

13 July 2021

Dear Chief Executive

Business Retail market – Bilateral Transactions Programme update

Improving the efficiency and effectiveness of interactions between Wholesalers and Retailers in the non-household market is a key priority for Ofwat.

As you will be aware, the Bilateral Transactions Programme being led by MOSL aims to make transactions and communication simpler, quicker and more reliable by adopting consistent processes and managing them via a single, centralised system. Doing so holds the prospect of significant financial and non-financial benefits for current and future trading parties and, importantly, improvements in service standards for customers.

The programme is the most significant change to the way in which the market operates since it opened in 2017. It is also one of the most challenging, and will require all market participants to play their part to ensure it delivers on these expected benefits.

We are therefore pleased to inform you that, at its June meeting, the Panel recommended approval be given to changes to a suite of more than 20 code documents, all of which relate to the first phase of the programme. The Panel also recommended Wednesday 22 September 2021 as the implementation date for these changes. Should Ofwat approve the changes, trading parties will be required to use the new bilateral hub from this date.

The success of the Bilateral Transactions Programme depends on every trading party being ready on time. We were encouraged that all trading parties responded to the most recent programme ‘checkpoint’ and ask you to ensure your organisation remains focussed on achieving the final checkpoint on 30 July 2021. Ofwat is anticipating making a decision on changes to the codes by 30 July 2021.

Reaching this point has been a mammoth task and we would like to take this opportunity to thank trading parties for the excellent level of engagement and commitment that they have provided to the programme to date and the many individuals who have worked closely with MOSL on various advisory groups to review processes and draft the associated rules.

Kind regards

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