

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?

We agree with the proposal to introduce a Mandatory Customer Protection Code of Practice.

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

We feel that we must try to ensure that customer protection measures work for all businesses, whatever their number of employees, turnover or usage of water and wastewater services. Any differentiation could only be justified if we could determine the degree of proficiency/ vulnerability of NHH customers in dealing with commercial arrangements. We do not feel that any of the characteristics of scale mentioned can be shown to identify customers in such a category. Also we see no evidence that the measures proposed will provide greater protection.

There are also a number of practical concerns regarding the implementation of a number of the proposals in this consultation aimed at micro-businesses. Firstly, the identification of such customers would be extremely difficult and costly, potentially increasing overall customer bills. Their structure will include sole traders, private limited companies, LLPs and PLCs. Information on size and turnover is not readily available in the public domain.

The requirement to identify, record and keep up to date information on different classes of customer would be difficult and expensive, as would the need to have different processes which need to be developed and implemented. This would need to include arrangements for Supplier of Last Resort situations.

We feel that the need to maintain such information would be an unnecessary regulatory burden and could act as a barrier to entry for new retailers. The emphasis should be on a comprehensive, simple to understand Code of Practice, which enhances the benefits of the market to customers.

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

We do not believe that there should be any additional protections for micro-businesses small businesses or SMEs. We believe it is achievable to provide sufficient protection to all customers in one Code of Practice.

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?

We do not believe there should be any further protection for micro-businesses in the Code of Practice.

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?

We do not believe there should be any further additional information formatting for micro-businesses beyond information requirements specified in the Code of Practice, which should be sufficient for all types of customer.

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?

We agree that the contract between the retailer and any TPIs acting on their behalf should specify that adherence to the provisions and spirit of the Code of Practice as a mandatory condition of that contract. Where a customer has chosen to engage with the market through a TPI, we do not feel there should be any obligation on the retailer to check for example that the agreement between the TPI and the customer follows the provisions and spirit of the Code of Conduct, we feel that this is a matter for the parties to that agreement.

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?

We feel this would be excessively restrictive and adds unnecessary complexity. This is not vital for market opening and therefore should not be required at this stage.

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?

We do not feel that there should be any specific standards of conduct that relate only to micro-businesses.

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?

We do not believe there should be any further additional information for micro-businesses beyond information requirements specified in the Code of Practice, which should be sufficient for all types of customer.

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

We agree that SPID information and a note on the customer's right to switch be included on bills.

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?

We do not feel that a cooling off period is necessary for any NHH customer.

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?

We do not feel it should be necessary to provide additional steps for micro-businesses.

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?

We agree that there should be a confirmation from customers in this case but do not feel that it needs be written. A confirmation of a customer's engagement with a TPI by telephone using appropriate security questions would be sufficient.

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

We agree with the approach proposed.

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?

This is comparable with power and the banking sector and seems reasonable.

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?

Yes we agree with this proposal. Very few retailers will want to sign up to take Wholesale charges if they don't have a valid contract in place, so we do not feel there is a need to regulate in advance on this.

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?

Yes, there should be criteria in the Code of Practice that require this.

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?

We feel it should be allowed to stop a switch on any level of debt. However we should not be obliged to cancel, but we feel we should have this option. We believe we should replicate the current Scottish arrangements, which appear to work well.

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?

We agree this is necessary.

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 see no clear justification for treating micro-businesses differently from other retail NHH customers in this regard.

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?

The process and requirements for micro-businesses should be consistent with those for all other NHH customers.

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

We do not feel there is one single option we could agree to at this time. We feel that there are a number of alternatives and that detailed discussion is needed before coming to a conclusion. A solution must include alignment of the last date considered in the last bill issued by the outgoing retailer and the first date considered in the first date of the incoming retailer.

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)?

We agree this should be left out of the Code of Practice and should be left to retailers and their NHH customers, including micro-businesses.

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

The bills should contain

- the customer's SPID(s) information including the premise address
- the bill-to address where this is different from the premise address
- the tariff and details of how the bill has been calculated
- reference to the contract, including the end date for any fixed term contract, with a note that switching to another retailer is possible
- available methods of payment
- any specified regulatory notes.

Any other information may be added at the retailer's discretion.

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?

The principle should be that customers should pay for services that they have received and we feel that the introduction of the new market arrangements is no reason to change this. On the basis that the future market arrangements make retailers liable to wholesalers for primary charges owed by end customers, it is not acceptable to leave retailers exposed to a liability that cannot be recovered from customers.

Finally, we cannot envisage a practical, implementable test of whether a customer is "acting inappropriately".

We therefore believe that Ofwat should withdraw proposals related to restrictions on back-billing.

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?

We do not feel that there should be any additional options for micro-businesses.

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)?

We agree, noting that the customers' rights for refunds should not be affected by the new market arrangements. However, we would seek further guidance as to how refunds should be treated where customers have switched and where the error relates to wholesale data.

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

We agree with the proposal not to include any further provisions in the Customer Protection Code of Practice at this time, but to include this area in monitoring once the market opens.

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?

We agree with Ofwat's proposal.

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?

We do not feel that this is a requirement as a competitive market will be in place. We think we should avoid imposing excessive regulation.