

Business Case

Enquiry Service Evolution Project Phase 3 2026–27

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Overseeing operations, driving transparent technological advancements, and delivering exceptional outputs to meet growing market demands and support a smarter, more flexible retail energy system.



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Executive Summary

The Retail Energy Code Company (RECCo) is required to deliver a follow-on Implementation Phase of the Enquiry Service Evolution Project to meet new and improved requirements and to ensure the Enquiry Service remains fit for the future and delivers value for money.

Phase 1 of the project, completed in 2024, defined the future requirements for the Enquiry Service and assessed the available delivery options. Phase 2 was a discovery phase, and it was successful in confirming both the short-term and long-term approaches to service delivery. Phase 2 determined that a time-limited extension to the incumbent Service Providers would be granted for a period of two years to maintain service continuity and stability. It also confirmed that the long-term strategic direction is to move to a dual-fuel Enquiry Service. This Business Case seeks approval to deliver the next phase of the project in line with that direction.

To support delivery of the long-term solution, the approved procurement strategy is to undertake a closed procurement with the Retail Energy Code's Strategic Technical Partner in the first instance, with provision to proceed to an open procurement should this approach prove unsuccessful.

RECCo proposes to establish a dedicated project team to ensure continuity, quality, and effective delivery, as identified as critical in the earlier phases of the project. The team will provide assurance that technological changes and enhancements are subject to appropriate testing and governance, while ensuring that the Enquiry Service continues to operate effectively during the two-year extension period.

The Implementation Phase will deliver all agreed-upon new and improved requirements in line with agreed-upon time, cost, and quality measures, enabling a managed transition from the extended incumbent arrangements to a future-proofed dual-fuel Enquiry Service that meets the needs of both industry and consumers.

High-Level Objectives

- Ensure continuity and quality of deliverables.
- Provide consistent, high-quality outputs that align with the project scope and objectives.
- Maintain and, where possible, enhance Service Provision and Service Levels to build confidence in delivering new and existing requirements.
- Complete key milestones on schedule, within the agreed timeframes, to demonstrate progress.
- Enhance stakeholder satisfaction and engagement.
- Implement process improvements for efficiency.
- Mitigate risks and resolve challenges.
- Develop and execute a knowledge transfer and handover plan.
- Deliver a high standard of documentation and reporting to provide insights and transparency of progress and challenges, supporting decision-making about contract continuation.

Recommendation

This Business Case recommends the approval of Phase 3 of the Enquiry Service Evolution Project, along with the allocation of both a project budget and a capital investment budget to support its delivery. These budgets will enable the project to continue providing high-quality outputs, as identified in earlier phases, address the evolving needs of the Enquiry Service, and ensure the realisation of anticipated long-term benefits. The budgets cover all critical elements of Phase 3, including procurement and contract award, design, build and test activities, solution transition and deployment, stakeholder engagement, and risk mitigation, ensuring continuity, flexibility, and efficiency in service provision.

Description

Project Scope

The scope of this phase of the project encompasses the establishment of a new, dual-fuel Enquiry Service that delivers continuity, flexibility, and efficiency for all Retail Energy Code (REC) Parties and Authorised Parties. The service will be designed to reduce costs to industry while providing a modern, scalable technical solution that can adapt to changing demand, enabling faster and more cost-effective implementation of future changes. The project will ensure continuity and quality of service, maintain or enhance service levels, and provide consistent, high-quality outputs aligned with the project's objectives.

Key elements of the scope include delivering all milestones within agreed-upon timeframes, implementing service management process improvements to enhance efficiency, mitigating risks, and resolving challenges. The project will also include the development and execution of plans for stakeholder engagement, data migration, and knowledge transfer, alongside robust documentation and reporting to ensure transparency, insight, and informed decision-making regarding the ongoing contract. Through these measures, the project aims to enhance stakeholder satisfaction, confidence, and engagement throughout the delivery of the new Enquiry Service.

Benefits & Outcomes

Improved Service Quality

Enhanced Enquiry Services will provide accurate, reliable, and consistent information to REC Parties, supporting consumer interactions and industry processes. Access to dual-fuel data from a single source will improve Change of Supplier processes and reduce errors. This will be enabled through the use of flexible, modern technologies and a single data source.

Improved Service Performance

Reduced response times for data queries through API-based access, alongside future consolidation of dual-fuel information into a single user experience, will improve operational efficiency and support faster business processes.

Improved Service Flexibility

Delivering the Enquiry Services on a modern, flexible platform using cloud-native technologies such as containerisation and microservices will enable new and emerging requirements to be implemented more quickly and with lower delivery risk compared to a monolithic solution.

Reduced Cost

A modern, dual-fuel Enquiry Service using cloud-native technologies will reduce the overall cost of service provision, contributing to lower service charges for managing industry processes and supporting consumers.

Reduced Cost of Change

The adoption of containerisation and modern development practices will reduce the cost associated with developing, testing, and deploying changes compared to legacy platforms.

Reduced Time to Implement Change

By minimising the scope of regression testing and enabling targeted deployments, the new solution will reduce the time required to implement approved changes.

Reduced Risk When Implementing Change

Well-designed, modular solutions will reduce the likelihood and impact of defects when changes are introduced, as updates can be made without affecting the entire service.

Enhanced User Experience

More intuitive and user-friendly enquiry services will improve accessibility and usability for REC Parties. Future consolidation of gas and electricity data into a single interface will further enhance the user experience.

Enhanced Security & Privacy

Use of the RECCo API Gateway will strengthen access controls and security monitoring, improving protection of consumer data and reducing cyber and data privacy risks.

Regulatory Compliance

The solution will ensure compliance with relevant data protection, privacy, and security regulations, maintaining confidence for REC Parties, consumers, and regulators.

Key Success Indicators (KSIs)

Service Quality & Reliability

- Data accuracy rate
- Number of data-related incidents or corrections
- Change of Supplier failure rate attributable to enquiry data

Service Performance

- Average API response time
- System availability / uptime

Flexibility & Change Enablement

- Number of changes delivered per year without major rework
- Percentage of changes delivered without full system regression testing
- Time from requirement approval to deployment

Cost & Value for Money

- Total annual cost of service provision (reduction vs incumbent baseline)
- Cost per enquiry or API call
- Change delivery cost per release

Risk & Stability

- Number of severity 1 and 2 incidents following releases
- Change failure rate (changes requiring rollback or hotfix)
- Mean time to recover from incidents

User Experience

- User satisfaction score
- Reduction in service-related complaints or support tickets
- Adoption rate of new APIs or user interfaces

Security & Compliance

- Number of security incidents or data breaches
- Compliance audit outcomes
- Percentage of access requests authenticated and authorised via API Gateway

Deliverables & Outputs

Strategic Technical Partner response for procurement received	Q1 2026
Determination to move to contract award or open procurement	Q1 2026
Contract award	TBC
Detailed Phase 3 project delivery plan	Q1 2026
Stakeholder engagement & communications strategy	Q1 2026
Stakeholder Advisory Group activities & updates	Ongoing
Change management & service transition strategy	Q2 2026

Design, build & test phases	TBC *Dependent on SP Mobilisation Plan
Data migration plan	TBC
Knowledge transfer & handover plan	TBC
Service management & operational / industry readiness plan	TBC
Solution transition & deployment	TBC

Options Assessment

Phase 2 of the Enquiry Service Evolution Project successfully determined that a time-limited extension of the incumbent Enquiry Service Providers would be agreed to ensure continuity and stability of service. Phase 2 also confirmed this extension is not a long-term solution, and an enhanced Enquiry Service is required to meet future requirements, including the delivery of a dual fuel capability.

To support this long-term direction, the following options have been considered for the delivery of the enhanced Enquiry Service.

Option 1: Do Nothing (not viable)

Under this option, RECCo would rely solely on the agreed two-year extension of the incumbent services, with no further action taken to deliver an enhanced solution.

This option is not viable as it does not address the need for improved service quality, performance, flexibility, and value for money. It would result in continued reliance on legacy solutions that are not fit for the future, increase delivery and operational risk, and fail to meet the strategic objective of moving to a dual-fuel Enquiry Service.

Option 2: Delivery by the REC’s Strategic Technical Partner (preferred option)

Under this option, RECCo would pursue delivery of the enhanced Enquiry Service through a closed procurement with the REC’s Strategic Technical Partner.

This option is preferred as it offers the most direct and efficient route to delivery, leveraging existing knowledge of the REC landscape, established governance arrangements, and proven technical capability. It provides greater assurance on timescales, integration, and delivery risk, while supporting a managed transition from the incumbent extension to a future-proofed dual-fuel Enquiry Service.

Option 3: Open Procurement

Under this option, RECCo would undertake an open procurement exercise to appoint a new Service Provider to deliver the enhanced Enquiry Service.

While this option may offer access to a wider market and increased competition, it is likely to involve longer lead times, higher procurement and mobilisation costs, and increased delivery risk. This option would be pursued if delivery through the Strategic Technical Partner is not viable or does not deliver value for money.

Stakeholder Engagement

Stakeholders have consistently confirmed that their priority for the Enquiry Service is to ensure its functions and performance meet their requirements over the short, medium, and long term. They've highlighted the importance of the Enquiry Service to the efficient and economic operation of the market as a whole, as well as to their own business operations. Stakeholders have also reinforced that RECCo should adopt a low-risk approach to securing the future of the service.

Extensive engagement has been carried out with stakeholders throughout the previous phases of the project to gather input and validate requirements. The Stakeholder Advisory Group, which had been on hold while RECCo worked with incumbent Service Providers to assess economic, technical, and service provision options, will be re-established as part of Phase 3. This forum will continue to provide structured engagement and oversight throughout the procurement and implementation stages of the project.

Expenditure Plan

Resources to deliver Stakeholder Engagement, technical analysis, business analysis, commercial analysis, testing & quality assessment, and project management	Delivered through a hybrid model of RECCo internal staff and fixed term contractors
Legal support	External service provider
Total 2026 Investment Project Value: £2.9m Capital investment value has been redacted to preserve confidentiality and competitive tension.	

Assumptions

Contract Award Assumption

- The expenditure plan assumes that the identified strategic technical partner will be successfully awarded the contract following procurement and will deliver according to the agreed project scope and schedule.
- Any delay or change in the contract award could impact timing and cost projections included in this plan.

Scope Definition Assumption

- Costs and timelines are based on the currently defined project scope.
- Changes to the scope, including additional functionality, new service requirements, or regulatory obligations, may result in increased expenditure.

Resource & Capacity Assumption

- The plan assumes that RECCo and the appointed Service Provider will have adequate resources available to meet project milestones without requiring significant additional staffing or consultancy beyond what has been budgeted.

Schedule & Timeline Assumption

- Expenditure forecasts assume the project will progress according to the planned timeline, including design, build, testing, migration, and operationalisation phases.
- Delays in procurement, implementation, or dependencies on third parties may impact total expenditure.

Third-Party Dependencies Assumption

- The plan assumes that all third-party providers, including Xoserve and other key stakeholders, will deliver inputs, data, and services as scheduled without incurring additional costs or delays.

Risk Analysis

Risk Description	Raw Risk	Mitigation	Residual Risk
<p>There is a risk that the timeframe available may be insufficient to design, build, test, migrate, and operationalise a new dual-fuel service within the required timescales.</p>	<p>High</p>	<ul style="list-style-type: none"> Contractual provisions will be included to address late delivery should an extension beyond July 2027 be required Procurement documentation will be clear, comprehensive, and detailed A suitable period for clarification and discovery will be built into the implementation plan of the appointed Service Provider As a contingency, existing contractual arrangements include options to extend current services for up to a further 36 months, if required 	<p>Medium</p>
<p>There is a risk that the transition to a new Service Provider may require enhanced operational oversight to ensure continuity and effective management.</p>	<p>Medium</p>	<ul style="list-style-type: none"> An assessment of operational impacts will be undertaken Appropriate resourcing arrangements will be put in place to ensure effective contract management Project management controls will monitor planned versus actual resource usage, enabling early identification of additional requirements Once the new Service Provider is operational, the overall number of Service Providers managed by RECCo will reduce 	<p>Low</p>
<p>There is a risk that transitioning away from incumbent Service Providers could result in reduced access to existing knowledge and expertise.</p>	<p>Medium</p>	<ul style="list-style-type: none"> The level of industry and domain expertise will be considered as part of the Service Provider selection process Short-term specialist support can be procured, if required, to support continuity of gas data and operational knowledge TUPE arrangements may enable the retention of relevant skills and experience 	<p>Low</p>
<p>There is a risk that industry participants may perceive the change as insufficiently inclusive.</p>	<p>Medium</p>	<ul style="list-style-type: none"> Established stakeholder engagement forums from earlier project phases will be re-established Stakeholder engagement activity and resourcing will be kept under review throughout the project and adjusted as necessary 	<p>Low</p>

Conclusion

It is recommended that the Business Case is reviewed and approved to enable the successful delivery of this phase of the Enquiry Services project. Approval will support the implementation of a new, scalable, flexible, and cost-effective dual-fuel Enquiry Service within the established timelines. The Business Case has been prepared on the assumption that the strategic technical partner will be successfully appointed, and that the project scope remains consistent with current plans.

Decision Summary

- Approval of the Business Case will enable RECCo to progress the procurement and transition to a new Service Provider.
- The expenditure plan and risk register assume the Strategic Technical Partner will be successfully appointed, and that project scope changes are minimal.
- Mitigations are in place to manage potential operational, knowledge, and timing risks.
- Review and approval will provide stakeholders with assurance that the project is appropriately resourced and governed.



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