

Proposed variation:	SMICoP Change Request (CR)058 – Escalation Process		
Decision:	The Authority ¹ has decided to approve CR058		
Target audience:	SMICoP Governance Board, SMICoP Members, all interested parties		
Date of publication:	14 October 2019	Implementation Date: 8 November	Implementation Technique: Big Bang

Authority decision on proposed SMICoP CR058 – Escalation Process

Background to the Change Request

On 1 November 2018, Ofgem wrote to the SMICoP Governance Board (SGB) outlining ongoing concerns with governance of the code, compliance monitoring and the change management process. The letter requested that the SGB review its effectiveness in relation to the responsibilities set out in the SMICoP.

As a result, the SGB composed a remedial action plan detailing a number of intended actions, one of which was a compliance review. As part of this review, the SGB noted that there was no formal escalation process which meant that the SGB considered instances of non-compliance difficult to challenge.

CR058 'Escalation Process' seeks to implement an escalation process in the code, to ensure areas of non-compliance are dealt with in a formal, consistent and transparent manner.

The Change Request

CR058 was raised by Citizens Advice. The CR contains a modification that sets out an escalation process where suppliers have failed to meet their obligations under the code.

The process involves the sending of an email to the supplier/member by the Code Administrator (CA) to remind them of the obligation and invite engagement within 15 working days. Failure to engage results in a call to the supplier/member and a further 10 working day period in which to take the required steps.

Where the required obligation remains following the 10 working day period, the CA sends a letter to the Director of the supplier/member inviting further engagement within 15 working days and copies the letter to the Authority.

Where a failure to engage within the 10 working day period occurs, the CA notifies the SGB at its next meeting of the supplier/members failure and escalates to the Authority to determine next steps.

CR058 was issued on 5 August to the Change Advisory Group (CAG) for consideration, and two responses were received.

The SGB Recommendation

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.



On 29 August 2019 the SGB reviewed the CAG's comments and discussed CR058, noting that the Change Request had undergone a legal review as part of the usual SMICoP change process.

The SGB unanimously voted to accept CR058, its implementation date of 8 November 2019, and the implementation technique of 'Big Bang'.

The Final Change Report for CR058 was issued to Ofgem on 2 September 2019 for decision.

Our Decision

We have considered the issues raised by CR058, the details set out in the Final Change Report, and the votes of the SGB. We have also taken into account the CAG's responses and comments. These factors were considered in light of whether CR058 would better facilitate the achievement of the Objectives set out in Standard Conditions 41.2 and 42.1 of the Electricity Supply Licence and Standard Licence Conditions 35.2 and 36.1 of the Gas Supply Licence.

We have decided to approve CR058.

Reasons for our Decision

We agree with the SGB that the escalation process set out in CR58 will provide a new structured procedure that will ensure improved compliance with the code through formalising a process that can therefore be applied in a consistent, fair and transparent way for both domestic consumers and micro business customers. This will further the Objectives through ensuring licensees maintain a standard of service that meets domestic consumers and micro business customer expectations and that the activities undertaken during installation are improved.

We agree that the process is transparent and easily understood and provides adequate steps and timescales for non-compliant supplier/members to engage and take the necessary steps to address relevant obligations.

Decision notice

In accordance with Section 2.7.5.1 of Section B to the SMICoP, we approve CR058.

Please contact Deborah Duke at Deborah.Duke@Ofgem.gov.uk if you have any comments in relation to this decision.

Yours faithfully,

Jacqui Russell

Head of Metering and Market Operations

Signed on behalf of the Authority and authorised for that purpose