
Wholesale Retail Code Change Proposal – Ref CPW010

Modification proposal	Wholesale Retail Code Change Proposal – CPW010 – Emergency Contact Details
Decision	Ofwat has decided to approve this code change proposal
Publication date	28 August 2018
Implementation date	28 September 2018

Background

Wholesalers have obligations both in their conditions of appointment and under the Market Codes to notify customers in the event of an unplanned incident or event. In October 2016, Anglian Water raised a change proposal for consideration by the Interim Code Panel. The proposal was to allow the sharing of Non-Household Customer contact details in emergency or unplanned events by using the free text field (D4003) on the T132.R/M.

The idea being that in the event of unplanned interruption to supply, wholesalers would be able to fulfil its obligations by contacting the Non-Household customer directly to notify them of the incident.

The issue

The proposer contends that current best practice, during an emergency or unplanned event, is for the wholesaler to make direct contact with the Non-Household customer(s) affected. However, the Wholesale Retail Code (WRC) provides that the relationship with Non-Household customers is primarily owned by the retailer. As the wholesaler has statutory obligations (which have been incorporated into the Market Codes), the proposer is suggesting that the current process for allowing wholesalers access to Non-Household customer information requires improvement to enable wholesalers to fulfil their obligations in a more proactive and efficient manner.

The modification proposal¹

This proposal seeks to amend Part E of Schedule 1, Part 3 of the WRC to enable faster emergency contact with Non-Household customers during an emergency or unplanned event. It proposes that the WRC is amended to provide a process for retailers and wholesalers to mutually agree terms by which retailers share end user information to enable the wholesaler to fulfil its obligations.

In addition, where Trading Parties choose to make these agreements on a periodic/standing basis, this change seeks to incorporate a series of minimum requirements that parties are required to meet. The minimum requirements included in the Operational Terms that apply if Wholesalers and Retailers mutually agree to share contact information will include:

- Telephone Number;
- Supply Point Identification (SPID); and
- The minimum update frequency of the data required.

Industry consultation and assessment

Industry consultation was published on 18 August 2017 and closed to responses on 15 September 2017. There were a total of 17 respondents to the consultation, 12 wholesalers, four retailers and WaterUK.

Respondents broadly agreed with the principles and requirements of the proposed solution. It was highlighted that the change would prevent a reduction in the level of service provided to the customer when comparing it to before market opening. It was also felt that the change had potential to increase the speed of communications between parties.

A number of respondents raised concerns about the minimum update frequency of one year. These respondents highlighted that this period could be unduly long and could mean that the most up to date contact details are not being used.

15 out of 17 respondents agreed that the proposed change would be beneficial to customers. It was felt that the proposal would result in an increased likelihood of customers receiving timely and accurate information should an unplanned event or incident occur. Two respondents did not consider that the change would be beneficial to customers as it was suggested that end customers could become

¹ The proposal and accompanying documentation is available on the MOSL website at <https://www.mosl.co.uk/market-codes/change#scroll-track-a-change>

confused as they could be contacted by both the wholesaler and retailer regarding different issues during the same unplanned event or incident.

The majority of respondents agreed that the proposed change delivers against the Principles and Objectives of the WRC. The main principle which was thought to be furthered is that of efficiency. One trading party felt that the proposal would improve communications between wholesalers and end-customers therefore, increasing efficiency.

Panel recommendation

The Panel considered this proposal at its meeting on 26 June 2018 where it agreed to recommend CPW010 to the Authority for approval.

Our decision

We have carefully considered the issues raised by the modification proposal and the supporting documentation provided in the Panel's recommendation report. We have concluded that the implementation of CPW010 will better facilitate the Principles and Objectives of the WRC, detailed in Schedule 1 Part 1 Objectives, Principles and Definitions and is consistent with our statutory duties.

Reasons for our decision

We have detailed below our views on which of the applicable Code Principles are better facilitated by implementing this change proposal.

Efficiency

The proposed change will promote efficiency by helping to improve communication between the wholesaler and the end-user customer. Whilst there are processes in the current Codes that facilitate information sharing, we note that this is on request from the wholesaler and that this change may help to reduce the number of process steps needed for a wholesaler to communicate with the end-user customer, which we consider to be important in emergency or unplanned events.

Proportionality

The working group considered a number of different options to address the issue and considered that the other options would not be proportionate due to expense.

The proposed option is expected to have very low (or no) implementation costs and will require no system changes. We therefore agree with the Panel that the solution identified is proportionate to the identified issue. We also consider that the obligations of the wholesaler and of the retailer detailed in the solution proposed are realistic and well-balanced.

Simplicity, cost-effectiveness and security

Given that many wholesalers already deliver proactive messaging to its household customers, we agree with the Panel that this change is cost-effective as it allows the wholesaler to utilise existing functionality to facilitate messaging to Non-Household customers, as well as aligning household operational processes with Non-Household operational processes.

We also note that this solution allows trading parties to work together to agree the appropriate information sharing mechanism, and it removes the immediate need for systems amendments. We would urge trading parties to work collaboratively together in the best interests of customers to agree the appropriate information sharing processes.

Customer contact

Based on the information provided, we think that this change will enable trading parties to respond in a more efficient way in an unplanned event or emergency and will thus ensure that customers receive better and more targeted contact during such circumstances.

Decision notice

In accordance with paragraph 7.2.8 of the Market Arrangements Code, Ofwat approves this change proposal.

Emma Kelso
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