

Monitoring the Business Retail Market Consultation  
Ofwat  
City Centre Tower  
7 Hill Street  
Birmingham  
B5 4AU

By email to: [MarketMonitoringConsultation@ofwat.gsi.gov.uk](mailto:MarketMonitoringConsultation@ofwat.gsi.gov.uk)

10 February 2017

Dear Sirs,

## **Monitoring the Business Retail Market from April 2017: A consultation**

Thank you for giving us the opportunity to provide comments and feedback on the “Monitoring the Business Retail Market” consultation.

Three Sixty Water Limited (“Three Sixty”) supports the objectives set out in Ofwat’s proposed approach in the consultation. We recognise the benefits of an effective monitoring framework in establishing a well-functioning market, whilst protecting customers and supporting evolution of that market.

A number of themes have emerged from our discussions in preparation of our response to the consultation as follows:

- We believe the objectives, approach and general methodology proposed for market monitoring to be consistent with identifying, understanding and acting as necessary to ensure an effective and successful competitive market.
- Recognition that at this stage of the market to foresee what data is likely to be important is a challenge, therefore flexibility of reporting functionality should be encouraged.
- The reporting requirements are extensive and could prove burdensome, particularly to smaller retailers. Confirmation that the cost is justifiable for the benefit of collecting and analysing such a comprehensive range of data could create increased support from stakeholders in developing more effective monitoring of the market.
- The specification and purpose of several of the data items prescribed in the appendices remain unclear.

Our responses to the specific questions are contained in the attachment to this letter. We have sought to keep our responses as brief as possible and make material comment only where we have a specific opinion, or to explain our reasoning for a particular answer.

We look forward to publication of the outcome of this consultation, however should you have any queries regarding any of our responses, please don’t hesitate to contact me by email at: [narissa.kirk@threesixty.company](mailto:narissa.kirk@threesixty.company).

## **We make water work for you**

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** [business-retail@threesixty.company](mailto:business-retail@threesixty.company) | **www.threesixty.company**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.



Yours sincerely,

Narissa Kirk

Commercial and Regulation Manager  
Three Sixty Water Limited

Enc

**We make water work for you**

Three Sixty. 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** [business-retail@threesixty.company](mailto:business-retail@threesixty.company) | **www.threesixty.company**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.

Three Sixty response to consultation questions:

**Ofwat - Consultation Paper**

**Monitoring the business retail market from April 17 – a consultation**

Question	Detail	Response	Comment
Q1	Are there any other objectives that market monitoring could or should fulfil in addition to those mentioned in section 2.3?	Yes	Three Sixty Water Limited (Three Sixty) agrees with the objectives of market monitoring and support this process. However, we would like to draw back to the regulation principles of proportionality in relation to the number of customers a retailer might operate, and the burden of providing the evidence which Ofwat require. This being the case to retailers with a large or small amount of customers.
Q2	Do you agree with the issues we propose to monitor? What issues do you think should be monitored particularly closely?	Yes, we agree	Three Sixty agrees and supports the areas which Ofwat intend to measure. We would like to see more regulation of the third parties intermediaries, directly. The CPCoP states that retailers must ensure compliance of third party intermediaries, which if Ofwat monitor, might mean an even greater burden on the retailer to report on our own interactions with third party intermediaries.

## We make water work for you

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** business-retail@threesixty.com | **www.threesixty.com**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.

Q3	<p>Do you agree with the type and format of the information we are planning to obtain from the market operator? We welcome views on:</p> <ul style="list-style-type: none"> <li>• the choice of metrics, their usefulness for our assessment of the market and ways of ensuring they are as useful as possible; and</li> <li>• the availability of that information, the opportunities and limitations of obtaining information from the market operator, including sources that could supplement it.</li> </ul>	yes, we agree	<p>Three Sixty supports the recommendations for identifying problems. However, we would like to again add proportionality, parameters and appropriateness around self-reporting. It is not our belief that Ofwat would require retailers to report on something which following internal regulatory monitoring would be resolved prior to this having any impact on customers, or the market.</p>
----	--	---------------	---

## We make water work for you

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** business-retail@threesixty.company | **www.threesixty.company**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.

Q4	<p>What information will retailers hold that will help us achieve our monitoring objectives? We welcome views on:</p> <ul style="list-style-type: none"> <li>• the choice of metrics, their usefulness for our assessment of the market and ways of ensuring they are as useful as possible;</li> <li>• the availability of that information, including where else we could obtain the information that we would like retailers to provide;</li> <li>• the best way for retailers to share that information with us (e.g. most appropriate format);</li> <li>• whether retailers will be able to segment information in the way we require; and</li> <li>• the best way to make sure the regulatory burden is proportionate, especially for smaller retailers.</li> </ul>	Not clear at present	The answer to this question will become clearer as the market develops.
Q5	We would welcome views on our proposal for informal monitoring, any other tools we could use, and how we might make the best use of the information available.	Agree	Three Sixty supports this proposal, and we do not have any further comments at this time.
Q6	We would welcome views on how best we could involve third party intermediaries in our monitoring framework, which information would be best to collect and how we could obtain it.	See Q2	As states above in the response to Q2. Three Sixty support this but would like to see a greater regulation of third party intermediaries.

## We make water work for you

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** business-retail@threesixty.com | **www.threesixty.com**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.

<p>Q7</p>	<p>We would welcome views on how best to collect useful information on market segments. In particular, we would welcome views on challenges to deriving the market segment information we envisage and ways of overcoming them.</p>	<p>See comment</p>	<p>Three Sixty believes that the identification of certain customers, in particular micro-businesses, will prove challenging. At the moment, it is consumption which is the measure for customers. In some circumstances, this does not always reflect the number of staff.</p> <p>Appendix 2</p> <p>As regards measuring the number of multi-utility billing, or water only, we would need more clarification on what this included.</p> <p>As regards debt, we would need clarification as to whether this would be on aged debt or bad debt - will bad debt be defined, and at what part of the process is it 'bad'.</p> <p>As regards consumption/data efficiency measures, would we just report on annual changes in volume or against specific projects we've provided as a service or/and tariff structures that encourage efficiency.</p>
-----------	---	--------------------	---

## We make water work for you

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

T: 0844 9022976 | E: [business-retail@threesixty.company](mailto:business-retail@threesixty.company) | [www.threesixty.company](http://www.threesixty.company)

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.

Q8	How can we best make sure that relevant information is shared in a transparent and useful manner, whilst also being mindful of commercial and personal confidentiality and without prejudice to competition law?	See comment	We are happy to support Ofwat with all of the information required. In the event that Ofwat require a more targeted and in-depth review, then we would appreciate Ofwat having regard to maintaining anonymity of commercial information which would impact our business.
----	--	-------------	---

## We make water work for you

Three Sixty, 1st Floor, 1 Capitol Court, Capitol Park, Dodworth, Barnsley, S75 3TZ

**T:** 0844 9022976 | **E:** [business-retail@threesixty.company](mailto:business-retail@threesixty.company) | **www.threesixty.company**

Registered company: Three Sixty Water Ltd. Registered in England and Wales. Company registration number: 9919590.

Registered office: Western House, Western Way, Halifax Road, Bradford, BD6 2SZ. Part of Kelda Group.