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## **RECCo response to: Ofgem Forward Work Programme 2026 to 2027**

We welcome the opportunity to respond to this consultation. Our non-confidential response represents the views of the Retail Energy Code Company Ltd (RECCo) and is based on our role managing the Retail Energy Code (REC), which governs key elements of the retail energy market.

RECCo is a not-for-profit corporate vehicle responsible for the proper, effective and efficient implementation and ongoing management of the REC arrangements. We promote trust, innovation and competition, while maintaining focus on positive consumer outcomes. Through the REC, the services we manage and the programmes we run, we support a more effective and efficient market and we are preparing for Ofgem's transition to a licensed Code Manager regime.

Overall, we support the draft Forward Work Programme (FWP) and welcome its continued emphasis on consumer protection alongside measures intended to support investment and innovation. We particularly welcome the focus on debt and affordability, consumer outcomes, and enabling consumer-led flexibility.

To maximise impact, Ofgem could more clearly explain how the Strategic Priorities connect to one another and what their combined implications are for delivering Clean Power 2030. At present, the priorities can read as discrete workstreams. A clearer “whole-system” narrative—supported by measurable milestones, timelines and accountability—would help stakeholders understand dependencies, sequencing and the consequences of slippage or misalignment (for example, where infrastructure delivery lags the pace of renewable deployment).

We also see value in a sharper articulation of what the priorities mean for consumers and therefore how retail market arrangements must evolve. Consumer participation in decarbonisation and flexibility will be central to achieving net zero, so Ofgem's pathways should explicitly set out the expected impacts on consumer choice, affordability and service experience, and the market changes required to deliver them. In particular, we would welcome further clarity on:

- how Clean Power 2030-related infrastructure investment and Consumer-Led Flexibility investments and arrangements could reshape retail market arrangements and what adaptations are needed;
- how the retail market can align with decarbonisation while maintaining fair pricing and effective protections;
- how decarbonisation costs and reforms may interact with affordability pressures and consumer debt; and
- how Ofgem will assess impacts on consumer choice and model likely cost effects, alongside mitigations for short-term disruption.

To support this, we encourage Ofgem to: (i) use scenario-based planning to test different pathways and their consumer/retail impacts; (ii) deepen consumer engagement and the understanding of consumer journeys, so interventions reflect real-world behaviours and constraints (in particular, we would encourage Ofgem to

investigate these issues with larger sample sizes than used to date and to ensure that an appropriate number of consumer types and journeys from different types of location (eg. rural, town as well as city) are considered; and (iii) define a small set of measurable outcomes for each priority to demonstrate progress and effectiveness.

The draft 2026–27 programme shows strong continuity with 2025–26, developing and deepening existing workstreams rather than introducing a fundamentally new set of priorities. This is welcome. RECCo, and we suspect many other organisations, use Ofgem’s Forward Work Programme and Preliminary Strategic Direction Statements as key inputs to our own strategic planning, and this role will become more formal as Code Reform is implemented.

We also note several clear areas of intentional overlap between Ofgem’s draft programme and RECCo’s Draft Forward Work Plan 2026–29<sup>1</sup>. We expect these touchpoints to crystallise further as Ofgem’s Strategic Direction Statements and the Code Manager licence regime are finalised. We welcome continued engagement to align priorities, manage interdependencies, and support timely delivery that secures strong consumer outcomes and minimises costs for industry and all stakeholders.

### **Strategic Priority 1: Shaping a retail market that works for consumers**

We support Ofgem’s focus on higher standards, affordability and a more investable retail market. The following areas are particularly relevant to the REC and to RECCo’s own 2026–29 work programme:

- **Debt, arrears and affordability:** We support delivery of the Debt Relief Support Scheme and the focus on sustainable debt management standards. As Ofgem considers measures to prevent debt build-up at change of tenancy and manage prompt payment, we encourage explicit assessment of consumer and distributional impacts (including for prepayment customers) and early engagement on any changes that would require REC process or data changes.
- **Using data to identify and support consumers in vulnerable situations:** We support Ofgem and Government work to improve proactive identification and support. This aligns with RECCo’s Consumer Consent Solution (CCS) programme, which is intended to help consumers share energy data safely and with confidence.
- **Payment method choice and prepayment:** We welcome Ofgem’s commitment to monitor the restart of forced prepayment and to strike an appropriate balance between consumer protection and debt recovery. Where policy relies on payment method changes, clear minimum safeguards and strong monitoring will be critical to mitigate affordability and self-disconnection risks.
- **Consumer Confidence / outcomes-based regulation:** We support the direction of travel towards clearer, consumer-facing outcomes, outcomes-based monitoring and proportionate, risk-based compliance. This aligns with RECCo’s planned evolution of REC change management and performance assurance towards stronger KPIs and outcome-focused reporting under the future Code Manager regime.
- **New regimes for TPIs and load controllers:** We welcome the introduction of new regimes and would be pleased to share learnings from the REC’s TPI Code of Practice and our work to strengthen market-wide standards that support consumer trust.

While the FWP rightly prioritises immediate consumer protections, there is scope for Ofgem to more clearly articulate a longer-term vision for the retail energy market once smart meters and MHHS are fully embedded. This could include how Ofgem expects suppliers and/or Flexibility Service Providers to innovate

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<sup>1</sup> [“Draft Forward Work Plan 2026-2029”](#), RECCo, January 2026

around flexibility, automation and service-based propositions, and how regulation will adapt to support these outcomes while maintaining protections.

In this context, we also encourage Ofgem to consider how improvements to the Priority Services Register (PSR) could further strengthen the sector's ability to identify and support consumers in vulnerable situations. Clearer governance, improved data quality and greater consistency in how PSR information is maintained and shared—where appropriate and with consumer consent—would help ensure protections follow consumers as they move, change supplier or engage with multiple service providers. Strengthening the PSR as part of a wider, consent-based data framework would support earlier, more targeted interventions, reduce the risk of harm for vulnerable consumers, and complement Ofgem's wider objectives on affordability, consumer protection and outcomes-based regulation.

### **Strategic Priority 2: Enabling infrastructure for net zero at pace**

While the REC is primarily a retail code, Ofgem's infrastructure agenda has direct downstream impacts on retail propositions, consumer engagement and system costs. We highlight three points:

- **Connections reform and network investment:** Retail market arrangements must keep pace with the changes needed to unlock demand-side flexibility and support strategic demand projects. We encourage Ofgem to maintain a strong focus on consumer impacts and on the practical retail enablers (data, interoperability and governance) needed to translate infrastructure outcomes into consumer-facing propositions.
- **Cyber security and resilience:** We support Ofgem's continued focus on cyber resilience. RECCo's Digital Services and data programmes are designed to strengthen security, improve user experience, and provide better assurance and visibility over market services.
- **Low-carbon technology deployment:** Programmes for hydrogen, storage and wider electrification increase the importance of consistent metering, data and consumer protections across fuels and technologies. Where new arrangements interact with retail processes, early cross-code coordination will reduce delivery risk and cost.

We encourage Ofgem to continue considering how infrastructure delivery translates into consumer-facing outcomes, including:

- the retail enablers needed to unlock demand-side flexibility at scale;
- the role of data, interoperability and governance in reducing friction; and
- how retail arrangements can support deployment of low-carbon technologies while maintaining clear protections.

### **Strategic Priority 3: Establishing an efficient, fair and flexible energy system**

This priority contains several workstreams with material overlap with RECCo's delivery portfolio, including MHHS completion, Consumer-led Flexibility (CLF), the Consumer Consent Solution (CCS), and Tariff Interoperability.

- **Reformed national pricing, network charging reform and CARR:** We support Ofgem's ambition to ensure system costs are allocated fairly and efficiently. Given the distributional implications, we encourage clear transparency on options, implementability and consumer impacts. Any reforms that change cost signals or settlement and charging arrangements are likely to require coordinated code changes across codes, including the REC.

- **Clean Flexibility Roadmap and scaling Consumer-Led Flexibility:** We support this programme and note it is closely linked to RECCo's work on Tariff Interoperability, the CCS, and our horizon scanning and impact assessment of emerging CLF reforms. Consumer protections, consent and interoperability should be treated as core design features (not bolt-ons) as flexibility propositions scale.
- **Code governance reform and the Code Manager licence regime:** We welcome the continued focus on implementing the Energy Act 2023 reforms and the planned appointment of the first Code Managers in late 2026. Clarity and timely decisions on roles, accountabilities, stakeholder advisory arrangements and transition plans will be essential to avoid delivery risk as multiple major reforms land in parallel.
- **RECCo delivery of the Consumer Consent Solution and Tariff Interoperability:** We welcome the explicit recognition in the draft FWP of RECCo's role in these programmes. Both are foundational enablers for trusted data-sharing and consumer-led flexibility, and will benefit from aligned regulatory outcomes, clear governance and proportionate assurance.
- **DCC handover and the future SEC model:** We support Ofgem's focus on a smooth transition to the next DCC model. Given the interdependencies between SEC services and retail market processes under the REC, we encourage early alignment between SEC and REC governance so that consumers and market participants see coherent end-to-end outcomes and value for money.

#### **Strategic Priority 4: Advancing decarbonisation through low carbon energy and social schemes**

Ofgem's delivery of social and decarbonisation schemes increasingly depends on trusted data, good consumer journeys and interoperability. We encourage Ofgem and Government to consider how consumer consent-based data sharing and clearer outcomes frameworks can support effective targeting, reduce friction for households, and improve assurance over scheme delivery.

#### **Conclusion**

We welcome the opportunity to support Ofgem in shaping its final Forward Work Programme and would be happy to expand on any of the observations in this response, including the areas of overlap with RECCo's Draft Forward Work Plan 2026–29.

Yours sincerely,

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