

Covid-19 and the Business Retail Market: Consultation on next steps

Summary

Severn Trent has worked with other wholesalers to refine an industry response to this consultation. We support the overall position adopted by Water UK and therefore we limit this response to aspects of the consultation that Water UK has not covered.

In March and April, retailers faced an extremely uncertain position due to widespread and sudden closures within their customer base. There was a danger that the retail market might have collapsed due to retail failures. Along with other wholesalers, we recognised that we needed to provide some emergency support to protect the customer interest.

The position is now different. While some uncertainty remains, the economy is progressively reopening as lockdown rules are relaxed. In line with Government guidance, many non-household customers have resumed operating, and have made announcements to that effect. Retailers have had time to look at options for alternative funding, remembering that wholesaler liquidity was only ever seen as a fall back, rather than a first resort.

We support the consultation's aim to restore normality to market operations, with a progressive withdrawal of the emergency measures. This should be done as soon as is practical, without disrupting the market and services to customers.

We will, of course, work constructively with retailers to help them unwind the changes, particularly temporary vacancy flags. The chief way in which we can do this is by sharing information on non-household usage and occupancy where we have it. When we do so, we think there should be an obligation for retailers to act on that information in a timely fashion. There should also be very clear expectations for retailers to remove vacancy flags sooner than the deadline if they have clear information that premises have resumed normal operations, such as public statements from pub and restaurant chains which have reopened.

The section below deals with the questions from the appendix to the consultation that are not covered by the Water UK response.