

December 2020

Ofwat  
CPCoP consultation – CP0009  
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Response to -

**Covid-19 and the business retail market:  
Proposals to amend a Customer Protection Code Change Proposal – CP0009**

MEUC is a dedicated corporate membership organisation supporting major energy and water using companies in industry, commerce and the public sector; buying, managing, understanding and reducing energy, carbon and water.

Our response covers questions 1,3 & 4 [as laid out on page 28 of the consultation](#)

**Our response**

The swift and universally applied actions of Ofwat and the wider water market to protect business customers during the first lockdown were greatly appreciated by our members. Many remarked these compared very favourably to the protections available in the energy sector. That said, we accept that continuing with such blanket customer protection measures is no longer appropriate, given: the varying degrees to which business customers in different sectors have been affected by Covid-19; the regional and tiered nature of government-imposed rules; the constantly changing situation; and the practical need to keep the water market functioning.

Therefore, the MEUC supports in principle the idea of tailoring provisions to customer needs via Covid-19 Repayment Schemes. We agree that customers who are able to pay should pay in a timely manner, and those who need support and protection should get it.

However, our concern is that customers who need support do not always experience this in practice. The consultation illustrates this in reference to CCW complaint evidence relating to debt recovery activity July-September 2020. Moreover, the data Ofwat presents in the consultation from its recent request for information highlights the variance of approach across retailers in terms of engagement with customers, Covid Repayment Plan sign ups and enforcement activity policy.

We suggest not all customers who have needed help so far in light of Covid restrictions have made it on to Covid Repayment Plans. Our own experience suggests this. As one illustration, we were contacted by one of our members (a hospitality chain) on 6 November 2020 (after we circulated the joint Ofwat/MOSL statement at the start of the second national lockdown) asking whether businesses like his which have been forced to close **should** have been

offered a Covid Repayment Plan. Clearly it had not been despite that being the policy since the Summer.

In light of this, while the measures proposed in CP0009 are welcome in strengthening the protections available to Covid-hit customers, we think they don't go far enough.

**We support the following:**

1. Use of vacancy flag for Covid-closed businesses, as previously applied in the market from March until the end of July 2020. We understand this was complex for trading parties to enact, but from a customer perspective it was incredibly helpful.
2. If that is not possible, we support CCW's proposals on updating the definition of 'Covid affected customers' and applying the same level of protections (on debt, disconnection and interest payment) previously available to those with premises flagged as temporarily vacant to this group. For clarity, these protections should apply exclusively to non-household customers that have been required to close by law under relevant government Covid-19 legislation. This would prevent customers who are already in difficult financial positions because of the pandemic having to deal with the threat of disconnection or debt recovery action for non-payment through no fault of their own, and prevent them from accruing interest on monies owed. We agree with CCW that retailers should be expected to try to engage proactively with any businesses that they are aware may, or definitely, meet the revised definition – but also that affected customers should be expected to contact their retailers and provide evidence that their premises is the type required to close under government guidelines.
3. Should this recommendation not be adopted and the measures proposed by Ofwat in the consultation stand, we would like to see the expectations tightened up. For example, expecting retailers to take "reasonable steps" allows for a degree of discretion – could these steps be defined? We would also like to see the penalties/consequences of not meeting the expectations set out.

We agree with Ofwat's proposed implementation date, and welcome the fact that this change proposal has been treated as urgent.

Kindest regards,



Karma Loveday  
Water Adviser, MEUC

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