

## Meeting note

09:30 – 11:00, Thursday, 13 April 2023  
via Microsoft Teams

### BR-MeX workshop – meeting note

This note provides a summary of the key points raised by water companies, Retailers and other stakeholders (with names excised) during the first workshop on the **business customer and retailer measure of experience** (BR-MeX).

The accompanying slides on our website provide further details regarding the overview of BR-MeX which was presented by Ofwat during the workshop.

#### Participants

Organisation	Participant
Ofwat	Shaun Kent (Director, Business Retail Market)
	Sean Mills (Principal, Business Retail Market)
	Mirena Hadzhigenov (Senior Associate, Business Retail Market)
	Jeevan Jones (Principal, PR24 Outcomes Team)
Wholesalers	
AFW	Mathew Turner
ANH	Matt Garfield
NES	Angela Brown
PRT	Sam Dawson
SES	Julie-Ann Anderson
SEW	Rachel Baker
SRN	Martin Pope
SSC	Mary Porter-Chorley
SVT	Steph Hurrell
SWB	Brett Conibere
TMS	Gerard Lyden
UUW	Ben Nadel

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WSX	Sean Larkin
YKY	Kate Russel
Retailers	
UKWRC (Business Stream)	Trevor Nelson
UKWRC (Wave)	Wendy Monk
Other stakeholders	
CCW	Adam Boynes
MOSL	Samantha Webb
Waterscan	Syndiso Bango-Dube

### BR-MeX overview session

Ofwat outlined how the [PR24 final methodology](#) set out the BR-MeX common performance commitment. Ofwat also presented the development process of piloting the B-MeX and R-MeX surveys, as well as the high-level timeline to draft determination.

Ofwat outlined methods of engagement with the industry and welcomed industry views on the proposed options via an online form, which was completed by the participants.

Key points of discussion were:

#### Industry engagement:

- Some stakeholders suggested that Ofwat should increase the number of Retailers within the working group, particularly because Retailers own the customer relationship and can add real value to the incentive design. Some Retailers are undertaking their own customer research and could share experience and add value.
- It was suggested that Ofwat should consider having equal numbers of Wholesalers and Retailers and should consider engaging both small and large Retailers in the working group to capture views from the wider market and to ensure that small Retailers' views are not lost.
- It was also suggested that Ofwat should consider early engagement with both Wholesalers and Retailers on R-MeX.

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### BR-MeX being joint up with C-MeX and D-MeX:

- Some stakeholders noted that Ofwat should be joined up with C-MeX and D-MeX both in terms of lessons learned from the PR19 development and the ongoing development for PR24 to ensure B-MeX doesn't hit the same pitfalls and learn from the C-MeX and D-MeX challenges.
- There was a question on whether Ofwat is planning to use the same agent across all MeXs.
- Ofwat has confirmed that it is currently in the process of tendering separately for a research agent to design and test the pilot B-MeX and R-MeX surveys.

## Breakout session 1: Sourcing business customer contact details for the B-MeX survey

### Contact definition:

- It was noted that the value is in sourcing the right contact detail and therefore, the first step is to provide a clear definition on what a "contact" is. It was suggested that Ofwat provide guidance on what constitutes a "contact".
- Some stakeholder said that some Wholesalers processes will not result in a final contact with the customer and there is a question of whether the contact on record is the correct contact. In addition, in the Bilateral Hub the Wholesalers are reliant on Retailer input.

### Storing and retaining customer data:

- It was highlighted that the work of the B-MeX working group uncovered significant differences in water companies' approaches to storing and retaining non-household contacts.
- It was also noted that since market opening companies have had to be careful how data is stored due to GDPR restrictions, and the data is therefore not stored in the same way as households and there are likely to be process changes needed to store the most appropriate data. One Wholesaler, however, noted that it currently records contacts in the same manner as households and could easily provide the data.

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- Stakeholders welcomed clarity on the legal basis for which the contacts would be retained and provided to Ofwat's contractor.

### Other data sourcing challenges:

- Data quality was said to be key, one Wholesalers shared experience of the importance of data quality issues in a pilot with business customers it has been running.
- Pulling data from the Bilateral Hub to use in surveys could be challenging. One wholesaler noted that they had to pull some data manually.
- It was noted that there are a few steps to get the data, which may result in a process change. The volume of processes that result in a customer contact isn't massive and there are a significant number of processes where a customer contact isn't made which has implications for the final sample size.
- One Wholesaler said that the data is unlikely to be as easy to get as for C-MeX but it is likely to be possible.
- There was a question for Ofwat to consider on whether data will be based on contact received or on contact resolved.

### Risk of customer confusion regarding wholesaler vs Retailer activities:

- Some stakeholders have raised concerns about the potential for confusion among business customers when answering survey questions, particularly in cases where a customer has relationships with two different wholesalers and two different Retailers, each with different activities and responsibilities. It was suggested that Ofwat should consider the complexity of such situations and take steps to ensure that customers are aware of the differences between wholesalers and Retailers.
- Ofwat noted that the research agent will provide clarifying information as part of the survey design of the questions to mitigate the risk of confusion and ensure that customers are able to respond accurately.
- One wholesaler shared experience with customer confusion on the difference between wholesale vs retail activities as part of its own customer survey and noted that it had to extend the survey to provide explanation.

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### Wider points:

- Frequency and timing of surveys: Some stakeholders emphasized the significance of the survey's frequencies and timing. It was noted that some Retailers are currently having issues with the current frequency of the R-MeX survey. Timing of the survey is crucial to allow the customer to focus solely on the customer experience with the wholesaler and prevent Retailer influencing final satisfaction score.
- Challenge process: Ofwat to consider the challenge process and how it could work.
- Logging a request vs outcome: Ofwat to consider the scope of activities (trade effluent, water quality etc) and what activity should and should not be included in the design. Ofwat should consider the difference on logging a request vs the outcome of the actual transaction as, for example, sometimes billing transaction issue end up being metering issue.

## Breakout sessions 2: Considering the role of MPF metrics in B-MeX

### Inclusion of the MPF metrics in the B-Mex design:

- Stakeholders were widely supportive of the inclusion of MPF metrics within the incentive given the subjective nature of both the R-MeX and B-MeX surveys.
- It was noted that there are significant challenges in designing robust B-MeX and R-MeX incentives and the MPF metrics would give a further objective measure of performance.
- It was also highlighted that the MPF metrics could capture broad customer experience as R-MeX and B-MeX surveys are based on particular or handful of interactions.

### Which MPF metrics to be included

- Some stakeholders were not supportive of the idea of using data quality metrics and notes that these metrics are not customer outcome focused. Instead Ofwat

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should focus on OPS standards with a strong emphasis on where the metrics impacted the final customer experience rather than the 'back-end' operations of the market. It was said that Ofwat should consider the differentiation between operational metrics vs outcome focused metrics.

- Stakeholders said that Ofwat should focus on metrics that relate to customer experience and should consider looking at the areas that B-MeX won't be able to cover.
- Some stakeholders also suggested that whichever measures are ultimately chosen they should provide a wide view of company performance and prevent the convergence which has been seen in D-MeX. Others added that the selected metrics need to be set at a level of customer expectations i.e., the targets should align with customer expectations.
- Ofwat to consider whether data quality relates to customer experience. Some stakeholders noted that data quality is a real issue for customers. One Retailer highlighted that getting a timely and accurate bill to customers is key to a good customer experience and this is dependent on good meter asset location data so that Retailers are able to read the meters.
- One Wholesaler noted that there had been PR24 workshops with Retailers in 2022 that suggested Retailer priorities were the implementation of B-MeX and incentives around metering.
- It was noted that Ofwat should ensure that codes are very descriptive on how each Wholesaler assesses each metric.
- If Ofwat was to use data quality metrics, this would require an assessment of accuracy rather than focussing on completeness of fields.
- MOSL's central data cleanse is pending. Ofwat to consider any unintended effects of this before considering what metrics to be included.

### Risk of double penalty

- A few stakeholders express concerns about a possible two-way penalty risk, if MPF metrics are included in B-MeX.
- To mitigate the jeopardy of double counting, it was suggested that Ofwat need to carefully consider steps to ensure that Retailers are not going to be double penalised and to consider whether duplicative incentives would exist.