



Rowaa Mahmoud  
Retail Market Opening Programme  
Ofwat  
4th floor  
21 Bloomsbury Street  
London WC1B 3HF.

11 January 2016

Dear Rowaa

**Protecting customers in the non-household retail market – a consultation**

Thank you for the opportunity to respond to the above consultation.

We are supportive of Ofwat's proposals to protect customers in the new non-household retail market and have provided detailed comments to the consultation questions in an appendix to this letter.

If you have any questions on our comments please feel free to contact me

Yours Sincerely

Tom May  
**Head of Commercial and Retail**

**Veolia Water Projects Limited**

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## Appendix: Responses 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?***

Veolia would support the introduction of a mandatory Customer Protection Code of Practice to protect customers in the non-household retail market.

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

We consider that the definitions should consider both the number of employees and consumption eg Micro business has 10 employees and water consumption less than x m3 per annum. Where a small business is a large user of water it is very likely to procure water services in the same manner as a large business and the codes and protection should reflect this. Retailers would, however, need customers to advise on the number of employees when offering services as this information would not be readily available in the market.

### ***Q3 Should the proposed additional protections for smaller customers apply to just micro-businesses, or small businesses, or all SMEs?***

We believe that Ofwat's proposals to apply additional protections to just micro-businesses is reasonable.

### ***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 would support this proposal

### ***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 would support this proposal

### ***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 would support this proposal.

### ***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?***

Third Party Intermediaries have become increasingly involved in the Scottish Market and are likely to be equally active in the English market. Customers who engage with the market through TPIs may not be aware that the TPI is acting as an agent for a retailer, or only deals with selected retailers or is paid commission by retailers for placing business with them. TPIs may also direct customers to retail offers which provide the best return to the TPI, rather than the customer. As Ofwat cannot regulate the activity of TPIs it would be appropriate to require 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?**

We support the principles put forward by Ofwat on contract terms and commercial practices. We also agree that termination fees should be reasonable but this needs to be fair to both parties

Where a customer has enjoyed the benefit of reduced costs or additional services it is reasonable to charge a fee if the customer chooses to terminate early. As the retailer may have provided a discount in return for a long term contract the cost of termination to the retailer will include an element of lost future profit and early termination fees should be able to reflect this. Domestic mortgages already operate in a similar manner.

**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 are generally supportive of Ofwat's proposals on the provision of information to customers, however, we do not think retailers should be required to advise customers of their contract end date and notice period on every bill. This would appear to go beyond the requirements for domestic customers in other markets. We would suggest that this is replaced by an obligation to write to the customer 6 weeks before the contract end date.

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

We are supportive of Ofwat's proposals to ensure the effective provision of information in the market but do not think it should be proscriptive on bill layout. For example, energy retailers are not obliged to provide supply point details on the first page of a domestic energy bill. Water retailers are also likely to want to use a consistent bill format for all customers and not need to offer different templates to micro-businesses. For example, a customer may want a single bill for 3 separate sites or 30 sites. Providing all SPID details on the front of the bill is likely to be confusing for these customers. Retailers should be obligated to clearly supply SPID information but have flexibility on bill layout.

**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 cooling off period is offered it should apply to the whole market. An opt out is likely to add complexity and errors to the market.

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**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 would support this proposal

**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 would support this proposal

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

No comments

**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?**

No comments

**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?**

We would support this proposal

**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?**

We would support this proposal

**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 believe that an outgoing retailer should have the right to cancel a transfer based on outstanding debt as defined within the market.

**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?**

No comments

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**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 are supportive in principle of this proposal, however, access to the property to read meters may be restricted because of business opening hours or by the customer. A retailer should not be penalised if the customer prevents access.

**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?**

We would support this proposal

**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 would support this proposal

**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)?**

No comments

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

Please see answers to Q9 and Q10

**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?**

We consider that it would also be appropriate to back-bill a customer for up to 1 year where they have moved in to a new premises or the premises were wrongly flagged as vacant within the market.

**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 would support this proposal

**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)?**

No comments

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

We would support the proposal to monitor performance in this area.

**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 would support this 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 would support this proposal

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