

MOSL's Response to Ofwat's Customer Protection Code of Practice Call for Inputs

Introduction and overview

As the market operator for the non-household (NHH) water retail market in England, MOSL welcomes the opportunity to comment on the Customer Protection Code of Practice (CPCoP) as part of Ofwat's [call for inputs](#).

We are supportive of this review given the changes to the market since it opened in 2017 and recent changes to market governance that seek to ensure the interests of end customers are a key consideration.

We are supportive of the recent and ongoing work to strengthen protections for NHH customers in relation to credit balances including in the event of a retailer failure and note Ofwat's ongoing RFI to assess the impact of the changes in this area.

There is a need to ensure the review of the CPCoP aligns with the work MOSL is undertaking with Ofwat and market participants on the Market Performance Framework (MPF) Reform. There are some activities that may sit outside the scope of the new MPF on the basis that the CPCoP is a better place to deal with it than the market codes. We have set out a few examples in our answer to question 21 and we are in discussion with Ofwat regarding the extent to which it could be appropriate for MPF to complement CPCoP protections in some areas, whilst avoiding duplication.

Our responses to specific consultation questions can be found below. We have only responded in the areas we believe we can provide valuable insight. We look forward to working with Ofwat as the amendments to the CPCoP are finalised.

If you would like to get in touch or have any questions on our response to this consultation, please email comms@mosl.co.uk.

Our responses to specific consultation questions:

2. Do you think the General Principles of the CPCoP should be modified to ensure a stronger focus on the interests of customers, and if so how?

We are supportive of reviewing this given the recent changes to market governance that seek to ensure the interests of end customers are a key consideration.

3. What views do you have on the CPCoP offering differing levels of protection to customers as described above?

We are supportive of exploring the potential need for additional requirements around incidents like water supply outages as this is an area we are aware that wholesalers can experience issues with given they no longer have the direct relationship with NHH customers – in particular incidents/emergencies that occur out of hours given that retailers in many cases do not have a 24/7 presence in the same way that wholesalers do when they are liaising with household customers during such

events.

We think it's important to ensure the CPCoP only imposes appropriate levels of regulation where there is determined to be a need to correct retailer behaviours. If none of these are evident, amongst smaller customers, for example, we would question the need for additional interventions given the longer-term desire from market participants is to move to a truly competitive market where the need for regulatory intervention(s) – including the Retail Exit Code (REC) price caps – are reduced or removed.

12. Do you have any views or suggestions as to whether and how the CPCoP might be used to improve customer awareness and engagement in the market?

We are supportive of the ongoing review of content on the Open Water website which is something we called for prior to the REC decision to go ahead with it. We believe this should form part of wider market initiatives to increase awareness of the market. This could be to ensure retailers provide visibility of alternative offerings, for example, on bills and a link to the open water website. We are aware of similar requirements on energy suppliers.

We also propose an additional obligation for retailers to tell customers they can switch away when taking a customer through a gap site or direction to supply.

17. Do you agree that a similar process to the WRC/ MAC changes, should be introduced to replace the current CPCoP change process?

We are supportive of the proposal to introduce a stakeholder engagement approach that is proportionate to the complexity and potential impact of change proposals, rather than a blanket consultation of 28 days. This will help Ofwat to progress changes faster for the benefit of customers. To help prioritise CPCoP change proposals for progression, Ofwat may also consider adapting aspects of the acceptance and prioritisation criteria that the Code Change Committee has [consulted on](#).

21. Do you have any views on any areas that have not been considered by this CFI that you believe could improve or strengthen the CPCoP?

There is a need to ensure the review of the CPCoP aligns with the work MOSL is undertaking with Ofwat and market participants on the Market Performance Framework (MPF) Reform. There are some activities that may sit outside the scope of the MPF on the basis that the CPCoP is a better place to deal with it than the market codes. For example:

- CV.4 Retailers to provide product details and prices clearly to customers
- GS.1 Retailers provide clear information to customers on what their rights are (e.g. in respect of credit balances, right to formally dispute the money owed under contract) and
- UWE.6 Retailers provide high quality bills that are based on evidence and supported by consistent and clear terms and conditions to customers and refund customers on a timely basis.

Ofwat and MOSL are in discussion about the extent to which these are addressed by CPCoP and whether it could be appropriate for MPF to complement this in some form.