



Georgina Mills & Dan Mason  
Ofwat  
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Direct line: [REDACTED]  
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Date: 20 May 2020

Dear Georgina and Dan

**Re: Ofwat consultation on Covid-19 and the Business Retail Market: Proposal to accept a Customer Protection Code Change Proposal – CP0007**

Thank you for your email regarding this consultation. Please find our response to your questions below.

1. **Do you think the Change Proposal will achieve the following policy aims:**
  - a. **Covid-19 Affected Customers should continue to be protected.**
  - b. **Customers who are operating normally and can pay should be subject to normal debt recovery processes.**
  - c. **Retailers should take the necessary steps to differentiate between those customers who genuinely need support and those who should be expected to pay.**

We think the change proposal adequately deals with all the above points and strikes the right balance between the three different classes of customers outlined in the consultation document.

We fully support Ofwat's intervention and the protection that it offers non-household customers during this challenging time.

We recognise that these changes will impact Retailers' ability to recover charges but believe that other interventions on liquidity, the use of vacant codes and broader Government support will assist the retailer's ability to facilitate the requirements of the change proposal.

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?**

We would agree, in principle, with the approach. Much, however, will depend on the retailer's ability to communicate effectively with the end customer and to assess the individual circumstances of that customer.

Such contact may be difficult and resource intensive and we would support further steps to ensure that all customers are considered Covid-19 Affected Customers until such time as that interaction has taken place and the individual circumstances of that customer assessed.

**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.**

As a wholesaler respondent we don't believe we are best placed to provide advice on repayment schemes.

However, most household customers are offered payment plans to settle water/sewerage arrears, with the period offered to recover arrears based on assessment of the individual customer's circumstances. Any repayment schemes based on a such an approach would have our support.

**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?**

We fully support this recommendation as a sensible approach to engaging with customers.

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

We are generally comfortable with the legal drafting.

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

We agree that the Change Proposal does promote and facilitate the General Principles of the CPCoP.

**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?**

We agree that the practical changes required to implement the changes to Retailer's systems will be low (e.g. changes to the website). The impact on discharging what is required regarding the number of customer interactions will likely be higher.

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

We don't believe that any extension to the current Operational Terms is required for Self-Supply Retailers.

If you have any questions or would like further clarifications, please do not hesitate to contact me.

Yours sincerely

**Sean Larkin**  
**Head of Wholesale Services**

