

12 November 2020

Covid-19 and the impact on the business retail market – protection for business customers as a result of the second national lockdown in England and our expectations of Retailers

Throughout the Covid-19 period our focus has been, and will continue to be, on ensuring that business customers remain appropriately protected. Following a code modification proposal from CCW¹ that seeks to deliver greater protections for business customers, Ofwat is currently considering proposed amendments to the Customer Protection Code of Practice (CPCoP). Ofwat will be separately writing to all Retailers seeking further information to inform its thinking on the proposed amendment to the CPCoP, or any further amendments that Ofwat may consider necessary, to ensure customers receive appropriate protections.

In the interim, this statement sets out Ofwat and CCW's joint expectations of Retailers in their approach to ensuring customers are treated fairly during this period, including in relation to pursuing disconnection or legal action against customers affected by Covid-19.

Requirements of the Customer Protection Code of Practice

The current requirement² in the CPCoP on Retailers – to provide business customers affected by Covid-19 with a repayment scheme tailored to their individual needs – is intended to ensure that protections offered to business customers are appropriately tailored to the different circumstances facing individual customers going forward. We expect all Retailers to be vigilant to the specific circumstances of their own customers and to make sure that they are really aware of how their customers are being affected by Covid-related restrictions and to react accordingly, putting the customer at the heart of their business.

Our expectations of Retailers during this period

We recognise that the impact of the current restrictions may differ significantly depending on the nature of the individual business (for example, whether it is able to continue to

¹ We have also received a proposed amendment to the CPCoP from Castle Water, which we are still considering.

² Paragraph 7.1.6 of the CPCoP requires Retailers to continue to offer Covid-19 repayment plans until 31 March 2021 or such other date as Ofwat may notify in writing to Retailers, although the repayment period can be longer than this.

operate, and in which capacity). Where business customers are able to pay their water and waste water bills, they should continue to do so.

However, there will inevitably be business customers who have been forced to close as a result of the second national lockdown and who may not be in a position to pay their water and waste water bills, or who may need further support from their Retailer. Retailers should make it a priority to engage with this group of customers to ensure they are offered appropriate support.

Notwithstanding any forthcoming amendments to the CPCoP, we expect Retailers, at a minimum, to:

- clearly communicate the protections in place for customers impacted by the pandemic. This includes direct contact with customers, signposting information and advising customers about the options available to them on their websites;
- understand how customers are being impacted by the current restrictions and clearly explain the protections available to them, which should be tailored to their specific needs;
- make sure that bills reflect actual consumption by obtaining a meter read (where possible and safe to do so, including for the customer themselves), or reflect a good quality estimate based on an understanding of the Covid-19 impact on the business;
- put appropriate payment plans in place if companies can't pay because of Covid-19; and
- ensure they are able to demonstrate that they have listened to and understood the customer's position, and made appropriate adjustments to any payment plans in place before considering any forms of legal redress.

As you will be aware, Ofwat has powers to enforce the CPCoP. Working closely with CCW, Ofwat will use these powers where there is evidence of any Retailer who does not treat its customers fairly during this period and there are reports of businesses being cut off, or threatened with enforcement action, where it is clear that customers are unable to pay because of Covid-19.

Yours sincerely



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