



2025–26

Annual Report

How we delivered against our commitments
across Perform, Protect, and Progress

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Hannah Nixon
Chair, RECCo Board

This year's Annual Report reflects a pivotal period for the Retail Energy Code Company (RECCo), as we approach five years of live operation and prepare to take on an evolving licensed role, supporting a retail energy market undergoing significant change.

We exist to serve the market and its participants, with a clear focus on delivering outcomes that are fair, transparent, and in consumers' interests. Over the past year, I've been encouraged by our continued commitment to this purpose. As detailed in the Executive Summary from our Chief Executive Officer, Sid Cox, we've achieved key milestones across major industry programmes, technology innovation, and consumer protection.

A recent independent Board Effectiveness Review confirmed the strength of our governance framework, while identifying opportunities to enhance our approach. We're taking these forward by further clarifying roles and accountabilities, strengthening engagement between the Board, Executive, and stakeholders, and supporting more strategic and rigorous decision-making. This reflects our ongoing commitment to ensuring our governance continues to evolve in step with our maturity and expanding responsibilities.

As the market evolves, so too must the frameworks that underpin it. We have an

important role in supporting the energy transition, both as the future licensed Retail Energy Code (REC) Code Manager and as a trusted delivery partner supporting Ofgem and the Government to implement critical change.

We've made strong progress in preparing to become the licensed REC Code Manager from November 2026, as part of Phase 1 of Ofgem's Energy Code Reform. In August 2025, Ofgem confirmed its intention to grant us the licence, recognising that we meet the requirements of the new statutory framework. We'll continue to share our progress and what this means for your interactions with us in the months ahead.

RECCo will also participate in the licensing assessment phase for the future Electricity Commercial Code (ECC) Code Manager role on a non-competitive basis. This represents a significant development in our journey, creating opportunities for greater alignment and coordination across industry codes.

These developments require us to balance the delivery of core services with the development of new services and system capabilities needed to enable innovation and a more flexible, consumer-focused market. Over the past year, we've continued to build the capability, resilience, and readiness needed to fulfil these roles effectively, and we'll continue to do so in the coming year.

Throughout this period, maintaining your trust and confidence has remained central. We know that trust is built not only through delivery, but through transparency, consistency, and a willingness to listen and improve.

This is reflected in the results of our latest Annual Stakeholder Satisfaction Survey, which shows encouraging progress while also giving us clear insight into where we should focus next, aligned to our Perform, Protect, and Progress 2026–27 priorities.

Finally, on behalf of the RECCo Board, thank you for your continued engagement and support. As the market continues to evolve, we look forward to working closely with you to ensure we continue to deliver with transparency, courage, and impact.

One RECCo Experience

This year's report brings annual reporting on the Code Manager Service and RECCo's wider service delivery together in one place for the first time.

It reflects our move towards one stakeholder experience, giving you a more joined-up view of what we've delivered, what we've learned, and where we'll keep improving as we prepare for the licensed Code Manager model.

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Sid Cox
Chief Executive Officer

As we approach five years of live operation, we're at a key point in our development, with the retail energy market entering a period of accelerated change. Our role remains clear: to deliver excellent, future-fit retail market services today, while building the capability and resilience needed to support market reform and more consumer-focused outcomes.

We've delivered all commitments set out in our [Forward Work Plan 2025–28](#), or made significant progress where delivery continues beyond this reporting year. Maintaining strong performance

across REC services has been central to this, with stakeholder satisfaction improving for the third consecutive year. This reflects our sustained focus on delivery, close working with our Service Partners, and the continued impact of your feedback in shaping improvements.

This year has also been a natural point to review how we deliver our services. As original Service Partner contracts reach key milestones, we've taken steps to evolve our delivery model. We're focused on improving resilience, usability, and performance, ensuring services are ready to support the retail energy market as it changes.

We progressed our Energy Theft Reduction Strategy through the pilot of the Energy Theft Enforcement Service (ETES) with the City of London Police, demonstrating our ability to deliver coordinated enforcement activity and strengthen collaboration across industry and law enforcement. Alongside this, the Energy Theft Tip-Off Service (ETTOS), delivered in partnership with Crimestoppers, won a [Global Award for Community Engagement & Awareness](#). This work reflects a clear principle: where we identify risks in the retail energy market, we'll work collaboratively with REC Parties, stakeholders, and Service Partners to drive improvement and support better consumer outcomes.

Beyond this, we've supported key Ofgem and policy initiatives, including the Consumer Consent Solution (CCS) and Tariff Interoperability (TI) under the Smart Secure

Electricity Systems (SESS) programme. Both are critical enablers of Consumer-Led Flexibility, helping consumers play a more active role in a smarter, more flexible energy system.

In March 2026, the Department for Energy Security and Net Zero (DESNZ) and Ofgem set a clear direction for transforming the energy system through the Energy Digitalisation Framework.

This work reflects a clear principle: where we identify risks in the retail energy market, we'll work collaboratively with REC Parties, stakeholders, and Service Partners to drive improvement and support better consumer outcomes.

They also confirmed RECCo as the Consumer Domain Coordinator, with responsibility for delivering the CCS and TI, and overseeing the Central Switching Service (CSS). This recognises the role we'll play in delivering essential market infrastructure.

In parallel, we've continued to progress projects to modernise core services, including the Enquiry Services (ES), the REC Portal, and the associated digital services, which are fundamental to the day-to-day operation of the retail energy market.

We've made important progress in preparing for the licensed Code Manager model. Ofgem's confirmed intention to grant RECCo a licence from November 2026 reflects the strength of our operating model. In response, we'll strengthen our governance, change management capability, and decision-making structures to support robust, well-informed decisions.

Stakeholder engagement remains central to our approach. Improved satisfaction scores reflect the strength of these relationships and the value of ongoing, constructive dialogue with you and the wider industry.

Looking ahead, the pace of change across the retail energy market will continue. Our focus is on building on the progress made this year, maintaining strong delivery, and continuing to strengthen the capability, systems, and governance needed to support the next phase of market evolution.

The progress we've made reflects a shared effort across the industry, and we're committed to building on this partnership to deliver a retail energy market that is stronger, future-fit, and better for consumers.

Key Achievements

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Lifted **REC Services** satisfaction for the third consecutive year, reaching 7.6 out of 10, with 70% rating services 8 or higher, reflecting stronger service quality and responsiveness.

Continued to play a key role in energy digitalisation through confirmed new **Consumer Domain Coordinator** and **Consumer Consent Solution** roles

Supported the successful go-live of **Market-wide Half-Hourly Settlement** through implementation of key REC and Enquiry Service Changes

Met key milestones across our **Consumer Consent Solution** and **Tariff Interoperability** programmes, key enablers for greater innovation and consumer engagement across the market

Reached **key milestones towards the Q4 2026 REC Portal launch**, supporting a more intuitive digital user experience for REC Parties

Won global recognition for the **Energy Theft Tip-Off Service**, raising public awareness, strengthening safety, and supporting anonymous reports of suspected energy theft.

Demonstrated readiness for the licensed model, with **Ofgem proposing to grant RECCo a REC Code Manager Licence** in Q4 2026

Successfully piloted the **Energy Theft Enforcement Service**, testing new approaches to tackling theft while supporting industry collaboration and shared learning

Operational Highlights

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REC Service Partner Performance

£120,000

returned to industry through performance credits

96%

of key performance indicators met, reflecting strong delivery

What drove performance?

- Active contract management helped maintain service standards, accountability, and value for REC Parties.
- Delivered the Theft Detection Incentive Scheme on time and on budget, with £5.7 million allocated to gas and £4.2 million to electricity.
- REC Code Manager Service satisfaction reached 7.7 out of 10, reflecting continued improvement in stakeholder experience.

Budget Performance & Efficiencies

£9 million

projected underspend against a £55.6 million budget

£5.5 million

of accelerated rebates in January 2026, supporting cash flow against a £55.6 million budget

What drove the reduction?

- Higher income from supply point growth and Enquiry Services usage.
- Lower-than-forecast operating costs for the Centralised Registration Service.
- Better commercial terms for Code Manager and Enquiry Services.
- Lower use of allowances for change and contingency.
- Unused contingency for Third-Party Intermediary governance and Energy Theft activity.
- Slower recruitment and reduced recruitment spend.

RECCo Organisational Performance

1,280+

unique stakeholders engaged across 124 meetings, events, and forums

4/5

on a scale of 1-5 stakeholders rate their interactions with RECCo as 4/5

Stakeholder and people engagement

- Stakeholder engagement rose by 26% year-on-year, extending beyond REC Parties into the flexibility and data ecosystems.
- Stakeholder reach broadened, with 13% of engaged stakeholders coming from the flexibility and data ecosystems.
- RECCo's engagement with its people rose by 4% year-on-year, with 93% of our employees feeling able to perform their roles effectively.
- RECCo's culture strengthened, with feedback and recognition, teamwork, and ownership each improving by 7% year-on-year.



Perform

Perform is one of our three strategic priorities. It reflects our commitment to Service Excellence and keeping REC Services fit for a changing retail energy market.

Under Perform, we're strengthening our operating model, digital foundations, and licence readiness to support a fair, efficient, and consumer-focused market.

This section covers progress across [Service Excellence](#), [Systems & Technology](#), and [Licence Fulfilment](#), including what we committed to deliver, current status, and what has improved.



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Deliverable	Commitment	Status	Progress and achievements
REC Change Management	Use pilot findings to identify and target areas for improvement.	Ongoing	Continued to progress Safe Isolation Provider (SIP) arrangements under REC Change I0278, supporting the establishment of SIPs as a standalone REC Party.
	Improve REC Change reporting so users can find information more easily.	Ongoing	Integrated new REC Change reporting requirements into the REC Portal relaunch programme, with delivery planned for November 2026.
REC Performance Assurance	Consult on the Performance Assurance Operating Plan (PAOP) and use the REC Portal to increase engagement.	Complete	<p>Delivered the PAOP consultation and secured approval from the Performance Assurance Board (PAB).</p> <p>Established ongoing oversight through regular PAB tracking, with progress monitored through to August 2026.</p> <p>Shared stakeholder updates via the REC Issues Group and quarterly webinars.</p>
	Focus on metering schemes to support Market-wide Half-Hourly Settlement (MHHS) implementation.	Ongoing	<p>Supported MHHS implementation by including meter data quality activity in Data Cleanse Sprints 4 and 5.</p> <p>Distributed monthly Data Quality reports to REC Parties, including suppliers and Metering Operators, identifying known or potential data quality issues.</p> <p>Used the Data Cleanse Sprint approach to set market-wide targets for resolving meter status mismatches, incorrectly classified unmetered supplies, and inconsistencies between Electricity Enquiry Service (EES) and Metering Operator records.</p> <p>We will continue to produce monthly reporting and set targets in consultation with industry and PAB.</p> <p>Introduced new risk drivers for non-appointment of Metering Operator Agents (MOA) and data mismatches between Metering Operator and EES records for migrated MHHS meters, using new data from the Data Integration Platform.</p> <p>Continued to monitor these risk drivers through normal Performance Assurance activity, with actions taken in line with the Performance Assurance Framework (PAF) where needed.</p>
	Refine the Theft Detection Incentive Scheme (TDIS).	Complete	<p>Developed and delivered the scheme, following implementation of REC Change R0259.</p> <p>Implemented REC Change R0173 from 1 October 2025, with the full TDIS scheme launched in November 2025 to strengthen incentives for theft detection across the industry.</p>
REC Data Management & Digital Platform	Review and refine content across the REC Portal to improve clarity and accessibility.	Complete	Supported development of the new REC Portal, working closely with the Digital Services Partner and user community to embed improvements in clarity and accessibility ahead of go-live in November 2026.
	Modernise our digital infrastructure through engaging a new Digital Services Partner (DSP) to design and implement tailored, user-focused solutions.	Complete	<p>Completed mobilisation and discovery phases for the new REC Portal, establishing delivery capability, governance and a clear roadmap.</p> <p>Progressed into design, build and test, with development delivered in sprints and shaped by ongoing user feedback through the REC Portal User Group.</p> <p>Continuing to refine the solution ahead of a planned soft launch.</p>
Code Manager Evolution – Digital Services	Create a stakeholder user group to help guide and inform our work.	Complete	<p>Maintained active engagement with the REC Portal User Group throughout the design, build and test phase, with input provided through working group sessions, design demos, and user experience feedback.</p> <p>This group will continue to play a key role through User Acceptance Testing and soft launch activities, ensuring user experience remains central to delivery.</p>
	Establish, embed, and operate new operational services, creating processes for continuous improvement and the development of new solutions to ensure that the needs of our stakeholders are continuously met rather than subject to periodic reviews.	Ongoing	<p>Completed mobilisation and discovery phases and progressed into design, build, and test.</p> <p>Launched the define Application Programming Interface (API) Gateway, enabling user onboarding and access to selected services while the full solution continues to develop.</p> <p>Continued close collaboration with the REC Code Manager Service Partners and REC Parties to shape design and processes, ensuring the solution meets both user and operational needs.</p>
Code Manager Evolution – Code Manager Service	Review service performance and effectiveness to inform future service design and identify any required changes.	Complete	<p>Completed a review of service performance and effectiveness, and put new Service Partner agreements in place to support REC Party assurance, REC Party qualification, theft detection incentive administration, and data analytics.</p> <p>Assigned responsibility for sandbox, derogation, and PAB secretariat activities as part of a revised service model.</p> <p>Progressed recruitment of the RECCo Assurance team to support delivery of these functions.</p>
	Understand the impact and implications of the current Code Review.	Complete	<p>Progressed operational readiness for the future licence, working with Ofgem and stakeholders to clarify requirements and build confidence in our compliance approach.</p> <p>Implemented changes to internal processes and advanced code drafting to support transition.</p>
	Set out an approach to any further extensions of existing Code Manager contracts.	Complete	<p>Developed exit and onboarding plans, with mobilisation underway for new Service Partners and the successful transfer of required activities.</p> <p>Established enhanced assurance approaches to support the revised service model.</p>
	Consult on the Performance Assurance Operating Plan (PAOP) and use the REC Portal to increase engagement.	Complete	Completed an internal review of the PAOP and progressed it towards industry consultation as a revised RECCo-owned strategic product.
Metering Services	Strengthen relationships with Service Partners to improve performance through better understanding of operational challenges, reports, and audits.	Complete	<p>Revised Consolidated Metering Code of Practice (CoMCoP) audit questions under REC Change R0153 to improve alignment with the REC's structure, strengthen clause mapping, and improve clarity.</p> <p>Received positive stakeholder feedback on the revised approach.</p>
	Support REC Portal enhancements focused on Metering Services.	Complete	<p>Embedded metering requirements in the new REC Portal through active involvement in the relaunch programme.</p> <p>Improved the existing REC Portal Metering Hub and metering content within the REC Consumer Hub.</p>
Our People	Increase capability and capacity within RECCo to meet business needs.	Complete	<p>Introduced a manager's handbook and a new Individual Development Plan approach to support more effective development conversations.</p> <p>Improved recruitment, onboarding, and reporting processes to strengthen workforce planning, with onboarding process consistency achieving 100% employee satisfaction.</p> <p>Developed clearer career pathways for new and evolving roles, including junior positions within our organisation.</p>
	Enhance employee development programmes across the team to build skills, knowledge, and career prospects.	Complete	<p>Delivered manager development sessions covering motivational interviewing, strengths mapping, and behavioural awareness, alongside new on-demand learning resources.</p> <p>Continued colleague lunch and learn sessions, supporting soft skills and wellbeing through topics including time management, confidence, and resilience.</p> <p>Delivered a menopause awareness session in partnership with CPD-accredited training organisation, Henpicked.</p>
	Introduce new initiatives that support mental, emotional, and physical health.	Complete	<p>Enhanced wellbeing support through a new sabbatical policy and menopause guidance, supporting employees at different life stages.</p> <p>Delivered menopause champion training and launched a dedicated intranet hub with accessible resources and support options.</p> <p>Reviewed and improved the employee wellbeing allowance initiative to improve employee access.</p>
	Monitor attraction and retention of talent to support our ongoing success.	Complete	Strengthened workforce insight through enhanced RECCo Board reporting and a more comprehensive workforce dashboard, including key metrics such as time to hire, turnover, and internal mobility.

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Deliverable	Commitment	Status	Progress and achievements
Enquiry Services	Enhance service performance and user experience through improved data access, user engagement and feedback-driven improvements.	Complete	<p>Reviewed the R148 Change Initiative to assess wider data access for innovators within appropriate governance controls.</p> <p>Concluded the change should not progress ahead of broader service upgrades, as it would not deliver value for money at this stage.</p>
	Advance open data initiatives by working with Service Partners to produce reports aligned with open data principles and MHHS.	Complete	Supported targeted data access requests for REC and non-REC Parties, and incorporated longer-term open data needs into future service development.
	Optimise service delivery by monitoring usage, addressing increased demand, improving third-party access, and resolving differences between the Electricity Enquiry Service (EES) and the Gas Enquiry Service (GES).	Complete	<p>Transitioned EES to a cloud-based platform to support MHHS, improving performance and reliability.</p> <p>Completed volumetric testing in February and March 2026, confirming the service is performing as expected and meeting current user demand.</p> <p>Maintained reliable operation of GES following its 2024 replatforming, with enhanced reporting providing greater visibility of performance and service volumes against Maximum Demand thresholds.</p>
Switching & Centralised Registration Service Governance	Strengthen security measures and incident reporting to prevent, manage, and respond to evolving risks, while protecting the REC and other authorised parties.	Complete	<p>Strengthened oversight of ES through detailed usage analysis, informed by industry impact assessments.</p> <p>Developed reporting to monitor how data is accessed and used, improving assurance and supporting ongoing refinement.</p>
	Review governance arrangements to identify changes that strengthen RECCo and PAB's ability to hold the Data Communications Company (DCC) accountable within existing licence and Smart Energy Code (SEC) security requirements.	Complete	<p>Submitted the annual Centralised Registration Service (CRS) Customer Engagement Assessments to Ofgem with DCC, maintaining compliance with regulatory requirements.</p> <p>Implemented REC Change R0280, introducing an independent annual audit of the CSS Certificate Authority and strengthening assurance requirements for DCC.</p>
	Develop and implement an Address Quality Plan (AQP) to improve address data accuracy, reduce erroneous switches, and improve consumer outcomes.	Complete	<p>Delivered the AQP, reducing unmatched addresses from 2.8 million to 2.1 million.</p> <p>Strengthened industry engagement through targeted in-person workshops and improved data analysis built into AQP 2026–27.</p> <p>Progressed REC Changes R0283 and I0200 to set clearer address quality standards at code level, supported by new industry guidance.</p>
	Refine reporting frameworks and knowledge repositories to improve clarity and accessibility for stakeholders.	Complete	Streamlined reporting by removing around 2,000 unused reports, reducing waste and ongoing maintenance effort.
	Implement a Communications & Engagement Strategy to keep stakeholders informed and engaged throughout service improvement initiatives.	Complete	<p>Worked with industry through Request for Information (RFI) to ensure reporting reflects business needs and delivers value.</p> <p>Introduced a Communications & Engagement Strategy, strengthening feedback mechanisms and improving stakeholder outcomes.</p>
	Collaborate with DCC to optimise technical processes, including incident management, security architecture, and service delivery models, and align technical and operational activity with REC standards.	Complete	<p>Developed a six-point action plan with DCC and REC Party input to mitigate risks associated with future technical REC changes.</p> <p>Completed a joint review of technical and REC change processes, agreeing a programme of incremental improvements.</p>
Strengthen collaborative working with DCC to address operational challenges, support continuous service improvement, improve efficiency.	Complete	<p>Maintained a structured programme of engagement with DCC, including regular strategic, performance, and operational oversight.</p> <p>Ensured alignment with our governance frameworks and effective management of service delivery and long-term opportunities.</p>	
	Facilitate joint workshops and initiatives to streamline change management and enhance cross-code working.	Complete	

License Fulfilment

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Code Reform & Code Manager Licence	Engage fully with Ofgem and DESNZ in the selection process to become the licenced REC Code Manager.	Complete	<p>Engaged proactively with Ofgem and DESNZ throughout the Code Manager Licence process, supporting consultation, assurance, and the development of licence conditions.</p> <p>Established a structured programme to coordinate licence readiness, with clear oversight of dependencies, risks, and delivery plans.</p> <p>Positioned RECCo to transition to the licensed Code Manager role while maintaining operational stability and continuity of service for REC Parties.</p>
	Engage with stakeholders to create a development plan setting out how we'll meet Strategic Direction Statement (SDS) requirements.	Complete	<p>Engaged stakeholders to inform our approach to meeting SDS requirements, including early consideration of strategic priorities and delivery.</p> <p>Aligned SDS expectations with Forward Work Plan 2026–29, business planning, and governance frameworks to support a coherent and proportionate response.</p> <p>Established the foundations for a clear and transparent SDS delivery plan, in line with Ofgem expectations and future licence requirements.</p>
	Work with Ofgem to understand the proposed composition and remit of the Stakeholder Advisory Forum.	Complete	<p>Worked closely with Ofgem to shape the proposed role, remit, and operating model of the forum as part of wider code governance reform.</p> <p>Progressed planning for Stakeholder Advisory Forum implementation, including initial development of terms of reference and the operating approach.</p> <p>Established readiness to set up the forum efficiently and transparently, supporting effective stakeholder engagement and robust governance under the new framework.</p>



Protect

Protect is one of our three strategic priorities. It reflects our commitment to safeguarding consumers and their data through secure, reliable services that build trust in the retail energy market.

Under Protect, we're focused on reducing consumer harm and enabling responsible innovation, so data is accessed, shared, and used securely and proportionately.

This section covers progress across [Mitigate Consumer Harm](#) and [Open Data](#), including what we committed to deliver, current status, and what has improved.



Mitigate Consumer Harm

Deliverable	Commitment	Status	Progress and achievements
Energy Theft Reduction	Build on the success of the Stay Energy Safe campaign and partnership with Crimestoppers to raise public awareness of the dangers of energy theft.	Ongoing	Continued to strengthen the successful multi-channel Stay Energy Safe campaign, maintaining an always-on presence and extending reach through digital, public relations, social media including Meta, influencer partnerships, and radio. This sustained engagement supports continued public awareness of the risks and consequences of energy theft.
	Develop a claims process to remove disincentives for suppliers to undertake complex and costly investigations.	Ongoing	Developed proposed approaches in discussion with the Theft Issues Group. These concepts are being prepared for industry consultation to determine priorities and inform detailed deliverable solutions, with progress aligned to wider strategic dependencies and cross-industry considerations.
	Conduct a proof-of-concept to leverage real-time data for theft detection and engage more with Distribution Network Parties to explore broader contributions to loss reduction.	Ongoing	<p>Defined potential approaches to using real-time data for theft detection and commissioned an independent proof-of-concept report.</p> <p>Scalability and enduring service provision remain subject to appropriate data access, with data sourcing progressing and recognised in Ofgem’s SDS.</p> <p>Proposals will be subject to industry consultation to agree priorities and shape future solution development, with progress dependent on wider strategic and cross-code factors.</p>
	Continue to develop the proposal and, subject to acceptance of the necessary REC change proposal, work with the City of London Police to mobilise the unit and the supporting Referral Assessment Service in the second half of 2025–26.	Complete	<p>Successfully delivered a six-week Energy Theft Enforcement Service (ETES) pilot, following Ofgem approval of R0253 and R0234, in collaboration with the City of London Police.</p> <p>The pilot provided valuable insight into the impact of coordinated enforcement activity and the outcomes that can be achieved through targeted interventions.</p> <p>Building on these learnings, we’re exploring alternative and sustainable approaches to support future enforcement activity, as the City of London Police were unable to commit to the long-term partnership envisaged.</p>

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Open Data

Deliverable	Commitment	Status	Progress and achievements
Consumer Consent Solution	Use the REC change process to define the scope and design, with a focus on simplicity, transparency, and security.	Complete	<p>Progressed project design in line with REC change process principles, supporting appropriate governance and traceability ahead of formal Change Proposal submission.</p> <p>Established governance, working groups, and engagement structures following our appointment as Delivery Body in April 2025, facilitating structured input into its design.</p> <p>Delivered the Design Consultation from February to March 2026, informed by working group outputs and advisory papers, to support development of a simple, transparent, and secure solution.</p>
	Create an engagement strategy to gather input and give industry and wider stakeholders the opportunity to shape the design.	Complete	<p>Established a multi-channel engagement approach to support the solution's design, broadening participation beyond traditional REC stakeholders.</p> <p>Engaged widely across industry, including consumer groups, technology providers, and cross-sector experts, through working groups, events, and digital channels.</p> <p>Delivered a high-response Design Consultation, with 645 responses from 31 organisations, providing critical insight to shape the design.</p>
	Develop and test the Minimum Viable Product (MVP) over six months, using an iterative approach to make sure core consent features are functional.	Complete	<p>Established a 'buy rather than build' approach and defined a Minimum Marketable Product (MMP), creating a clear foundation for delivery of the Trust Framework and supporting technology.</p> <p>Tested requirements and delivery approaches, and secured specialist partners across user experience, programme assurance, and Trust Framework design.</p> <p>Developed functional prototypes with potential vendors to test design and usability, refine scope, and increase confidence in delivering secure, interoperable consent services.</p> <p>Used insights from this work to inform the Design Consultation and create an evidence-based pathway into MMP delivery.</p>



Progress

Progress is one of our three strategic priorities. It focuses on delivering change and enabling innovation that supports net zero and future market needs.

Under Progress, we're focused on programme delivery and market-shaping work that keeps the retail energy market effective today and ready for what comes next.

This section covers progress across [Programme Delivery](#) and [Facilitate Innovation](#), including what we committed to deliver, current status, and what has improved.



Programme Delivery

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Market-wide Half-Hourly Settlement	Ensure REC Services participate in replanned System Integration Testing to support readiness for go-live.	Complete	Completed testing activities in August 2025, in line with MHHS programme timelines.
	Continue to plan and deliver qualification requirements for each market role to support REC Party qualification.	Ongoing	<p>Qualified 35 Distribution Network Operators, 13 suppliers, and 17 MOAs to date, across two completed qualification waves.</p> <p>Continued to progress the remaining three planned waves, with all parties on track for completion by October 2026.</p>
	Focus resources on implementing REC changes.	Complete	<p>Implemented REC changes required to support MHHS in September 2025.</p> <p>Progressed post-migration changes to the REC, including the removal of transitional requirements and updates to support Electricity Market Data Services, EES API technical specifications, and Category 3 arrangements, with implementation planned after M15 in May 2027.</p>
	Ensure RECCo, Code Manager Services, and REC Service Partners are prepared to operate under MHHS and plan for post-migration REC Changes.	Complete	<p>Delivered updated REC services in September 2025, aligned with the transition to MHHS processes.</p> <p>Provided support through the Early Life Support, which successfully concluded in February 2026.</p>

Facilitate Innovation

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Smart Secure Electricity Systems	Form industry working groups through the REC change process to develop an MVP for the tariff data standard, enabling tariff information to be communicated to Energy Smart Appliances (ESA) via a supplier-wide API in a machine-readable, interoperable format.	Complete	<p>Established the Tariff Interoperability Working Group and Tariff Interoperability Solution Working Group, engaging industry to support the development of the TI MVP.</p> <p>Worked through both working groups, and the newly formed Implementation Working Group (IWG), to baseline the API specification design, testing approach, and phased delivery model for Phase 1A and Phase 1B.</p>
	Collaborate with Energy Suppliers, ESA manufacturers, and Service Partners to finalise the MVP, enabling seamless communication between ESAs and supplier tariffs, and supporting flexibility and optimisation.	Ongoing	<p>Continued to collaborate with suppliers and Service Partners through consultation review activity, bilateral engagement, and working groups to refine the MVP delivery approach.</p> <p>Used consultation feedback on delivery practicality, interoperability, and implementation timelines to shape the revised phased delivery model. This split Phase 1 into Public Tariff Pricing Data (Phase 1A) and Consumer-Specific Tariff Information, integrated with the CCS as Phase 1B.</p> <p>Secured DESNZ endorsement of the updated delivery approach and timeline.</p>
	Conduct trials with energy suppliers and third-party providers to test the MVP API, identify technical challenges, and ensure compatibility with smart appliances.	Ongoing	<p>Developed the Phase 1A testing approach, test plan, and test cases through the Tariff Interoperability Working Group and IWG, covering supplier testing, pilot onboarding, and end-to-end interoperability validation.</p> <p>Identified initial pilot participants, with mobilisation activity underway to validate API interoperability, onboarding processes, and operational readiness ahead of wider industry testing.</p>
	Collaborate with DESNZ to begin drafting the governance and compliance frameworks that support ongoing oversight of Tariff Data Interoperability in alignment with REC standards.	Complete	<p>Worked with DESNZ to develop and refine changes to the Electricity Supplier Standard Licence Conditions, SLC11C, alongside new REC Schedule 35, the compliance framework, and supporting TI governance.</p> <p>Incorporated consultation feedback into updated REC drafting, licence obligations, and governance artefacts, which DESNZ has approved for implementation.</p>
	Establish data security and consumer protection requirements, working collaboratively with the CCS workstream to ensure sensitive tariff data is handled securely and consumer interests are protected.	Complete	<p>Aligned the delivery approach for Consumer-Specific Tariff Information with CCS, establishing the solution as the future consent and trust mechanism for Phase 1B.</p> <p>Incorporated consultation feedback on data security, consent, and consumer protection into the updated delivery and governance approach, now approved by DESNZ.</p>

Procurement & Budget Performance

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



Procurement & Budget Performance

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Brian O'Shea
Chief Financial & Commercial Officer

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

Financial and commercial management

Under REC clause 5.3, RECCo is responsible for procuring and supplying REC Services to REC Service Users. Each year, the REC Board must set a budget, as required by section 9 of the REC. This budget is built using a "zero-based" approach, meaning we estimate, in good faith, the cost of delivering our strategy for the financial year ahead.

Our budget has three main cost categories:

1. Service delivery, evolution, and management: around 70% of total budget
2. Transformation delivery: around 23%
3. Company: around 7%

We contract REC Services through carefully structured agreements with clear performance measures. If Service Partners fail to meet agreed Key Performance Indicators (KPI), we can recover financial penalties. These recovered amounts are returned to REC Funding Parties through reduced service charges. This reflects our commitment to delivering value for money through effective procurement, strong contract lifecycle management, and prudent financial stewardship.

Overall, our strategy uses both hard and soft levers to make sure Service Partners deliver efficiently and meet stakeholder expectations.

Hard levers

- Clearly defined KPIs, including quantitative, qualitative, and stakeholder satisfaction measures, 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

- An enhanced RECCo service management function
- An integrated approach to service and commercial management, ensuring Service Partners deliver against their operational and contractual obligations
- Structured change control processes
- The ability to partially terminate underperforming service elements

For future contracts, we will continue to adopt a tailored approach. Contracts will be proportionate to the value, complexity, and term of the service being procured.

We will continue to use the Government Model Services Contract as a template, adapting it where needed. This ensures our contracts reflect

the requirements of the future Code Manager Licence, including Intellectual Property Right ownership and transparency.

In 2024, legal advice confirmed that RECCo was not captured by the Procurement Act 2023, and this was validated again in 2026. This enables us to adopt a flexible, tailored approach to procurement.

Procurement cycle

Our commitment to value also extends to our internal operations and project delivery. We continue to use a zero-based budgeting methodology, building our budget based on what we estimate it will cost to deliver our [Strategy 2025–30](#) and [Forward Work Plan 2026–29](#).

REC Parties are involved throughout the budgeting process and retain the right to appeal allowances to Ofgem. This supports strong governance and transparency.

Budget cycle

For our [Budget 2026–27](#), we built on improvements made in previous years to clarify and make our plans more transparent. These improvements will provide stronger justification for planned activities and spending, encourage competitive procurement, and give more detail on staffing, headcount, and Business Cases.

Procurement & Budget Performance **value and direction**

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Returning value to REC Parties

Budget 2025–26 reflected a dynamic market environment and the maturity of our contracts and services. It took a prudent approach and included contingency allowances for several projects, including Third Party Intermediary (TPI) governance, ETES, and emerging flexibility market services, including CCS.

The total budget for 2025 was £55.6 million, and we now expect budget outturn to be £47 million. As part of our commitment to transparency and delivering value, we've reduced charges during the year where we've identified significant underspend.

- January 2026: We returned around **£5.5 million** through reduced REC charges.
- Summer 2026: We will return the remaining underspend following completion of our statutory audit.

The main drivers of the underspend include:

- Higher income, driven by growth in registered supply points and increased use of user-pays access requests for ES
- Underspend on CRS operating costs
- Contingency funding not used for TPI governance and energy theft projects
- Renegotiation of commercial terms for Code Manager and ES charges

- Lower use of the change allowance in the final quarter
- Limited use of company contingency funds
- Slower recruitment and reduced use of recruitment budgets

Timing differences

Some planned activities will now take place in 2026–27, including:

- Investment in ES
- Milestone payments for Digital Services
- User experience work for the CCS project

Setting our direction

Together, our Strategy 2025–30, Forward Work Plan 2026–29, and Budget 2026–27 set the direction for our next phase. Together, they show how we'll deliver strong Code Management today, while preparing for a more flexible, data-enabled, and consumer-focused retail energy market.

This direction is shaped by stakeholder feedback, service performance, delivery data, and the policy direction set by Ofgem and Government. It also reflects the changing role we're expected to play as we prepare for the future Code Manager Licence regime and align our work with Ofgem's Preliminary SDS.

Our Forward Work Plan 2026–29 turns this direction into delivery. It sets out how we'll deliver against our **three strategic aims: Perform, Protect, and Progress**. These aims guide how we prioritise investment, strengthen services, protect consumers and data, and support innovation across the market.

Our Budget 2026–27 supports this work by targeting investment where it can have the greatest impact. This includes improving service quality, strengthening internal capability, building stronger digital and data foundations, and delivering key programmes that support net zero, flexibility, and future market reform.

Although the Preliminary SDS is not yet binding, we're using it as an organising framework for our work. This will help ensure the REC, its governance, and its services remain fit for a rapidly changing market.

As we move into the next financial year, our focus is on turning plans into tangible outcomes. We'll continue to report progress clearly and transparently through ongoing engagement with stakeholders, including our **Mid-Year Report and Annual Report**.

Forward Work Plan 2026–29 Strategic Aims

Perform: Service Excellence

- Code Manager Service Evolution
- Governance & Change Management
- Digital Services & REC Portal 2.0
- Performance Assurance
- One Stakeholder Experience
- Enquiry Services
- Metering Services
- Central Registration Service
- Code Reform & Code Manager Licence

Protect: Consumer Harm and Open Data

- Energy Theft & Losses Reduction
- Consumer Consent Solution
- Data Best Practice

Progress: Solutions and Innovation

- Market-wide Half-Hourly Settlement
- Smart Secure Electricity Systems: Tariff Interoperability
- Consumer-Led Flexibility
- Planning & Infrastructure Act 2025

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Operational progress

This section sets out how key parts of the REC governance framework performed during the reporting period. It explains what each service does, how it operated, what it delivered, and where improvements are being made for the year ahead.

REC Code Manager Service

REC Change Management

REC Performance Assurance

REC Services



REC Code Manager Service performance and activity

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Service overview

The REC Code Manager Service delivers the REC's day to-day functions and processes effectively and efficiently. The service supports REC Parties in meeting their obligations, supports collaboration across the retail energy market, and plays a central role in delivering industry change and market reform.

Key responsibilities

- Deliver the REC Change Process end-to-end
- Provide expert REC Party support through the entry and exit process and Operational Account Managers (OAM)
- Manage the REC Portal and Service Desk, acting as the primary point of contact for REC Parties
- Develop and deliver the PAF
- Provide performance assurance of REC Parties, Service Users, and Service Partners
- Deliver education, guidance, and training in response to stakeholder needs
- Keep REC Parties informed of REC developments through regular communications, including weekly REC Bulletins and stakeholder engagement activity
- Manage and administer REC committees and governance forums
- Manage REC data services through the REC Digital Navigator and REC technical interfaces
- Enable safe testing of market innovations through the REC Sandbox

Key service highlights

- Supported the REC through continued market growth and industry change, with 70 REC Changes and Issues submitted, 53 Changes implemented, and 131 new REC Parties and Service Users qualified during the year.
- Continued to strengthen service delivery and stakeholder engagement, with REC Code Manager satisfaction increasing to 7.7 out of 10.
- Delivered effective change governance and industry coordination, supporting REC Parties to implement regulatory and market changes while managing operational impacts, risks, and dependencies.
- Provided targeted OAM and onboarding support, particularly for new entrants and smaller organisations navigating REC obligations and services.
- Enhanced transparency and accessibility through improved communications, digital services, and knowledge-sharing. The REC Sandbox also supported greater collaboration and innovation, with three applications submitted during 2025–26, compared with five in total since the REC launched in 2021.

Looking ahead, the service is committed to delivering efficient, transparent, and user-focused support for REC Parties and the wider retail energy market.

Performance summary

We hold commercial contracts with three organisations – Talan (formerly Gemserv), Capgemini, Deloitte – which collectively deliver the REC Code Manager Service. These contracts define specific service levels, which we monitor closely with each organisation.

Where service levels are not met, the service credit mechanism returns funds to REC Parties through the annual budget reconciliation process. This performance regime also helps identify service issues, trigger investigations, and support timely resolution.

- Service Partners maintained strong service performance, with monthly scores ranging from **90% to 100%** of service levels achieved.
- Eleven service events triggered service credits, returning more than **£120,000** to REC Parties through the annual budget reconciliation process.

Service snapshot

The service maintained broad and targeted engagement across the REC community. Activity included 155 committee meetings and working groups (+100), 1,275 OAM meetings (+130), 27 online webinars, and 103 REC Bulletins. Together, these channels supported structured governance, direct operational support, market-wide updates, and accessible engagement during sustained industry change.

“
Strong service performance, direct stakeholder support, and effective governance helped keep the REC responsive during a year of continued market growth and industry change.”

REC Code Manager Service **insights and actions**

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Stakeholder management engagement

Effective engagement is central to good REC governance. It supports transparency, strengthens accountability, and helps identify where the REC can work better for those who use and rely on it.

The Annual Stakeholder Satisfaction Survey is one of the key ways we gather structured feedback on REC services. This year, the REC Code Manager Service satisfaction rating increased to **7.7 out of 10**, up 0.3 points, with 63% of respondents noticing positive improvements over the past 12 months. Respondents highlighted improvements in communication, speed of response, and depth of knowledge, while also identifying communication, portal usability, and data management as areas for further focus.

Through the services we engage with REC Parties, non-REC Party Service Users, Service Partners, and wider stakeholders through formal consultations, code bodies and working groups, webinars, briefings, market-wide communications, day-to-day operational engagement, and dedicated relationship-based support. Survey results and qualitative feedback helped shape tangible service improvements, including the development of the new REC Portal, continued improvements to Service Desk processes, and further development of the OAM service.

Operational Account Manager model

A core part of this REC Code Manager Service is the OAM model. Each REC Party, non-REC Party service user, and TPI signed up to our voluntary TPI Code of Practice is assigned a dedicated OAM, giving organisations a consistent, named point of contact for REC-related support.

OAMs add value by:

- Acting as a trusted interface between REC Parties, RECCo, and the Code Manager
- Providing proactive support on REC Changes, programmes, and services
- Helping organisations understand how code developments affect them
- Identifying emerging issues and ensuring they are escalated appropriately
- Supporting clear, two-way communication between governance and operational teams

Feedback continued to highlight the OAM service as one of the strongest parts of the REC Code Manager Service. Stakeholders described OAMs as professional, personable, and quick to respond. Satisfaction scores remained strong, with consistent OAM support scoring **8.4 out of 10**, and both OAM knowledge and relevant communications scoring **8.2 out of 10**.

During the year, OAMs held **1,299 meetings**, including **212 introductory meetings**, with engagement spanning **288 non-REC Parties**. Insights from these interactions informed service improvements, guidance development, and Forward Work Plan priorities.

Looking ahead, the service will continue to develop and upskill the OAM team, explore how artificial intelligence can make existing processes more efficient, and expand engagement with Trade Associations and other industry bodies.



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Service Desk

The Service Desk continued to provide timely, accurate support for stakeholders and consumers across REC-related enquiries, responding to more than **23,000 first-line helpdesk tickets** and supporting a further **2,635 tickets** escalated to second-line support teams.

The most common enquiries related to:

- Performance Assurance maintenance and qualification
- SIPs
- ES
- REC Portal permissions
- MHHS

While enquiry volumes remained broadly consistent month-on-month, the nature of queries became more technically complex. This required additional investigation, closer coordination across teams, and more specialist input from second-line support.

Overall, feedback from Service Desk users was positive, particularly around the self-service tools available. Some respondents also highlighted opportunities to resolve queries more quickly. In response, we'll continue working with DSP as the new digital platform is developed, focusing on streamlining workflows and response times.

REC Portal

The REC Portal is the primary digital platform through which users access REC Services. It supports access to documentation, reporting, service information, and operational processes, and plays a central role in efficient and transparent engagement with the REC.

Survey feedback showed that stakeholders value the breadth of information available, but also want the REC Portal to be easier to navigate, more reliable, and more intuitive. Only 16% of stakeholders felt the REC Portal performs well, while 60% identified the need for improvement, particularly around navigation, technical reliability, and finding relevant information.

This feedback has directly informed the design and development of a more intuitive, resilient, and scalable portal solution. Activity included requirements gathering, user-centred design, and preparatory work to support migration to the new system. The programme focuses on improving usability, accessibility, and performance, while maintaining continuity of service during transition.

The new REC Portal is expected to launch in the next reporting period. This will mark a significant step forward in our digital capability, improving user experience, supporting greater efficiency, and strengthening the platform for future REC Services and market reforms.



REC Change Management performance and activity | insights and actions

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Change overview

The REC Change process managed a record volume of activity during the reporting period, with **70 Change Proposals and Issues** raised across the REC. The Change Team implemented **53 Changes** and resolved **seven REC Issues**, including **38 Category 3 Changes** that were both raised and implemented within the year.

The team delivered this work through **six REC releases**, maintaining steady progress across the change lifecycle while supporting major industry reform.

This was the highest volume of changes raised and implemented to date. Overall, the REC Change process has now handled more than **300 REC Changes and Issues**. This reflects increasing industry demand and the team's ability to respond at pace while maintaining quality, governance standards, and delivery discipline.

Actions and improvements

Alongside routine change activity, the REC governed and delivered all MHHS-related REC changes, supporting readiness for go-live on time and to a high standard. The **M8 Release** marked a significant milestone.

It included:

- Revisions to 12 existing REC Schedules
- Full replacement of the Metering Operations Schedule
- Introduction of a new MHHS Migration Schedule
- Updates to multiple REC Service definitions, including the EES, the Electricity Retail Data Service, and the Switching Data Enquiry Service
- Implementation of consequential and related Change Proposals, Category 3 documents, and supporting guidance

The November 2025 release implemented 17 Change Proposals, making it the largest release delivered to date. The February 2026 release implemented a further 15 Change Proposals. Several individual changes delivered clear industry benefits and supported the continued evolution of the REC, including **R0155** and **R0152**.

Overall, the team delivered strongly during a period of exceptional activity. It balanced unprecedented change volumes with major programme delivery, while continuing to provide robust governance and high-quality outputs for industry participants.

REC Change and Issue Activity: 2022–23 to 2025–26

REC Changes & Issues	2022–23	2023–24	2024–25	2025–26
Implemented	21	36	38	53
Open	73	63	78	71
Withdrawn	6	25	23	7
Rejected	0	5	7	6
New Change Proposals raised	70	57	35	24
New Issues raised	–	–	85	46

Looking ahead

In 2026–27, we'll focus on strengthening visibility, simplifying engagement, and preparing for the future licensed Code Manager model.

Industry forum optimisation will continue to support clearer, more efficient governance. During 2025–26, both the Energy Theft Reduction Expert Group and Theft Issues Group were closed to reduce duplication across engagement activities. Theft-related issues are now managed through the Retail Issues Group, creating a more consolidated route for industry discussion and issue management.

The enhanced internal Code Manager Change Tracker will also support stronger change planning and reporting. Improvements delivered during

2025–26 strengthened the capture and management of change data across the REC Change Programme. This will support our wider change roadmap, [Forward Work Plan 2026–29](#), budget planning, reporting tools, and decision-making across the Change Portfolio.

Following the implementation of REC Change R0167 in 2024, and with Ofgem's licensed Code Manager arrangements expected later in 2026, no significant changes are planned to the existing change process. The focus will instead be on strengthening the Code Manager function and supporting a more collaborative, constructive approach to engagement across REC Parties, industry participants, and stakeholders.

REC Change Management performance and activity

Case study

R0152 | Revising CoMCoP

R0152 improved the accuracy and usability of the CoMCoP. It helps REC Parties meet their obligations more effectively and strengthens industry confidence in metering compliance.



Problem

After CoMCoP was introduced in April 2023, industry participants identified inconsistencies, duplication, and unclear obligations within the document. Metering Equipment Managers and other REC Parties found it harder to demonstrate compliance and complete audits because some requirements were unclear or incorrectly allocated.



Impact

These issues created inefficiencies in Metering Services: Audits and uncertainty for Energy Suppliers contracting with Metering Equipment Managers. They also risked undermining confidence in audit outcomes and in consumer protections linked to metering work carried out in homes and businesses.



Solution

As the Code Manager, we worked closely with industry stakeholders and the Metering Scheme Auditor through weekly workgroups to review and improve CoMCoP. Together, they clarified obligations, removed duplication, corrected REC Party allocations, updated definitions, and created a new supplementary guidance document.

These changes will support more efficient audits and give REC Parties greater confidence that they're being assessed against a robust and accurate Code of Practice.

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REC Performance Assurance **performance and activity**

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Performance overview

REC Performance Assurance follows a transparent and proportionate approach set out in Schedule 6 of the REC. It's underpinned by the Performance Assurance Methodology and a risk-based approach.

The Retail Risk Register sets out the retail risks and how performance is monitored against them. The PAOP then sets out the assurance activity designed to respond to that risk landscape. The PAOP runs from September to August each year and is developed with, and subject to consultation by, industry stakeholders. Key Performance Assurance activity delivered through the 2025–26 PAOP is set out below.

REC Services oversight

REC Performance Assurance activity supported continued oversight, transparency, and challenge across key REC Services. Following consistent engagement and challenge from the REC Performance Assurance provider, the PAB, and the application of financial incentives, the Switching Operator made gradual performance improvements, particularly in resolving switching incidents promptly. The PAB also provided oversight and challenge during the development of the CRS Improvement Plan and the approach to AQPs. More information on these areas is included in the [CRS section](#).

REC Performance Assurance also engaged with ES, particularly on improving service performance following MHHS go-live. The PAB reviewed technical performance measures, such as data latency, to understand the actions being taken to address root cause issues, improve service performance and capacity, and keep Service Users updated.

Change process interaction

Performance Assurance helps ensure the REC delivers the right outcomes and, where appropriate, identifies areas that need to change. During the period, **14 REC Changes** were released that either improved the assurance process or improved the REC, driven in part by assurance activity. These included improvements to energy theft processes, switching, data issue resolution, and metering. Key examples included:

1. Meter accreditation schemes

Issues with drafting the CoMCoP were identified in 2024. This led to a thorough review of the document, improved drafting, and new assurance activity launched in November 2025.

2. Occupier process changes

Following engagement with TPIs supporting non-domestic customers, inconsistent investigation processes were identified for potential changes of occupier. These processes

help determine whether a non-domestic contract has been broken or whether a change of occupier is genuine.

REC Change R0155, implemented in June 2025, aimed to improve retail markets for non-domestic consumers by speeding up and improving the consistency of decision-making for new tenant customer enquiries. The change balanced consumer improvements with protections to prevent Energy Suppliers from being defrauded.

REC Performance Assurance conducted readiness assessments focused on changes to systems and processes. This helped prevent issues before they occurred, rather than correcting them after detection.

The team is now assessing the impact and benefits of this change. Initial data-led findings indicate that Energy Suppliers are more customer-responsive, making the switching process faster and more reliable. Evidence from those involved in the process will supplement this data, helping confirm whether the process is working as intended.

3. Theft Detection Incentive Scheme

As part of continued improvements to the TDIS, REC Change R0173 was implemented in October 2025. This followed R0259, which updated the implementation date and

supported a controlled transition to the revised arrangements.

Before this change, suppliers only received incentive payments for providing details of confirmed volumes of energy theft. The change introduced additional incentive payments for site and desktop theft investigations undertaken by suppliers. This rewards suppliers for the level of effort they apply to theft investigations, even where theft is not confirmed. More information is included in the [Energy Theft section](#).

REC Performance Assurance supported the technical implementation of this change and developed new monitoring, reporting, and auditing processes. These provide assurance that suppliers are meeting their obligations.

Tackling serious underperformance

The REC Performance Assurance team continues to work closely with REC Parties when performance issues are identified that do not meet the thresholds set out in the Retail Risk Register. These issues ranged from minor to very serious. The most significant issues related to Tomato Energy, a business that had performance and regulatory issues under multiple industry codes. Through a dynamic, data-led approach, the Performance Assurance team identified performance issues and took action to reduce their impact on the wider market and consumers.

REC Performance Assurance **performance and activity**

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Following multiple code breaches, we implemented clear limits on operation, alongside an action plan to address code breaches and protect consumers. The team also acted to resolve Tomato Energy's data errors, which adversely affected other parts of the market. This included coordinating Party and Service Partner activity to prevent customer switches from being blocked and to avoid new Energy Suppliers inheriting industry data issues.

Tomato Energy's performance issues also affected other codes. This led to constructive cross-code discussions and highlighted the need for better cross-code integration on Performance Assurance matters. The objective is to support more robust and efficient processes across all codes.

Cross-code integration

The need for improved cross-code collaboration and integrated Code Manager action became clear following Performance Assurance activity to address serious performance issues. Representatives from Performance Assurance and PAB representatives from the Balancing and Settlement Code, Uniform Network Code, Independent Gas Transporters UNC, and SEC undertook a coordinated investigation across five workshops.

These workshops considered:

- Data sharing between codes
- Processes for identifying interdependencies
- Coordinating initiatives for REC Parties during peak periods of activity
- Coordinating escalatory actions, such as sanctions escalating major service incidents

The collaborative work resulted in 21 recommendations, which have been shared with the relevant PABs. Further work will now take place to progress recommendations for other codes.

Data cleanse

Performance Assurance produces and distributes monthly Data Quality reports to REC Parties, including Energy Suppliers and Metering Operators. Data cleanse activity is organised into regular sprints, allowing progress to be measured and Performance Assurance techniques to be applied where REC Party engagement is limited. This sprint-based approach is used to set market-wide targets and support a consistent approach to resolving issues.

The PAB approves the scope of each sprint following consultation with the relevant REC Parties. During the year, activity included resolving mismatches in meter status, addressing differences in details held by the Central Data Service Provider and Meter Asset Providers, reviewing potentially incorrectly

classified unmetered supplies, and resolving inconsistencies between EES and Metering Operator records. Cleansing these data quality issues will help reduce billing errors, inefficient processes, and onward Settlement issues.

We will continue to produce monthly reporting and set targets in consultation with industry and the PAB.

MHHS readiness

Performance Assurance activity has supported MHHS readiness by:

- Supporting MHHS Qualification, helping ensure that REC Parties have appropriate systems and processes. Qualification activity is underway, with participants allocated to five waves to create an efficient process. Two of these five waves are now complete.
- Introducing new risk monitoring to support the new MHHS arrangements.
- Supporting data cleanse activity focused on the data items required for MHHS.

Year ahead

Over the past four years, we've worked closely with Deloitte and industry to design, embed, and refine the REC PAF. This work has helped ensure the regime reflects market practice, supports REC objectives, and keeps consumer interests at its core.



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As Deloitte's current contract ends in August 2026, we've reviewed how Performance Assurance should evolve to meet the market's future needs.

From September 2026, we'll bring delivery of the Performance Assurance strategy and core assurance products in-house. This will increase transparency, strengthen control, and help us respond faster to emerging retail risks. It also supports the direction of travel under Ofgem's Code Reform, which sets the intention for RECCo to become the licensed REC Code Manager in November 2026.

We'll work with the following Service Partners to support the next phase of Performance Assurance:

- **Moorhouse** will deliver our new REC Party Assurance service, bringing fresh insight and challenge while maintaining a proportionate, outcomes-focused approach.
- **Capgemini** will provide data analytics and TDIS management.
- We will continue to provide REC Qualification services, ensuring consistency in this critical area.
- **Talan** will provide additional market entry and exit support, and deliver the sandbox and derogation processes.

We're now working with our Service Partners to develop PAOP 2026–27. We will consult on this plan to gather industry feedback and make sure it reflects the risks, priorities, and changes the market needs us to address.

Looking ahead

Consumer Consent and Tariff Interoperability will bring substantial change for the market. We're working with the PAB and industry to develop the right Performance Assurance approach for both. We will reflect these changes in the updated Retail Risk Register, PAOP 2026–27, and the Performance Assurance Reporting Catalogue.

Bringing core Performance Assurance activity in-house will give us stronger control, clearer oversight, and greater flexibility to respond to emerging retail risks.



REC Services Energy Theft

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Energy Theft Tip-Off Service

This service is delivered by Crimestoppers through the public-facing Stay Energy Safe brand. It raises awareness of energy theft, supports public safety, and gives people a safe, anonymous way to report suspected theft. Stay Energy Safe marketing campaign activity achieved an audience reach of **129.5 million** during the year.

The service operates **24 hours a day, seven days a week**. People can submit anonymous tip-offs online or by phone. Crimestoppers handles each contact before securely passing relevant reports to Energy Suppliers and Network Operators for investigation.

In October 2025, Crimestoppers International named the service its Global Award winner for Community Engagement & Awareness. The award recognises services that drive behaviour change and deliver measurable impact. ETOS is doing exactly that: encouraging more people to come forward, improving industry insight, and helping the market respond more effectively to suspected energy theft.

In 2025, ETOS was contacted 18,853 times, a **4% increase** on the previous year. Of these, 70% were converted into reports. The service achieved an average satisfaction score of **7.7 out of 10**, with 56% of respondents saying it had improved over the past year.

Key work during the year included:

1. Theft Detection Incentive Scheme

Following the implementation of R0259, which enhanced R0173, and after incorporating Ofgem's feedback and approval, we further strengthened TDIS. These changes improve incentives for theft detection across the industry. They also address disincentives for suppliers carrying out complex and costly investigations, supporting stronger engagement and better outcomes across the market. We also improved the Theft Dashboard to support the scheme. The updates provide a better user experience, new functionality to track TDIS changes, and clearer oversight of how ETOS reports are handled.

2. Energy Theft Enforcement Service Pilot

Following Ofgem's approval of R0253 and R0234, we delivered a six-week ETES pilot to assess the impact of targeted enforcement activity across the industry. During the pilot, REC Parties submitted 23 referrals through the Referral Assessment Service. Of these, 18 progressed to formal cases submitted to the Energy Theft Unit, 15 investigations progressed, and 10 resulted in positive enforcement outcomes. The pilot demonstrated a strong conversion from referral to outcome, with **43.5%** of referrals resulting in positive enforcement outcomes.

The pilot gave us valuable insight into the benefits of coordinated enforcement activity. We're now using those findings to consider longer-term, sustainable approaches for future enforcement arrangements.

3. Energy Theft Learning Space

We launched a new Energy Theft Learning Space, comprising eight training modules to help REC Parties better understand, prevent, and respond to energy theft. The modules provide practical guidance across the full energy theft lifecycle, including detection, investigations, evidence gathering, reporting obligations, settlement processes, and post-investigation actions.

We developed the training to support REC Parties and wider market participants involved in operational, compliance, and assurance activity. It aims to strengthen industry capability, promote good practice, and improve understanding of REC obligations relating to energy theft.

Looking ahead

Over the coming year, we'll build on the momentum achieved through Stay Energy Safe by broadening audience reach and engagement, and continuing to encourage public reporting of energy theft.

We'll continue developing the frameworks, tools, and approaches needed to support more targeted and effective theft detection activity across the market. This includes working with industry stakeholders to understand how available data can support more insight-led approaches to energy theft reduction.

We'll also use learning from recent enforcement initiatives to explore sustainable approaches that support future enforcement activity, strengthen assurance and governance, and improve consumer protection outcomes.

REC Services Metering: Audits & Improvements

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Metering Service

During the financial year, we continued to govern and assure metering activity under the REC. We focused on robust audit delivery, supporting compliance with updated requirements, and improving engagement, guidance, and transparency for metering parties.

Metering activity covered two core areas:

- 1. Metering Services: Audit** provides assurance through the CoMCoP
- 2. Metering Services: Improvements** supports stronger governance, clearer obligations, and future readiness across metering arrangements

Metering Services: Audit

Audits remained a core part of the PAF, providing independent assurance over gas and electricity metering parties operating under the CoMCoP. We implemented the revised CoMCoP through R0152 in November 2025, supported the industry's transition to the new requirements, and maintained consistent, effective audit delivery during the changeover period.

Performance highlights included:

- **281 audits completed** in the reporting period
- **233 audits passed** at the first attempt. This

represents 82.9% first-time compliance, up from 73.7% in the previous year

- **23 new applications** received, compared with 31 in the previous year

We continued to oversee the service to ensure audits met agreed standards, timeframes, and reporting requirements. We also improved audit reporting and management information, giving REC Parties clearer insight and strengthening performance monitoring.

Alongside business-as-usual audit delivery, we worked to improve future audit arrangements. This included R0311, CoMCoP two-year audit cycles, which seeks to codify existing practice around minimum CoMCoP audit frequency within the REC. During the financial year, R0311 moved through initial assessment and consultation planning, with engagement focused on clarity and alignment.

Metering Service: Improvements

Through improvements, we strengthened governance, improved accessibility, and prepared metering arrangements for future market developments. We focused on SIP governance and wider metering role governance.

This included:

- Strengthening accession and qualification clarity

- Addressing risks associated with inactive or long-dormant parties through auto de-accession processes, delivered via R0236
- Improving guidance and communications to help REC Parties understand their roles and obligations

We continued to develop the REC Portal Metering Hub as a central source of information, guidance, and updates for Metering Parties. This gave REC Parties clearer access to relevant material and strengthened engagement.

During 2025–26, R0307, Release and Licensing of the CoMCoP Accreditation Logo, was consulted on and approved, enabling accredited parties to demonstrate accreditation in a clear, consistent, and recognisable way. This established the groundwork for a controlled roll out. We'll implement licensing in June 2026, ahead of the logo launch in September 2026.

We also supported cross-code and market-wide initiatives affecting metering, including work related to MHHS, export metering arrangements, and emerging technologies. This helped ensure wider REC Change activity reflected metering considerations.

Year-end achievement

We focused on effective delivery, embedding change, and maintaining service resilience. This gives us a strong operational baseline for

ongoing metering assurance and governance under the REC. By March 2026, we had:

- Delivered a full year of CoMCoP audit assurance, including during the transition to revised requirements
- Maintained stable, monitored audit performance, supported by improved metering improvements and reporting
- Progressed governance and service improvements to address identified risks and industry feedback
- Strengthened engagement, guidance, and transparency for metering parties

“
Stronger audit performance, clearer governance, and improved guidance are helping metering arrangements remain reliable, transparent, and ready for future market change.”

REC Services

Metering: insights and actions

Looking ahead

In the coming financial year, we'll continue to focus on effective assurance, service resilience, and proportionate improvement of metering arrangements under the REC.

Audit services will remain a core priority. We'll continue to deliver CoMCoP assurance across gas and electricity Metering Parties, building on the transition to the revised requirements. We'll focus on audit quality, consistent outcomes, and using audit insight to support Performance Assurance and governance.

Subject to governance approval, we expect further progress on R0311, which will provide greater clarity and consistency around CoMCoP audit frequency within the REC.

Alongside audit delivery, non-audit activity will focus on improving safety outcomes, strengthening governance, and supporting a changing market. A key priority will be continued progress on I0278 – Establishing the Safe Isolation Provider as a Standalone REC Metering Party – aligned to Ofgem's SDS.

This work aims to improve clarity and consistency for safe isolation activities, strengthen safety and assurance through clearer governance and qualification arrangements, and support appropriate market access while maintaining robust standards. We'll continue to

focus on engagement, solution development, and governance processes so any enduring changes are proportionate and supported by strong safety controls.

We'll also continue to improve guidance, engagement, and transparency for REC Parties through the Metering Hub. In addition, we expect R0307 to move into implementation, enabling accredited parties to demonstrate CoMCoP compliance in a clear, consistent, and recognisable way.

Overall, we'll focus on embedding recent changes, progressing agreed improvements, and strengthening governance and capacity. This will help ensure metering services remain robust, transparent, and fit for purpose as the retail energy market evolves.

We'll continue strengthening metering assurance, governance, and safety controls so services remain robust, transparent, and fit for purpose as the retail energy market evolves.



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Central Registration & Switching Services

The CRS, including the CSS, is a critical part of our operations and represents a significant share of our annual budget. The REC Board maintains close oversight of this area, reviewing and challenging service costs where needed.

Throughout the year, engagement with DCC took place through a structured programme aligned to the established RECCo governance framework. This included:

- **Quarterly strategic sessions** focused on long-term opportunities
- **Monthly reviews** covering performance, improvements, challenges, and progress against key risks and issues
- **Regular operational discussions** to manage emerging and ongoing matters, and agree effective resolutions

We also put an Improvement Plan in place to ensure DCC meets and maintains all Performance Assurance Reporting Catalogue reporting measures set out in the REC. Alongside this, we worked with DCC to improve how its Service Providers deliver services, with a focus on efficiency, value for money, and maintaining strong performance.

Improvements Plan

The Improvements Plan provided a structured framework for continuous improvement throughout the year, focused on five areas: reporting, address quality, change management, incident management, and communications and engagement.

We also incorporated all feedback from the previous Switching Incentive Regime Survey into the CRS programme. This ensured market participants' views were considered, reflected in the programme's priorities, and addressed through delivery activity.

Reporting

We engaged with industry through RFIs to ensure reporting outputs reflected genuine business needs and continued to provide value. We also streamlined reporting by removing around **2,000 unused reports**, reducing waste and ongoing maintenance effort.

Address quality

We made good progress in improving address data, **reducing unmatched records by 25%**, from 2.8 million to 2.1 million. We supported this by:

- Strengthening industry engagement through targeted, in-person workshops

- Embedding enhanced analytical insight into AQP 2026–27
- Progressing R0283 and I0200 to establish clearer code-level address quality targets
- Publishing new knowledge articles to support consistent adoption

Change management

We introduced a Small Change Process to enable faster, more agile delivery of CRS changes. We progressed all relevant changes through this route to support controlled, low-disruption implementation.

We also streamlined process mapping and documentation to improve efficiency and strengthened governance and controls across REC Change activity. These improvements supported better Service Level Agreement performance, stronger compliance, and improved quality outcomes.

Incident management

We delivered targeted improvements to incident management. We introduced auto-routing to reduce manual triage and speed up assignment to the right teams. We also implemented standardised templates and expanded incident categories, improving consistency, reducing resolution times, and strengthening reporting and analysis.

We'll continue to work with DCC and industry stakeholders over the coming year to review arrangements and identify further improvements.

Communications and engagement

Stakeholder feedback continued to shape improvements to communications, engagement and service delivery during the year. Insights from the Switching Incentive Regime Survey, targeted engagement, and industry workshops informed development of a new joint DCC/RECCo Switching Communications & Engagement Strategy, aligned to stakeholder and operational needs.

New engagement formats, including drop-in learning sessions and an annual stakeholder meeting, were also introduced to provide more accessible and effective ways for stakeholders to engage with the service.

Looking ahead

We'll continue to strengthen stakeholder engagement, transparency, and operational support, while embedding continuous improvement across REC Services to support industry through ongoing market and regulatory change.

REC Services

Electricity & Gas Enquiry

Enquiry Services

Both the EES and GES provide authoritative, trusted sources of information that support critical retail energy market processes. Feedback from the [Annual Stakeholder Satisfaction Survey](#) remained consistently positive, with EES scoring **7.5 out of 10** and GES scoring **7.4 out of 10**, giving us assurance that these services continue to meet user needs and operate effectively.

Electricity Enquiry Service

Over the past year, we focused on ensuring that the EES continued to meet user demand and maintain the performance needed to support consumer switching and wider market processes.

As part of MHHS, we moved the EES to a cloud-based service. Stakeholder feedback confirmed improved performance and reliability. For further assurance, we carried out volumetric testing in February and March 2026, introducing additional load and closely monitoring the impact. This gave us confidence that the EES can meet current user needs. We also delivered significant EES changes to support the successful delivery of MHHS.

Gas Enquiry Service

Following its replatforming in 2024, GES continued to operate reliably and in line with stakeholder expectations. We now receive enhanced reporting, giving us clearer visibility of performance and service volumes against current Maximum Demand thresholds. This insight will support informed decisions on the future evolution of this service. According to results from the [Annual Stakeholder Satisfaction Survey](#), **100%** of respondents said the service remained consistent.

Evolution Project

We're continuing the Evolution Project to ensure these services can meet growing market demand and support a smarter, more flexible retail energy system. The services have performed well since we took ownership in 2022. However, increasing usage, evolving stakeholder needs, and new use cases mean we now need to modernise, strengthen, and future-proof these critical market services. The project will improve consistency for users operating across both electricity and gas by aligning how data is provided. In parallel, we'll continue to explore secure, well-governed ways to make data more accessible.

We'll take a controlled, phased approach with an initial focus on gas. We'll also maintain an open and transparent approach, keeping stakeholders engaged and informed throughout the process.

Through the Enquiry Services Evolution Project, we're modernising and strengthening critical market services so they can meet growing demand and improve consistency for users across electricity and gas.

This will help support new use cases and provide resilient foundations for a smarter, more flexible retail energy system.

REC Services

Payment Method Levelisation

Operation and impact

The Payment Method Levelisation scheme continues to operate effectively in line with Ofgem's direction. It protects customers who use prepayment meters from paying higher standing charges than those using direct debit.

We deliver the scheme through a monthly reconciliation process. Suppliers with a higher proportion of prepayment customers receive compensation, funded collectively by all domestic suppliers. This helps ensure the costs to serve are shared fairly across the market. Since the scheme launched in April 2024, it has collected and **redistributed more than £117 million** between Energy Suppliers.

Looking ahead

Over the past 12 months, we've worked closely with Ofgem to refine the scheme further. This includes aligning the definition of reportable portfolios with Ofgem's related activities. This work is underway and we expect to deliver the change in summer 2026. In parallel, we're continuing to expand automation across the scheme's reporting processes to support accuracy, efficiency, and effective delivery.

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API Application Programming Interface

AQP Address Quality Plan

CCS Consumer Consent Solution

CoMCoP Consolidated Metering Code of Practice

CRS Central Registration Service

CSS Central Switching Service

DCC Data Communications Company

DESNZ Department for Energy Security and Net Zero

DSP Digital Services Partner

EES Electricity Enquiry Service

ES Enquiry Services

ESA Energy Smart Appliance

ETES Energy Theft Enforcement Service

ETTOS Energy Theft Tip-Off Service

GES Gas Enquiry Service

IWG Implementation Working Group

KPI Key Performance Indicator

MHHS Market-wide Half-Hourly Settlement

MMP Minimum Marketable Product

MOA Meter Operator Agent

MVP Minimum Viable Product

OAM Operational Account Manager

Ofgem Office of Gas and Electricity Markets

PAB Performance Assurance Board

PAF Performance Assurance Framework

PAOP Performance Assurance Operating Plan

REC Retail Energy Code

RECCo Retail Energy Code Company

RFI Request for Information

SDS Strategic Direction Statement

SEC Smart Energy Code

SIP Safe Isolation Provider

TDIS Theft Detection Incentive Scheme

TI Tariff Interoperability

TPI Third Party Intermediary

Thank you for reading

Please complete our short [Annual Report feedback survey](#). Your views will help us make future reports clearer, sharper, and more useful to REC Parties and stakeholders.

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