

12 November 2020

Dear Retailer,

## **Request for information under Condition A8 of the Water Supply and Sewerage Licence (WSSL) Standard Conditions**

As set out in the joint Ofwat and MOSL [statement](#) published on 4 November, our focus at this time continues to be that business customers are protected – including from the risk of systemic Retailer failure. The impact on individual business customers from the second national lockdown – and from the tiered system in place prior to that – may differ significantly depending on the nature of the individual business (for example, whether it is able to continue to operate and in which capacity).

The current requirement<sup>1</sup> in the Customer Protection Code of Practice (CPCoP) on Retailers – to provide business customers affected by Covid-19 with a repayment scheme tailored to their individual needs – was intended to ensure that protections offered to business customers were appropriately tailored to the different circumstances facing individual customers going forward. As part of these protections, Retailers are required to comply with their Covid-19 Repayment Schemes prior to the issue of a disconnection notice.

Today we have published a [joint statement](#) with CCW noting that during this national lockdown, or where future regional restrictions are imposed, we expect all retailers 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;

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<sup>1</sup> Retailers are required 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.

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- 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.

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.

As noted in our joint statement, CCW has proposed an amendment to the CPCoP<sup>2</sup> aimed at strengthening the existing protections for some business customers. CCW has shared some complaint evidence with us relating to debt recovery activity during the period July-September 2020. The evidence suggests in some cases that some Retailers may not be following their own processes correctly or fairly. CCW has proposed that enhanced protections are inserted into the CPCoP to prevent Retailers disconnecting customers for non-payment, or commencing debt-recovery action. These enhanced protections would apply exclusively to business customers that have been required to close by law and who are shut completely (i.e. not operating in a reduced capacity – e.g. as a takeaway / delivery or refurbishing their premises).

We have not yet made a decision on whether to accept, reject or modify CCW's proposed amendment to the CPCoP. We consider that we need further information and evidence from Retailers to inform this decision or potentially identify any other areas of the CPCoP where amendments may be necessary. I am therefore writing to you to request information under standard licence condition A8 of the water supply and sewerage licence standard conditions. This licence condition requires Retailers to provide Ofwat with such information as it reasonably requires for the purposes of carrying out its statutory functions under the Water industry Act 1991 (the 'Act') and the Water Act 2014. The information requested should be provided in the format set out at Appendix 1 to this letter.

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<sup>2</sup> We have also received a proposed amendment to the CPCoP from Castle Water, which we are still considering.

We intend to publish parts of the responses to this RFI on our website (details provided with the relevant question), unless you indicate that you would like your response to remain unpublished. Information provided in your response, including personal information, may be published or disclosed in accordance with legislation on access to information – primarily the Freedom of Information Act 2000 (FoIA), the General Data Protection Regulation 2016, the Data Protection Act 2018 and the Environmental Information Regulations 2004. Under the FoIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, obligations of confidence.

If you believe that any of the information in your response should not be disclosed (for example because you consider it to be commercially sensitive), you should identify that information and explain why. We expect reasons that are specific to the information concerned. We will take such explanations into account but we cannot give an assurance that information included in responses will not be disclosed.

To respond to this request for information, please complete the table in Appendix 1 and return it to [CPCOPcodechange@ofwat.gov.uk](mailto:CPCOPcodechange@ofwat.gov.uk), by **11am on Thursday, 19 November 2020**. If you have any questions about this request for information please contact us (using [CPCOPcodechange@ofwat.gov.uk](mailto:CPCOPcodechange@ofwat.gov.uk)).

Yours sincerely

**Georgina Mills**  
**Director, Business Retail Market**

## Appendix 1 – RFI Template to be completed

Please complete the following template to respond to this request for information

<b>1.</b>	<p><b>Please explain your overall approach and the internal processes you follow for customers on your COVID-19 Repayment Schemes.</b></p> <p><b>When providing your response please explain your approach to enforcement action for customers on COVID-19 Repayment Schemes (e.g. late payment interest, debt recovery, disconnection, etc.). For example, please explain if you follow a set process before actually instigating enforcement action (e.g. contact made with customer x times before any formal action is pursued). Is this approach different to your business as usual practices? If so, please explain how.</b></p> <p><b>To support your answer, please include a link to where information on the COVID-19 Repayment Scheme(s) is published on your website. If the full terms of your scheme are not published on your website, please include a copy of this along with your response.</b></p> <p><b>Please note we may publish your response to this question.</b></p>
<p>[Please respond to this question here]</p>	
<b>2.</b>	<p><b>Please explain how you have taken and continue to take account of the potential changing circumstances of your customers in the light of current and future Covid-19 restrictions and guidance.</b></p> <p><b>Under the governments tiered lockdown approach certain businesses were required to close based upon the tier in place for that region. We have noted that tier restrictions can also vary from region to region (for example, in some tier 3 regions gyms were required to close but this restriction was not in place in other regions). When responding to this question it would be helpful if you could clarify how you consider these regional differences in restrictions when tailoring your approach to your customers.</b></p>

<b>Please note we may publish your response to this question.</b>	
[Please respond to this question here]	
<b>3.</b>	<p><b>Please provide data in relation to your COVID-19 Repayment Schemes from the period of 1 June 2020 (Questions 3a-c).</b></p> <p><b>In addition, specifically over the period from April 2020 to the end of October 2020, we are interested in obtaining information relating to the number of customers that you have:</b></p> <ul style="list-style-type: none"> <li>• <b>Warned that they might be subject to enforcement action due to non-payment of charges (Questions 3d-e); and</b></li> <li>• <b>Taken enforcement action due to non-payment of charges (Questions 3f-g).</b></li> </ul> <p><b>We would like to look at this information in the context of customers who are on Covid-19 Repayment Plans and those who are not.</b></p> <p><b>Please note we may publish your response to this question.</b></p>
<b>a.</b>	<p><b>The number of customers who have requested a COVID-19 repayment scheme.</b></p> <p>[Please respond to this question here]</p>
<b>b.</b>	<p><b>The number of customers you have offered the COVID-19 Repayment Scheme to.</b></p> <p><b>If relevant, please explain why this number is different to your response to question 3a.</b></p> <p>[Please respond to this question here]</p>
<b>c.</b>	<p><b>The number of customers currently on a COVID-19 Repayment Scheme.</b></p> <p>[Please respond to this question here]</p>

<p>d.</p>	<p><b>The number of times contact was made with a customer advising them of potential enforcement action (e.g. late interest payment, debt recovery, disconnections)</b></p> <p><b>C-19 Repayment Plan in place</b></p>	<p>[Please respond to this question here]</p>
<p>e.</p>	<p><b>The number of times contact was made with a customer advising them of potential enforcement action (e.g. late interest payment, debt recovery, disconnections)</b></p> <p><b>No C-19 Repayment Plan in place</b></p>	<p>[Please respond to this question here]</p>
<p>f.</p>	<p><b>Number of times enforcement action has been taken (e.g. late interest payment, debt recovery, disconnections)</b></p> <p><b>C-19 Repayment Plan in place</b></p>	<p>[Please respond to this question here]</p>
<p>g.</p>	<p><b>Number of times enforcement action has been taken (e.g. late interest payment, debt recovery, disconnections)</b></p> <p><b>No C-19 Repayment Plan in place</b></p>	<p>[Please respond to this question here]</p>
<p><b>4. Please provide your complaint data returns that you provide to CCW, covering the period from April 2020 onwards. When providing your response please also provide some context on the complaint numbers. It would be helpful if you could identify where specific complaints relate to Covid-19. For example, how you have pursued charges from customers, application and administration of repayment plans, etc.</b></p>		

**Please note we will not publish your response to this question.**

[Please respond to this question here]