

OFWAT
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

20th May 2020

Sent by email to CPCOPcodechange@ofwat.gsi.gov.uk

Dear Sirs,

Response to Customer Protection Code Change Proposal – CP0007

Many thanks for the opportunity to provide feedback to this change proposal.

For efficiency we have engaged with the Self-Supply Community to collate the following response which incorporates our own views and those received from:

BT
Kellogg's
Greene King
Whitbread
Stonegate Pubs
John Lewis Partnership
CCEP

1. Do you think the Change Proposal will achieve the following policy aims:

a. Covid-19 Affected Customers should continue to be protected.

The protection for Covid-19 Affected customers is very clear in that they will automatically be eligible to continue receiving the existing protections. However, there will be scenarios where not all of a customer's premises have been flagged as vacant but the impact of Covid remains severe, these would fall into your clarification of sites (ii). In this instance it is proposed the Retailer takes reasonable steps before pursuing the disconnection route, we have real concerns regarding customer exposure in this category, the repayment schemes need to be robust and given these are not required to be approved by Ofwat how will this be managed. There is a reference to compliance monitoring which it would be good to understand how this will be achieved.

b. Customers who are operating normally and can pay should be subject to normal debt recovery processes.

This seems fair and appropriate, where a customer continues to operate normally, there is no reason for them to have special privileges due to Covid. They are being provided with a service, which they are utilising and therefore charges are valid and should be paid.

c. Retailers should take the necessary steps to differentiate between those customers who genuinely need support and those who should be expected to pay.

This is a really challenging area and the successful achievement of this can only be demonstrated by the detail within the Retailers schemes. There needs to be consistency in the data requested across all Retailers to support the identification of those genuinely in need, otherwise this could have a detrimental customer impact. This relates to the concerns raised in response to question 1a regarding the assessment and compliance of the repayment schemes.

2. What is your view of the proposal that the protections relating to disconnection, suspension of enforcement, late payment and interest charges will only automatically apply to Covid-19 Affected Customers?

As per our response to 1a the clarification of Covid-19 Affected Customers is very black & white and there are many grey areas that need to be considered particularly for mixed portfolios. Given the Covid-19 Affected Customer criteria only applies to portfolios where *all* sites have closed this would exclude some customers. For example, a pub chain with a brewery or high street retailers with an operating Head Office. Perhaps a metric of percentage of premises flagged as vacant within a portfolio could be considered to cover such scenarios as such portfolios will undoubtedly suffer greatly because of Covid 19.

3. What do you think should be included in a Covid-19 Repayment Scheme? Do you have any examples of similar schemes that you have offered and/or have considered as a result of Covid-19? Please provide details.

We have no examples of similar schemes we have offered: we would expect the scheme to be fair and equitable to all parties, have the ability to be tailored to individual circumstances with very clear definitions and transparency on how decisions regarding the available scheme are assessed, with clear details of timescales and costs (ie interest)

4. What are your views on our proposals to require Retailers to clearly provide a method of contact on websites, as set out in section 4.3?

This is essential to provide full transparency to customers and will eliminate some of the confusion currently being experienced in the market. The definition of who is eligible for what should be prominent and easily accessible through promotion on the website landing page.

5. What is your view of the legal drafting for the Change Proposal (see appendix 1)?

The legal drafting meets the requirements of the change proposed. As previously questioned there are concerns with the definitions.

6. Do you consider that the Change Proposal promotes and facilitates the General Principles of the CPCoP (section 4 of the CPCoP)?

Yes it facilitates the principles. The content of the website information and repayment schemes will determine whether 4.1.2, 4.1.4 and 4.1.6 are actually delivered.

7. What is your view on our assessment that the impact of implementing the changes on Retailer's systems will be low? What is your view of the proposed implementation date of the Change Proposal being 1 June 2020?

It is imperative that customers remain protected as the situation continues and the 1st of June is appropriate. The costs of website changes and preparation of a payment scheme should be low

and we would anticipate in many cases Retailers would have a scheme that can be adapted to meet the specifications of this change.

8. Do you consider that the amendment to Part I13 of Operational Terms is still required to protect Self-Supply Retailers from disconnection?

We do not believe this is still required the Self Supply Community appreciated the temporary protection offered by Ofwat when lockdown was first enforced but they are all bound by their licence obligations. 

Yours faithfully

Neil Pendle
Managing Director