

South East Water's
response to Protecting
customers in the non-
household retail market
– a consultation on final
proposals and a draft
customer protection
code of practice

April 2016

1 INTRODUCTION

This document provides South East Water's response to the consultation on how customers should be protected in the non-household retail market

Overall we are supportive of the need for protection in this environment, in particular in regards to the areas of miss-selling and creating a confidence from all customers in this new retail market in regard to safety and security of the switching process. We still are of the opinion that the final consultation whilst reducing the impact of our original concerns still leaves a concern over the treatment of micro-businesses.

We continue to believe that as a general principle we believe that all customers should be treated consistently, regardless of size or attributes in any process. This should also be carefully administered in the areas of sales and key facts in any quotations. We believe there is a risk by the creation of customer segments and the need for different approaches that may potentially lead to loopholes and potential confusion in the market.

We are supportive of any requirement that helps to create a level of trust and confidence by all customers in this new market.

2 ANSWERS TO SPECIFIC CONSULTATION QUESTIONS

Below are responses to the specific questions raised.

Section 3.1.3. Overall Regulatory Approach

We agree with the approach to the guiding principles for all customers.

Our view is that these principles should be within the code of practice rather than within a licence obligation. As a new market we should learn from the lessons of Scottish water competition and also the energy sector where it is clear that many issues are not fully understood until the market begins to mature. This being assumed in market opening within England there is a high likelihood for continual review of these principles and adaptation over the initial few years.

Section 3.2. Sales and Marketing Activity

We agree with the general approach regarding Sales and Marketing activities however, feel that rules relating to micro-businesses and the supply of information creates a burden that may inadvertently create complexity for customers. This view is predominantly due to the physical volume of data that may be required on bills. We have for many years looked at the simplification of bill design based on our customer needs. This approach may mean information needs to be spread over multiple pages especially when this proposal is viewed in line with other Ofwat requirements such as mandatory switching messages.

In relation to TPIs we agree that when acting for Retailers the Retailer should ensure that the TPI is aware of the obligations of the Code of Practice and the introduction of a sector

led accreditation scheme could be a good compromise in this area to avoid an uncontrolled element of the supply chain.

Section 3.3. Contracts and Customer Information

We agree with the proposed approaches in this area and look forward to further proposals on the rules and requirements relating to contract roll-overs.

Section 3.4. The Switching Process

We agree with the approaches and look forward to further engagement in the area of blocking switches relating to debt.

Section 3.5. Billing, Back-Billing and Data Quality Issues

Whilst we still remain concerned over distinctions of Micro-businesses and the impact of this two tier approach based on data that we may not hold as an incumbent undertaker, we accept the approach that is being proposed.

Section 3.6. Complaints Handling and Disputes Resolution

We agree with the proposed approach.

Section 4 Code Governance

Q1 Do you agree with our proposed approach to the governance of the code of practice?

We agree with the proposed approach to code governance.

Q2 Do you have any views as to whether the code governance and modification should be included in the code or the licence/appointment?

Code governance should be included in the code.

Q3 Who should be able to raise changes to the code of practice?

All market participants and stakeholders should be able to raise requests for changes to the code of practice.