

A new business retail water market from April 2017 – customer protection code of practice

Overview

From April 2017, 1.2 million eligible business, charity and public sector customers ('business customers') mainly in England will be able to shop around for their water and wastewater retailer. The new market will not be available to customers of companies whose area is wholly or mainly in Wales.

Retail services include things like customer service and billing. In shopping around customers will be able to benefit from lower prices, consolidated water bills, higher standards and more tailored services, for example in relation to water saving advice.

Ofwat has a legal duty to make sure that eligible customers are protected in the new market. One of our tools for doing this is the [Customer Protection Code of Practice](#) (the 'code').

What is the code?

The code is a document that sets out the minimum standards that all retailers will need to comply with in how they treat customers. All retailers operating in the market will need to stick to the rules as part of their licence. If they break them, Ofwat can take action against them – including fines or taking away their licence.

Why is the code needed?

While customers can shop around to get the price and service package they want from their supplier – and leave their current supplier if they are unhappy – experience from markets and other sectors shows that some customers need some extra protection to access the benefits of the market.

The customer protection code of practice at a glance

Customer protection in water for businesses, charities and public sector organisations

We have learned from experiences in other utilities markets and listened to feedback

10 employees or fewer?
You will get extra protections under the code

Backbilling
reduced to a maximum of 16 months

Service standards apply to all customers,
not just those of big water companies

You will have continuity of supply,
even when you do not roll over your contract

You can expect at least **one accurate bill each year**

From April 2017, you will be able to choose your supplier

less. These organisations may have lower levels of buyer power than other larger customers so they may need help. Larger customers will be able to use their buying power and will be protected in other ways (see below).

Customer protection measures, like the code, are an essential part of a well-functioning market. But they should not stifle innovation or the development of effective competition. Or prevent customers choosing the deal that best suits their needs.

What is in the code?

The code is based on a simple set of principles that retailers can follow (see below). It also sets out the minimum standards of behaviour that we expect from retailers at every step of the customer's use of services (the 'customer journey'). That includes:

- sales and marketing activities;
- contracts and information;
- switching suppliers;
- billing and data; and
- handling complaints and disputes.

For example, if a customer has been charged the wrong amount, retailers can send catch up bills ('back bills') for a maximum of 16 months – at present its six years. And customers will get at least one bill based on actual meter readings a year.

Who will the code benefit?

The code offers the greatest protection to micro-businesses – those organisations with 10 employees or

The principles that retailers need to stick to

Retailers should:

- be fair, transparent and honest – and put the customer at the heart of their business;
- communicate with customers in plain and clear language;
- provide appropriate and timely information to customers to allow them to make informed choices;
- provide information that is complete, accurate and not misleading;
- respond to customers in an appropriate and timely manner; and
- make their customer services accessible and effective.

How has the code been developed?

We have developed the code by talking with, listening to and consulting customer representatives, companies and others. We also learned from experiences in other utilities markets and listened to feedback.

How will customers be protected?

The main way that customers will be protected is through the ability to shop around for the best service for their needs. But customers will also be protected by:

- each retailer being licensed to operate;
- minimum standards of service ('guaranteed standards scheme');

- supplier of last resort arrangements to maintain services to customers if a retailer goes out of business; and
- default contracts which could apply in certain situations where there is a supply to the customer but terms and conditions have not otherwise been agreed. These are referred to as 'deemed contracts'.

Next steps

The new code will take effect from the moment the market opens in April 2017.

Further information

More information about the market is available from the [Open Water website](#) and [Ofwat's retail market opening](#) webpage. Open Water is the overall programme of work to open the new market. You can also sign up to receive [email updates with the latest news](#) on the Open Water website homepage.

If you are a customer and need further advice, please speak to [the Consumer Council for Water](#) – the legal independent representative body of water and wastewater customers in England and Wales. You can also ask your relevant trade or representative body to contact Ofwat on your behalf.

If you are a customer representative or trade body, retailer or other interested party and have further questions, please contact us at retailmarketopening@ofwat.gsi.gov.uk.

More information

[Customer protection code of practice webpage](#), May 2016

[IN 15/12: Opening a new retail market for non-household customers – protecting customers](#), 4 September 2015

[Ofwat retail market opening webpage](#)

[Consumer Council for Water website](#)

[Open Water website](#)

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a leading economic regulator, trusted and respected, challenging ourselves and others to build trust and confidence in water.

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