

Ofwat's expectations of the opening up of the water market in 2017

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Now?

- 26,000 large customers

April 2017

- 1.2 million customers

Which customers?

- Business, charity and public sector customers

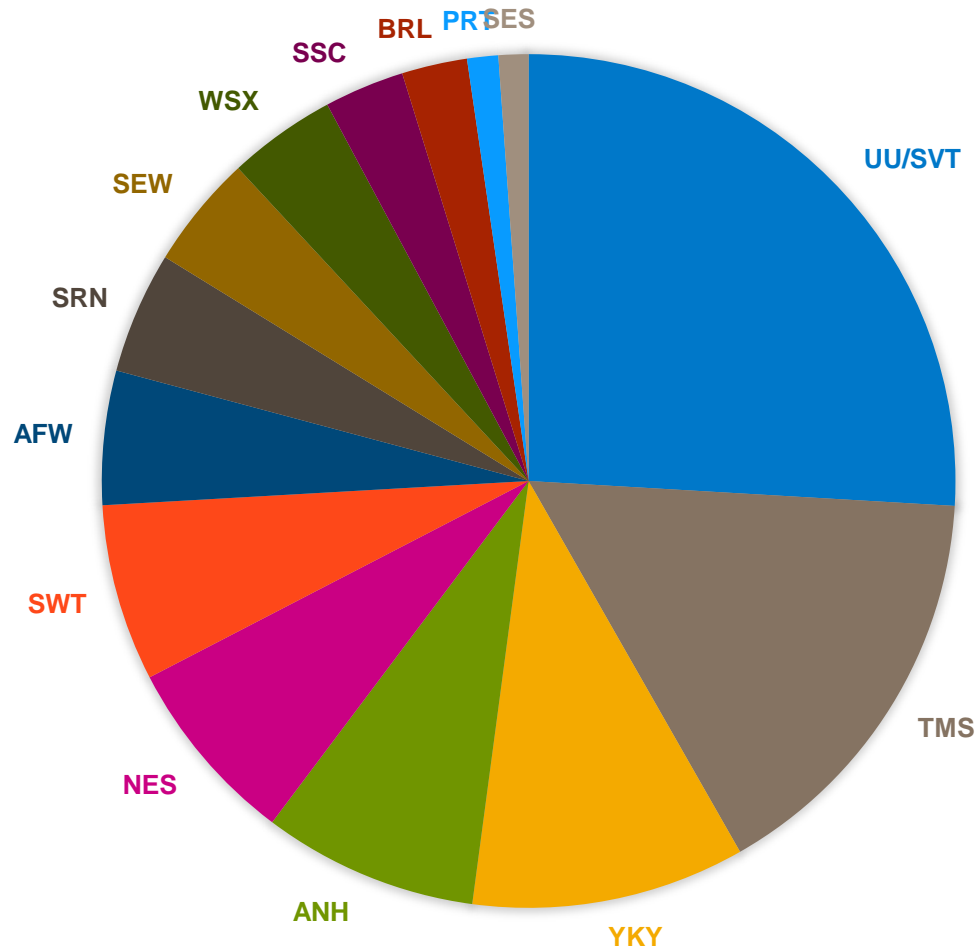
What services?

- billing, payments, debt management,
- meter reading, customer queries,
- water efficiency advice, leakage reduction

The structure of the market will change (and is changing)

Who can enter the market?

- Holders of an **Instrument of Appointment** (for existing undertakers)
- **Water Supply and Sewerage Licence** (for retailers)
- Self supply licence (for customers)
- Undertakers will be able to **retail exit** – transfer customers to an associated undertaker



Move away from price controls to codes, guidance and monitoring

How will the market operate?

- The **market arrangements code** sets out the how the market will operate including the requirements for the market operator, setting up a code panel and dispute resolution

What governs the interaction between wholesalers and retailers?

- The **wholesale retail code** sets out the rules that apply to the agreements between undertakers (wholesalers) and licensees (retailers) including payments, transfer of customer data and operational processes

What constrains charges?

- Ofwat set a **non household retail price control** as part of PR14 and will set a new price control from April 2017.
- Ofwat publishes **charging rules**
- Licensees charges will be constrained by the price terms set out in the **retail exit code**.

What protects customer service?

- All customers will be protected by the **guaranteed standards scheme**.
- The **customer code of practice** will provide additional protection, in particular to microbusinesses.

1. General consumer law

the Business Protection from Misleading Marketing Regulations (BPMMRs) prohibit misleading advertising and sales activities

2. Customer protection code of practice

- All retailers to comply with a new CPCoP
- Retailers should be fair, transparent and honest while putting the customer at the heart of their business
- Communication with customers shall be in plain and clear language
- Retailers shall ensure that they provide appropriate and timely information to customers to allow them to make informed choices
- Any information provided to customers shall be complete, accurate and timely
- Retailers shall respond to customers in an appropriate and timely manner
- Customer service arrangements and processes shall be accessible and effective for customers

What role could TPIs play?

Awareness
Route to market
Contract management
Specialist knowledge

Regulation of TPIs

Third parties acting for Retailers: Retailers shall take all reasonable steps to ensure that these third parties are aware of, and understand and comply with, the provisions of the code.

Third parties acting for Business Customers: Retailers shall obtain written confirmation – known as a letter of authority (LoA) - from the relevant Customers that:

- (a) the named third party is acting on their behalf;
 - (b) the extent of the third party's authority; and
 - (c) how the third party's fees are being paid.
- Where the business customer is also a Micro-business, the written confirmation shall be in the form of a template(see draft on our website).

Voluntary TPI code of practice

Read our TPI fact sheet on our website.



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