



Rowaa Mahmoud  
Retail Market Opening Programme  
Ofwat – 4<sup>th</sup> floor  
21 Bloomsbury Street  
London WC1B 3HF

11 January 2016

Dear Rowaa

**Consultation on customer protection – proposed customer code of practice**

SSE has a subsidiary company - SSE Water Limited (SSE Water) - that participates in the water markets under the New Appointments and Variations (NAV) framework and is sometimes known as a “new appointee”. We welcome the consultation on the above topic and set out responses on some of the specific consultation questions in the appendix to this letter.

Yours sincerely

Aileen Boyd  
Regulation Manager

Response to consultation questions

Q1 Do you have any comments on our proposal to introduce a mandatory Customer Protection Code of Practice to protect customers in the non-household retail market? SSE Water has no objection to the introduction of a customer protection code for the benefit of non-household retail customers, to cover matters which cannot readily be covered in other aspects of the prospective market framework arrangements. We would note that, in the consultation, sometimes the term 'retailers' is used and sometimes the term 'appointed companies and WSSL retailers'. On this point, it is clear that some of the proposed items to be covered by the code are not applicable to appointees – for example, those related to contractual terms, since the ongoing provision of retail service to non-household customers by an appointee is on statutory terms. We therefore suggest that, for the avoidance of confusion for non-household customers, the code makes clear which aspects are applicable to all retailers and which just to the WSSL licensees in the non-household retail market.

Q2 What do you think we should consider when defining smaller customers (microbusinesses, small businesses and SMEs)?

Q3 Should the proposed additional protections for smaller customers apply to just microbusinesses, or small businesses, or all SMEs?

Q4 Do you agree with our proposals to use the Customer Protection Code of Practice to protect micro-businesses from certain sales and marketing activities?

Q5 Do you agree with our proposal to require retailers to provide certain basic information in a standard format to allow micro-businesses to compare deals?

Further to our response to Q1, our assumption is that this is a further example of a proposed provision of the code that would not apply to appointed companies, since they are not offering 'deals' in the market but providing services on statutory terms.

Q6 Do you agree with our proposal to require retailers to make sure that any TPIs acting as agents on their behalf are aware of, and understand, how the provisions of the Customer Protection Code of Practice apply?

Q7 Do you have any comments on our plan to explore the possibility of requiring retailers to only interact with TPIs that have signed up to a set of standards, either through an accreditation scheme or another voluntary code of practice?

Q8 Do you agree with our proposal to use the Customer Protection Code of Practice to set specific standards of conduct for retailers in relation to contracts with micro-businesses? Do you have any comments on the issues that we propose to cover?

Q9 Do you agree with our proposal to include a requirement in the Customer Protection Code of Practice for retailers to provide certain information to all eligible non-household customers, and additional information to micro-businesses?

Q10 Do you have any comments on the information that needs to be provided to customers?

Q11 Do you agree with our proposal to require retailers to offer a cooling off period of at least seven calendar days to micro-businesses? Should a cooling off period be offered to all eligible non-household customers, and if so, should customers be allowed to opt out of any such cooling off period?

If a micro-business customer wishes to return to the statutory provision of water by the relevant appointee, we do not consider that any cooling off period would be required.

Q12 Do you agree with our proposal to require retailers to take active steps to confirm that micro-businesses are aware of, and understand, the terms of the contract before they agree to it?

Q13 Do you agree with our proposal to require retailers to obtain a copy of written confirmation that a TPI is acting on behalf of a customer, before sharing any details about that customer with the TPI?

Q14 Do you have any other comments on our proposals in relation to contracts and information to be provided to customers?

Q15 Do you have any comments on the proposed timeframe of 6 to 20 working days for the switch to take place, with a retailer and customer able to agree a named day for the switch?

Q16 Do you agree with our proposal to use the Customer Protection Code of Practice to require retailers to take all reasonable steps to ensure they have a valid contract with the customer before they request a switch?

Q17 Do you agree with our proposal to require an outgoing retailer to inform the affected customer of the reason for any cancellation of the switching process, and advise the customer on the process and timeframe to resolve the issue?

Q18 Do you have any comments on whether or not outgoing retailers should be allowed to cancel a switch on the basis that the customer has an outstanding debt?

Q19 Do you have any comments on our proposal to monitor the use of the switching process, including use of the erroneous transfer and cancellation processes, after the market opens? SSE Water agrees that it is sensible for Ofwat to monitor the use of the switching process after the market opens.

Q20 Do you agree with our proposal to require retailers to issue at least one accurate bill each year to micro-business customers and, for metered micro-business customers, to take a meter reading at least twice a year?

We note that Ofwat is interested in views on customers taking and submitting their own meter readings. SSE Water supports this approach and would like to see customer meter readings being able to count as an actual or remote meter reading in order to retain this element of efficiency in current meter reading arrangements. This would also be in tune with the proposed approach of the outgoing retailer using a transfer meter reading provided by a new incoming retailer as the basis for the transferring customer's final bill.

Q21 Do you agree with our proposal to require retailers to issue a final bill to microbusinesses within six weeks of the customer's transfer or end of contract?

Q22 Do you agree with our proposal to require retailers to base their final bill on the transfer read provided by the incoming retailer?

While this is acceptable as a general aim for the switching processes, we believe there should be provision for pragmatic alternative arrangements if the incoming retailer either fails to provide a transfer meter reading in a timely manner or the outgoing retailer has a valid query on the accuracy of the reading provided. Readings by the outgoing retailer or customer should be able to be used in these cases.

Q23 Do you have any comments on our proposal to do nothing further at this time in relation to billing frequency and payment methods (except for micro-businesses as above)?

Q24 Do you have any comments about the information that should be provided to customers on their bills?

Q25 Do you agree with our proposal to use the Customer Protection Code of Practice to prevent retailers from back-billing eligible non-household customers unless the customer has behaved inappropriately?

Q26 Do you agree with our proposal to require retailers to offer micro-businesses a reasonable payment plan with any back-bill, to allow the customer to pay the bill in a number of instalments?

Q27 Do you have any comments on our proposal to take no further action in relation to refunds (other than to make sure that customers have access to a quick and effective dispute resolution process)?

Q28 Do you have any comments on our proposal for no additional regulation on data quality?

Q29 Do you agree with our proposal to use the Customer Protection Code of Practice to require all retailers to have an effective complaint handling process in place?

Q30 Do you agree with our proposal to use the Customer Protection Code of Practice to require all retailers to join the WATRS water redress scheme, if they have not already done so?