’s measured.

“A balanced scorecard or weighted approach would be better than Parties receiving an annual rating based on their worst-performing area.”

The REC Portal benefits from a more user-centric design, easier navigation, and updated content.

“Navigation and finding content have vastly improved since the changes have been introduced. Change overview page is helpful.”

Communication from email newsletters and webinars remain effective, but stakeholders want more tailored, plain-English updates.

“Communication is very good—newsletters and webinars” but we need “More tailored notifications. We often have 100s of unread notifications, which is information overload.”

Actions and improvements

Building on lessons learned, our REC Code Manager Service has taken important steps to enhance delivery and stakeholder engagement. Feedback shows stakeholders value consistent, regular, and open engagement and appreciate the critical role of RECCo and the CMSPs in helping them keep up-to-date with industry changes and meet their code obligations.

Effective communication across all forms remains a key focus area to meet the diverse needs of our growing stakeholder base.

Following our RECCo on the Road Workshops in London and Manchester in October 2024, the Annual Stakeholder Satisfaction Survey 2024, and several other engagement opportunities with REC Parties and wider market participants, we’ve collaborated closely with the REC CMSPs to develop continual improvement plans for the year ahead.

This plan includes 120+ Identified Enhancements within an effective delivery pipeline, including:

- ▶ Refining and enhancing the REC Change Process:
 - ▶ Developing more robust Business Cases and supporting Change documentation
 - ▶ Revising Committee Terms of Reference to remove any administrative barriers to progressing Changes
- ▶ Expanding the rollout of Performance Assurance check-ins to more REC Parties
- ▶ Incorporating feedback from consultations for Performance Assurance Operating Plan 2025-26
- ▶ Improving the Data Cleanse approach under the REC Performance Assurance Regime
- ▶ Updating the ERIN software and integrated additional REC documentation to enable quicker and more comprehensive answers
- ▶ Enhancing the usability of the Market Scenarios pages with navigation features linking scenarios, diagrams, and legal text

A review of the REC Change Management Process and REC Change Performance Assurance Regime for 2024-25 are explained in the next two sections.

REC Change Management / overview

Overview

The REC Change Process was designed to be open and inclusive, enabling any interested party—including individuals, REC Parties, CMSPs, and other stakeholders—to propose changes and improvements to the REC.

As a result, we’ve witnessed a wide range of **Change Proposals** raised from several entities, such as the CMSPs, Ofgem, other industry bodies, and consumers. This openness is integral to enabling the REC to evolve and adapt to the changing needs of consumers and the broader retail energy industry.

Marking a significant advancement in the energy sector, the REC Change Process builds on best practices identified in Ofgem’s Code Governance Reviews and the Competition & Markets Authority’s [Energy Market Investigation 2016](#).

By consolidating responsibilities traditionally managed by industry panels and working groups, the CMSPs enable a more streamlined and effective approach. This includes conducting robust cost-benefit

analyses, overseeing solution design and requirement specification, and managing planning and independent prioritisation. The result is a more agile and focused process that targets high-impact changes and addresses critical industry challenges.

The CMSPs work in close partnership with stakeholders, including the REC Change Panel, to recommend whether a Change Proposal should be implemented. Industry members play a significant role in supporting the Change Analysis Process by responding to impact assessments and consultations, participating in working groups, and joining webinars. If the relevant Change Committee rejects a recommendation, the CMSPs can appeal the decision to Ofgem.

This model empowers the CMSPs to progress changes independently, fully using industry insight while easing the resource demand on stakeholders. It ensures an efficient, transparent, and collaborative approach to delivering meaningful improvements across the market.

As the government and Ofgem’s wider Code Reform programme progresses, and as RECCo prepares for its expected role as the Licensed Code Manager for the REC from 2026, we’re encouraged

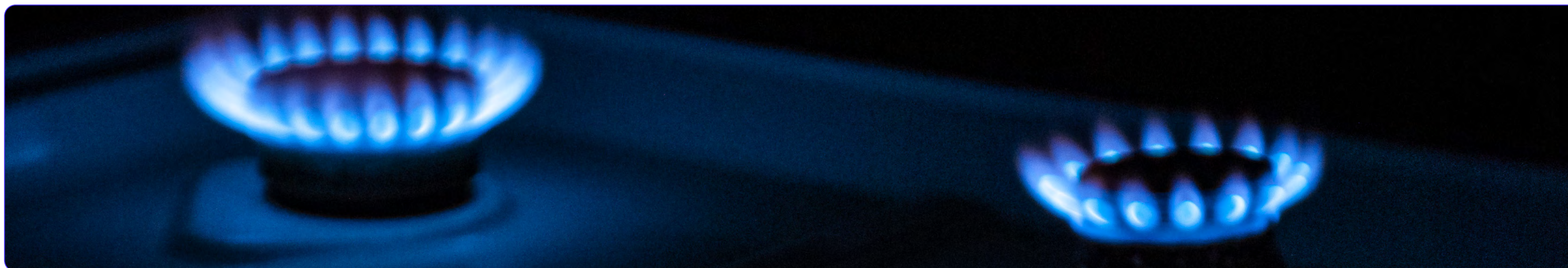
to find that many future licence principles are already embedded in the REC’s governance model.

While we’ve realised the benefits of the REC Change Process in enabling more agile decision-making and delivering high-impact change, there’s more to do to ensure the process works efficiently and effectively for all users.

During our [2025-28 Forward Work Plan and Budget](#) consultation, we received clear feedback from stakeholders that improving our end-to-end Change Process should be a priority for the year ahead.

In response, we’re reviewing and enhancing the Change Process, focusing on improving the development and content of our Change documentation to provide clear and evidence-based problem statements and impact assessments for proposed changes.

We remain committed to working closely with the industry to evolve the Change Process and understand the outcomes we must seek—and we will report on this progress as part of our ongoing stakeholder engagement and quarterly reporting.



REC Change Management / performance & actions

Performance summary

For the third consecutive year, we've increased the number of changes being implemented (see **Table 1**), with **38 REC Changes successfully implemented**. Although a moderate increase from the 36 changes implemented in 2023-24, it should be noted that, as anticipated, a change freeze continues to be applied to changes to the EES due to the MHHS programme.

We introduced the ability to raise Issues within our suite of changes to improve efficiency. This resulted in a notable **85 new Issues (50) and Changes (35) being raised**, which previously may have impacted the pipeline to deliver these changes. However, due to improvements, we've **reduced the working days to progress change from 238 (April 2024) to 176 (March 2025)**—a significant improvement. Here are three significant Change Proposals we've actioned:

- ▶ **R0182** introduced the governance and charging amendments necessary for the existing PML reconciliation arrangements (introduced in R0147) to support multi-register reconciliation. This enables ongoing reconciliation that accounts for a split in single-rate and multi-register Metering Assets. It allows for a one-off retrospective recalculation from the original reconciliation mechanism (1/4/2024) to this amendment's proposed effective implementation (1/1/2025).
- ▶ **R0108** improved dual fuel switching by allowing faster meter targeting at a single address. It also supports consumers who use price comparison websites for multi-channel switching services.
- ▶ **R0043** introduced governance to allow the Crowded Meter Room Coordinator (CMRC) to conduct Commissioning of Works using shared Meter Operator services.

Table 1: REC Change Proposals

	2022-23	2023-24	2024-25
Implemented	21	36	38
Open	73	63	78
Withdrawn	6	25	23
Rejected	0	5	7
New Change Proposals raised	70	57	35
New Issues raised	-	-	85

Actions and improvements

We've implemented several key improvements in response to identified pain points and stakeholder feedback.

- ▶ **Introduced the REC Change Issues Group** to focus on change-specific issues, contributing to Issue resolution and solution development.
- ▶ **Increased resourcing for the Change team** to ensure Subject Matter Experts are available to support the development of solutions and more analysts are available to progress raised changes, working with impacted stakeholders.
- ▶ **Increased visibility of Issue and Change progress** through a new [REC Change Portfolio Overview page](#) on the REC Portal and updates at REC Committee meetings.
- ▶ **Enhanced reporting** with the addition of several fields within the REC Portal Change Register to provide metrics that measure the effectiveness of the REC Change Process.

Case Study

R0108 | Enabling Electricity Enquiry Service searches using a Unique Property Reference Number

Improved dual fuel switching by allowing faster meter targeting by a single address and by helping consumers who choose to use price comparison websites for multi-channel switching services.

Problem

Consumers who wish to utilise multi-channel switching services for gas, electricity, water, broadband, bank, and home insurance, etc., cannot use generic address-capture services for electricity switching because the Unique Property Reference Number (UPRN) search functionality is not available within the Electricity Enquiry Service (EES).

Impact

When switching electricity with the same multi-channel provider, a consumer would need to search again for their address. If the details of an electricity meter could be directly retrieved using the UPRN when the consumer requests a tariff quote or elects to switch, this would significantly improve the onboarding experience.

Solution

The CMSPs worked closely with industry stakeholders and the EES Provider to ensure the solution resolved the identified issues. This included changes to the EES Graphical User Interface and EES API functionality, allowing search using UPRN (Suppliers and Third-Party Intermediaries).

REC Performance Assurance / performance & actions

Overview

With support from the relevant CMSP, the REC Performance Assurance Board (PAB) is primarily responsible for performance assurance, qualification, and maintenance activities under the REC.

The PAB contributes to developing Change Proposals, assesses risks to REC Parties and Service Providers, manages the qualification process, and sets security and data protection requirements.

The CMSPs select members of the PAB through a structured nomination and selection process, ensuring representation from all groups affected by the REC.

Market entry, qualification, and metering

During the reporting period, the CMSPs and PAB continued to manage and enhance the REC qualification processes, ensuring market participants meet the standards necessary to enter and operate within the retail energy market. Routine market assurance and the evolving requirements of the MHHS programme shaped this year's activities.

Market entry and role expansion

The REC qualification process ensures that REC Parties entering the market have the capability, security, and operational resilience to support consumers and the energy market. This includes

tailored entry assessments for each role, covering information security, systems readiness, and the ability to meet REC obligations in a live environment.

This year, the CMSPs and PAB expanded the qualification process to support the introduction of **Safe Isolator Providers**. These organisations are critical in developing low-carbon technologies like EV chargers and heat pumps. Using a risk-based framework, we assessed their ability to operate safely without imposing unnecessary entry burdens.

MHHS qualification implementation

We focused heavily on preparing for MHHS this year. This fundamental reform of the electricity settlement process requires all electricity meter data to be settled half-hourly.

Led by the MHHS programme, this change requires extensive requalification for a broad range of market roles, including Suppliers, Data Services, Licensed Distribution System Operators (LDSO), and Metering Equipment Managers (MEM).

To support this, the REC CMSPs collaborated with Elexon and the DIP Manager to develop and publish the **Qualification Approach & Plan (QA&P)**. This plan details how new and existing market participants must evidence their readiness, covering functional, non-functional, migration, and operational assurance criteria.

Each participant must complete a Qualification Assessment Document. The relevant Code Bodies

review and approve this submission before the participant is granted MHHS qualification.

The CMSPs also introduced new support mechanisms—such as tailored Pre-Qualification guidance, test scenario libraries, and reliance models—allowing participants to leverage third-party testing where appropriate. These tools help ensure the MHHS qualification process is robust while also being flexible and proportionate.

Looking ahead, the MHHS qualification will continue through to 2026. All REC Parties must complete their qualification journey before the full MHHS market goes live (Milestone M14). MEMs, in particular, must demonstrate full operational readiness and system capability to manage the more granular and time-sensitive data exchanges demanded under the new regime.

Metering accreditation and performance monitoring

The **Metering Assurance Framework** remained a vital tool for ensuring safe and compliant operations by MEMs. Audits conducted during the year highlighted several systemic issues, particularly among a subset of providers who failed to meet the minimum requirements of the Consolidated Metering Code of Practice (CoMCoP).

In response, the PAB confirmed a strengthened escalation process, including annual reassessment for persistently non-compliant providers and introduction of a suspension mechanism for those

failing to meet core safety standards. We've also prepared a **MEM Performance Rating System** to launch in the next reporting period. This initiative, mirroring the successful annual ratings for suppliers, will increase visibility around MEM performance and help raise quality and safety standards across the sector.



REC Performance Assurance / performance & actions

Data cleansing

The CMSPs have led a targeted and structured data cleansing programme to improve the accuracy and reliability of key metering data used across the energy market. Although the initial focus was on gas metering data, where long-standing issues in data consistency were identified, the programme is now expanding to electricity data in preparation for the MHHS.

Using outputs from the **Central Data Service Provider (CDSP) reconciliation**, the CMSPs identified significant inconsistencies between centrally held data and data maintained by market participants, particularly around meter serial numbers, model types, and manufacturer details.

For the first time, we used this reconciliation output to drive tangible market improvements through inclusion in **Data Cleanse Sprint Processes**. These are structured, time-bound initiatives that enable REC Parties to concentrate effort on resolving high-priority data issues.

Recognising that data quality problems often stem from flaws in underlying processes, the CMSPs adopted a dual approach: working closely with REC Parties to improve outcomes, while progressing REC Changes to tackle root causes. This included proposals to establish a **Communications Method Register** for MEMs, define maximum fault resolution timescales, and strengthen data validation processes between Suppliers, Shippers, and the CDSP.

Additionally, the REC Code Manager granted access to the Gas Enquiry Service API, facilitating faster and more accurate data sharing.

As a result of this work, market participants have delivered more than 50,000 data corrections to date. The CMSPs maintain momentum by embedding cleanse activities into ongoing **Data Cleansing Sprints**, targeting aged data anomalies and working closely with Meter Asset Providers (MAP) to resolve issues such as MAP ID inconsistencies.

Looking ahead, the CMSPs are launching a similar cleanse initiative for electricity metering data to support the MHHS programme and enhance settlement and billing accuracy.

Plans are also underway to increase the frequency and responsiveness of the CDSP reconciliation process, making it easier for REC Parties to complete future data corrections promptly and efficiently.

Enhancements to the REC Portal dashboards have supported these improvements by giving REC Parties greater visibility and self-service tools to track data submissions and cleanse performance.

By taking a proactive and collaborative approach to data quality, the CMSPs are helping to cut industry error resolution costs, support digitalisation, and improve outcomes for consumers and market participants.

Safe Isolator Providers

In June 2023, we introduced the **Safe Isolator Provider (SIP)** role into the REC through Change Proposals R0021 and R0101. This new role supports the timely and safe installation of low- and zero-carbon technologies, such as heat pumps and electric vehicle chargers.

By enabling accredited parties to carry out safe de-energisation and re-energisation independently of Suppliers, we designed the SIP to reduce delays and coordination challenges that have historically hampered decarbonisation programmes.

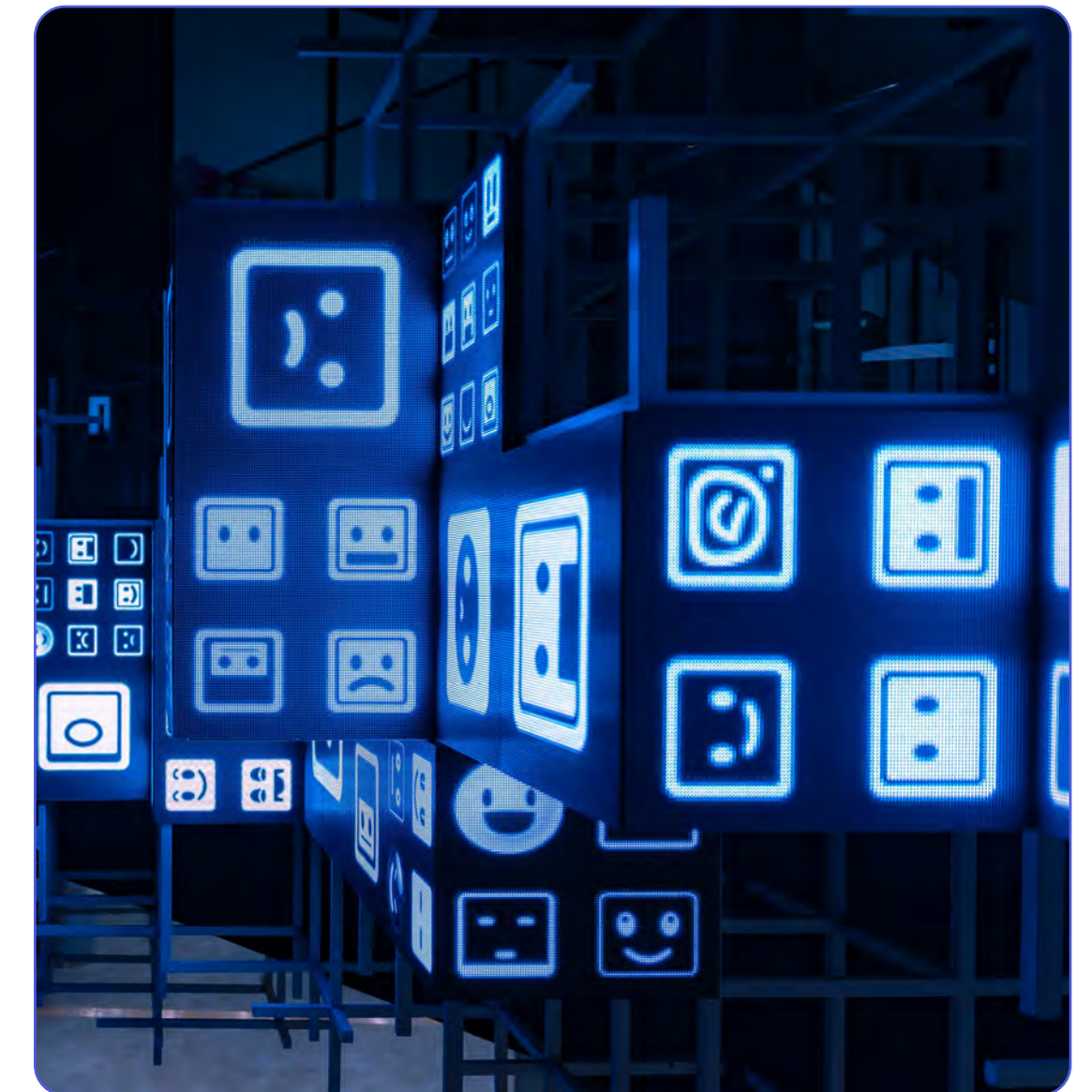
Since introducing the SIP, the CMSPs have developed a bespoke qualification process that combines data and process assessments with a targeted technical metering review. Eight organisations have already qualified, with more applications in progress. RECCo and the CMSPs continue to support market access and growth by including guidance materials through the REC Portal and Metering Hub.

We conducted a post-implementation review of the original change in late 2024. The review confirmed that the SIP role provides a valuable framework for expanding metering works in support of net zero, but it also identified further refinements to boost uptake and manage emerging risks.

In particular, stakeholders raised concerns about unqualified individuals carrying out safe isolation work outside of REC governance.

In response, we're using central data sources to assess the scale of the issue and we're considering options, such as introducing a standalone SIP qualification or encouraging individual operatives to affiliate with accredited Metering Parties.

Going forward, we will continue refining the SIP role and its associated assurance processes to strengthen safety, protect consumers, and ensure readiness for the anticipated scale-up in demand for distributed energy resources.



REC Services / Energy Theft & Metering Services

Energy Theft Service

The [Energy Theft Tip-off Service](#) (ETTOS), operated by Crimestoppers, continues to play a vital role in helping to identify and reduce gas and electricity theft. The service allows members of the public to anonymously report suspected gas and electricity theft—generating **17,789 general public contacts and 13,415 actionable reports**.

Crimestoppers securely pass these reports to the relevant gas or electricity supplier for investigation. If the supplier cannot be identified, the tip-off is referred to the appropriate Gas Transporter or Electricity Distribution Network Operator for action.

In 2024, ETTOS achieved a **7 out of 10 stakeholder satisfaction score**, consistent with the previous year. Most survey respondents noted that the service had either improved or remained stable over the past 12 months. We introduced the “Keep in Touch” functionality in August 2024, which allows suppliers to anonymously request additional information from individuals who have submitted a tip-off, improving the quality and follow up of reports.

In parallel, the **Stay Energy Safe Service**, managed by RECCo since April 2024, has continued to raise public awareness of energy theft. Brand recognition remained stable at 7%, while the number of **tip-offs received increased by 21% year-on-year**.

This uplift was largely driven by our collaboration with Cadent and SGN on the Theft of Gas campaign, which ran from September 2024 to March 2025, and resulted in a **45% increase in gas theft reports** during the campaign period.

Stakeholder engagement and change development

Industry collaboration remains key to improving the service. We held well-attended **Energy Theft Forums** in June and November 2024, alongside ongoing engagement through the monthly **Theft Issues Group (TIG)**.

These sessions provided valuable forums for addressing operational challenges, progressing Change Proposals, and feedback.

Discussions at the TIG were particularly productive, helping shape key developments, including:

- ▶ Continuing work on the **Theft Detection Incentive Scheme**. This laid the groundwork for proposed improvements in the 2025–26 scheme year
- ▶ Advancing two important new initiatives: the **Energy Theft Unit** and the **Energy Theft Referral Assessment Service**, both of which are being progressed under the REC Change Process

Looking ahead

While we’ve made tangible progress, feedback from stakeholders highlights that further improvements are needed in how theft detection and service enhancements are prioritised, particularly through the REC Change Process.

We acknowledge this and are committed to working closely with stakeholders to strengthen the REC Change Framework, support timely implementation, and ensure continued value from these services.

Metering Service

The **Metering Service** plays a critical role in maintaining compliance with the CoMCoP through regular audits of Gas and Electricity MEMs, Meter Installers, Automated Meter Reading (AMR) providers, and Smart Metering Service Providers. These audits ensure ongoing adherence to regulatory standards and industry best practice.

- ▶ **Audits Completed: 232**
- ▶ **Audits passed first time: 73.7%**
- ▶ **New applications received: 31**

Looking ahead, our focus is on two core workstreams:

1. **Metering Services: Audit (MS:A)**
2. **Metering Services: Improvements (MS:I)**

Together, these functions empower us to monitor performance, promote compliance, and support continuous improvement across the metering landscape.

The **MS:A** workstream is essential for delivering performance assurance under the REC. Insights from audit findings are used in collaboration with the REC CMSPs and industry stakeholders to refine the Performance Assurance Risk Catalogue and strengthen overall compliance. It’s about enabling better outcomes through evidence-based action.

Stakeholder satisfaction with MS:A has improved notably. As a relatively new service introduced under the REC, its **average satisfaction score rose from**

6.6 to 7.5 out of 10 in this year’s Annual Satisfaction Survey—a clear step forward. Despite this progress, MS:A remains a key priority for 2025–26.

We’re preparing for the implementation of **RO152**, which has a target implementation date of 12 September 2025. This factors in time for the auditor to align their audit questions in consideration of the improvements, enabling more entity-appropriate audits. This will, in turn, enable improved reporting on those areas that may require additional focus, improving overall consumer safety.

We also introduced a **post-audit survey** in April 2024 to capture immediate stakeholder feedback. While initial feedback has been valuable, we aim to increase participation in the year ahead to further enhance the service.

Our **MS:I** drives continuous improvement in delivering and supporting metering. Key focus areas include developing the REC Portal’s Metering Hub to provide clearer, more accessible resources for REC Parties, and facilitating cross-code reviews and developments to ensure consistency and reduce duplication across regulatory frameworks.

Stay Safe Energy tip-offs have increased by 21% year-on-year

REC Services / Central Registration Services

Central Registration Service and Central Switching Service

The Central Registration Service (CRS), including the Central Switching Service (CSS), represent a critical function within the REC governance, and account for a considerable proportion of our annual budget. The REC Board maintains oversight and plays an active role in scrutinising and, where appropriate, challenging the associated costs of service delivery.

We've continued to build on our collaborative approach with the DCC to ensure the effective day-to-day operation of the CRS and delivery of key enhancements. We strengthened our shared governance framework by introducing a consolidated CRS risk log and a single, annual forward view of planned operational activity.

This 12-month roadmap gives stakeholders better visibility of upcoming initiatives and helps ensure resources are deployed efficiently.

We enhanced our quarterly strategy meetings with the DCC through a revised Terms of Reference and the inclusion of the CMSPs. This broader participation enables a more holistic understanding of activities across the CRS landscape and better alignment of joint priorities.

These enhancements contributed to the successful submission of the **Switching Incentive Regime Report** to Ofgem in 2024, a process we're undertaking again for the 2024-25 reporting year.

Evolving the CRS change pipeline

We've made tangible progress in strengthening the CRS change pipeline. This includes establishing the REC Technical Steering Group in April 2025.

Designed to increase cross-party collaboration, these sessions are already delivering value by improving early design alignment, particularly with those involved in User Acceptance Testing. This not only helps minimise rework but also supports smoother implementation.

We've adopted a 'design-first' approach to Detailed Impact Assessments (DIA) for earlier identification of delivery risks and additional activity requirements. Together with our updated 12-month view of CRS changes, these improvements will streamline the Change Process and delivery quality.

Joint CRS Improvements Plan

In July 2024, RECCo submitted a response to Ofgem's consultation on the future of the CRS, setting out a strong case for transferring delivery responsibilities from DCC to RECCo.

Although Ofgem decided in December 2024 not to proceed with the transfer, we've since worked together to develop a [CRS Improvements Plan](#) aimed at delivering many of the benefits we identified. This builds on the significant work delivered through the CRS Transfer Project, which included robust analysis, broad stakeholder engagement, and secured strong industry support.

While the outcome was disappointing, the process identified valuable opportunities—including cost efficiencies and service improvements—which are now being progressed in collaboration with DCC. Set for delivery in 2025-26, the plan will focus on four priority areas, with regular updates to the REC PAB and wider industry:

1. Improve address data quality
2. Strengthen change management and incident response
3. Enhance stakeholder engagement and communication
4. Improve transparency and reporting

CRS defined service levels

In November 2024, we revised performance monitoring service levels to maintain focus on key service elements.

Throughout the year, we've seen steady improvements across the three CRS service: the CSS, the Switching Operator (SO), and the CSS Certificate Authority.

Notably, the CSS has shown the most marked improvement, particularly in the timely processing of switch requests (see [Table 2](#)).

Our primary performance focus remains on the SO Service, especially concerning incident resolution and the fulfilment of service requests.

Historically, lower-priority incidents and service requests have been performance outliers, often receiving less attention due to their classification.

Looking ahead, we're committed to working with the CRS Provider to address these gaps and drive targeted improvements in this area.

Table 2: CRS service level agreement pass rate

	FY2024-25 Average	March 2025
Central Switching Service	90% (168 / 186)	100%
Switching Operator	67% (85 / 124)	75%
CSS Certificate Authority	100%	100%

REC Services / Enquiry Services & Payment Method Levelisation

3

Delivering Major Switching Incident recommendations

Since the July 2023, P1 Major Switching Incident (MSI), we've delivered the agreed-upon recommendations from the RECCo and CMSPs' independent end-to-end MSI review. It considered the efficiency and effectiveness of the incident management response and determined the actions required to mitigate the possibility of, or risks and impacts from, any future MSI.

Key outcomes have delivered benefits to ongoing lower-priority incident management and a robust process in the event of a future MSI. These include:

- ▶ Published best-practice guidance for the SO to establish clear expectations for communication and impact assessment during incidents
- ▶ Undertook process reviews with the CRS Provider to embed improvements via the joint CRS Improvements Plan
- ▶ Expanded incident communication protocols to include all potentially impacted REC and cross-code parties, improving visibility of risk and enabling more informed mitigation

Although these core activities are complete, the joint CRS Improvements Plan will deliver further continuous improvements and enhancements.

Energy Enquiry Services

The Energy Enquiry Services—comprising the Electricity Enquiry Service (EES) and the Gas Enquiry Service (GES)—are critical systems that

underpin the functioning of the retail energy market. They support essential processes such as consumer switching and enable both REC Parties and authorised non-Party Users to access vital market data. As the range of use cases continues to expand, so does reliance on these services.

Electricity Enquiry Service

We consistently delivered strong performance through the EES, with minimal service level agreement breaches across the year.

Users rated it the **highest-performing REC Service** in the Annual Satisfaction Survey 2024. We're now exploring new tech enhancements to ensure the EES can scale to meet increased future demand.

Gas Enquiry Service

In October 2024, we successfully re-platformed the GES. The move to a new cloud-first architecture has already delivered the expected improvements in scalability and resilience, with the service performing reliably even during unexpected usage spikes. It included **three key enhancements**:

1. Enabling auto-scaling capabilities so the system can adjust dynamically to fluctuating workloads
2. Improving responsiveness and user interfaces to enhance the overall user experience
3. Establishing a continuous improvement framework to embed user feedback and drive ongoing enhancements

MHHS requirements

As the MHHS programme approaches key milestones, it's especially important that our Energy Enquiry Services are fully equipped to meet future requirements. That's why we've collaborated with high-volume users to identify and implement efficiencies in accessing and using these services.

Evolving Energy Enquiry Services

The **Evolution of the Enquiry Services** project continues to progress well, reflecting strong momentum and sustained commitment to service excellence. We successfully secured contract extensions for a further two years, through to July 2027, providing a solid foundation for development. The project focuses on **two key workstreams**:

1. **Service improvement:** A comprehensive review is underway to identify and implement potential enhancements to the current service model. We aim to maintain high standards of operational performance and continue to meet the evolving needs of our users.
2. **Strategic direction:** In parallel, we're exploring the long-term strategic direction of the service. This includes assessing future opportunities, potential changes in user expectations, and alignment with broader organisational objectives to define a clear, sustainable vision for the service.

These workstreams position the service for both immediate improvements and long-term success.

Payment Method Levelisation

The **Payment Method Levelisation (PML)** scheme ensures that energy consumers using prepayment meters do not pay a higher standing charge than those paying by direct debit, as directed by Ofgem.

To achieve this, the extra costs suppliers incur for serving prepayment customers are spread evenly across all domestic consumers. This requires a monthly reconciliation process, where suppliers with a higher proportion of prepayment customers receive compensation funded collectively by all domestic suppliers to balance out these costs.

Over the past 12 months, we've successfully developed, delivered, and managed its operation, ensuring suppliers have the right systems and support to meet their obligations—and the scheme delivers the benefits intended by Ofgem. To date, we've facilitated the **collection and distribution of £57.6 million from and to suppliers** via the scheme.

Since implementation, we've rolled out an updated methodology to distinguish single- from multi-register Metering Assets. By addressing variances in energy usage patterns and aligning cost calculations more accurately, this ensures a fairer distribution of energy costs for a broader range of customers, including those on complex tariffs or multi-rate meters. Implemented in January 2025, it applied to historic portfolio data and new reconciliations.

As required by Ofgem, we completed the historic reconciliation and all invoices by the end of the 2024-25 financial year. We will work with Ofgem on further refinements to keep it accurate and clear.

Glossary



Glossary

AMR: Automated Meter Reading	DIA: Detailed Impact Assessment	MAP: Meter Asset Provider	PML: Payment Method Levelisation
CDSP: Central Data Service Provider	EES: Electricity Enquiry Service	MEM: Meter Equipment Manager	QA&P: Qualification Approach & Plan
CMRC: Crowded Meter Room Coordinator	ERIN: Energy Retail Information Network	MHHS: Market-wide Half Hourly Settlement	REC: Retail Energy Code
CoMCoP: Consolidated Metering Code of Practice	ETTOS: Energy Theft Tip-off Service	MS:A: Metering Services: Audit	SIP: Safe Isolator Provider
CRS: Central Registration Service	ETU: Energy Theft Unit	MS:I: Metering Services: Improvements	SO: Switching Operator
CMSP: Code Manager Service Provider	GES: Gas Enquiry Service	MSI: Major Switching Incident	SSES: Smart Secure Electricity System
CSS: Central Switching Service	ICO: Information Commissioner’s Office	OAM: Operational Account Manager	TIG: Theft Issues Group
DCC: Data Communications Company	KPI: Key Performance Indicator	PAB: Performance Assurance Board	TPI: Third-Party Intermediary
DESNZ: Department for Energy Security & Net Zero	LDSO: Licensed Distribution System Operator	PAF: Performance Assurance Framework	UPRN: Unique Property Reference Number





We hope you found the Annual Report 2024-25 useful.

We welcome your feedback and comments.

Please complete our [short survey](#) and/or email directly at communications@retailenergycode.co.uk.

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