

Date: 19 May 2020
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Covid 19 – Ofwat proposal to change customer protection code – CP0007

The NFU is pleased to have the opportunity to comment on this consultation. The NFU represents the interests of farmers and growers in England and Wales. A significant number of our 55,000 members rely on public water supplies for domestic and/or business water consumption. Most farms are categorised as non-household customers although some water supplied will invariably be used in the farmhouse for essential drinking and sanitation purposes.

1. The code change that suspended normal payment provisions at the start of the Covid-19 outbreak was an important provision which was welcomed by businesses facing significant economic uncertainty
2. We accept the general proposals about code changes but provision should be made for farm to ensure that essential water supply for human health and animal welfare is not suspended.
3. Furthermore, the proposals should take account of businesses that are not operationally closed (because of the continued need to nurture crops and livestock) but which are operationally dormant. Please note our specific comments below about diversified farm businesses
4. Most farms remain open for business, but because of disruption in the food and agricultural supply chain, many of them are experiencing cash flow issues, which in some cases are significant
5. Some businesses will be closed for business but, because of the nature of agriculture, production will continue. For example, amenity horticultural premises and garden centres are (or have been) closed to the public – and so there is no income or business activity - but the production of plants (and the water needed to grow them) will continue. Similarly, some dairy farms have lost contracts to sell milk but production will continue (and the waste milk must be disposed of). Water will be needed to maintain dairy hygiene and to maintain animal welfare. For these businesses, access to bespoke and agreed payment holidays and payment plans will be very important
6. Our key concern is focussed on how farms with diversified, non-farming activities such as food processing (like cheese-making) and retailing, sport and recreation, tourist accommodation and catering will be treated within the proposed NHH categories. Useful information is available in [Defra's farming & environment evidence compendium](#) which confirms that 66% of all farms are engaged in some form of diversified activity representing 28% of overall incomes of farms. For some 23% of farms, income from the diversified activity is greater than that of the 'core' farm business. In many cases, retailers will need to respond with flexibility and sympathy to farms that might appear to be active and 'open for business'
7. To be workable for customers, these revised proposals will rely on excellent communication channels to be developed by retailers, and processes must be put place to maintain confidence that call centres will be consistent and sympathetic to customer needs
8. Some farmers' have poor experiences and low levels of satisfaction with the services provided by their retailers. Retailers will need to take a common-sense approach in, as Ofwat suggests, differentiating between NHH customers that genuinely need support and those who should be expected to pay
9. Customers will need to receive clear instructions about alternative payment arrangements, what their duties are, how they can safeguard their interests, and what support they can expect to receive
10. We agree with Ofwat's expectations of retailers that will demand they include clear contact information on their websites, which should include at least one electronic way of contacting the retailer (for example a form that enables their customers to leave contact details for a call back or an email address), but to also include the option of a dedicated telephone number. This will be particularly important for those farms with unreliable access to rural broadband.