

## **Customer Protection Code of Practice for NHH Market – Call for Inputs.**

### **Closure Date 26<sup>th</sup> June 2023 @ 5pm**

1. What views do you have on the adequacy of the current requirements as they stand. Do you think they could or should be strengthened, and if so, do you have views on how they might be amended and any costs that may be incurred by doing so?

*In Wales, the levels of protections differ. At present, the current requirements in the CPCoP are focussing on the correct areas and serve to provide protection to customers and enable a competitive retail market also.*

*Wholesalers are not subject to the CPCoP, which creates a disconnect and one which may improve market responsiveness if they are included or have similar.*

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?

*No, whilst recognising customers interests should be prioritised, how this is translated into retailer services is a commercial consideration for each retailer.*

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

*No comment*

4. What views do you have on extending additional protections to vulnerable customers, and what extra protections do you think it would be appropriate to consider adding to the CPCoP for these customers?

*Our customer base does not include sole traders or partnerships and so believe the vulnerable customer definition would not apply.*

5. What views do you have on whether the CPCoP should include protections for customers with critical infrastructure?

*We are aware that CNI customers have a different level of security, site entry and supply contingency/resilience requirement. It may be beneficial for the CPCoP to set out the minimum expectations for wholesalers and retailer's responsibilities.*

6. What views do you have on how the CPCoP could be strengthened to deal with emergency events?

*CPCoP could be strengthened to facilitate a more accurate and targeted (not generic response) on the location and impacts of emergency events and how they affect different customers. This would avoid "non-impact" events being communicated to some customers. Regular updates during live events should be encouraged together with more accurate resolution timescales.*

7. Do you have any thoughts on how the CPCoP could be strengthened to improve customer experience?

*Where there is a prescriptive regulatory requirement to provide information to customers then these could form part of a "short form" Code of Practice booklet or "Guaranteed Standard" with linked compensation within the switching process (e.g., Energy market). This should apply to TPI's also.*

8. Do you think the CPCoP could be strengthened to improve how Retailers provide customers with information relating to the end of their contract and terms of supply?

*No further comment beyond Point 7 above.*

9. Are there any service areas that are missing from the current CPCoP that we could consider for inclusion when updating it?

*Nothing further to add.*

10. Is there is scope to update or standardise the existing Letter of Authority arrangements?

*We note that not all customers include how third-party fees are being paid, this could be strengthened to explain why or removed if of limited value.*

11. Should any changes to the CPCoP falling under questions 7 to 10 be differentiated by size or type of customer?

*Micro-businesses should have more robust protections. There may be some value in a dilution of these protections based on size, with absolute minimums for largest customers.*

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?

*TPI's and new retailers (for switchers) could receive collateral summarising the key aspects on account opening and annually as part of any charge's updates. This could be web based/emailed to reduce cost.*

13. Do you have views on whether and how the implemented changes have impacted your business and delivered on the intended aims. To what extent do you consider that these changes have resulted in a noticeable difference in customer awareness in terms of credit balances or alternative payment options available?

*Welsh Water have provided customers with updated balances on each bill sent. Customers have been able to claim "credit," or we have offered credit balances back to customers regularly.*

14. Do you consider there are merits of introducing any of the options described above (further protections for smaller customers, ringfencing credit balancing, obliging Retailers to provide annual letter/notifications or obliging Retailers to refund customer credit balances on an annual basis) and why? Please provide your views of pros and cons on any options, including any implementation challenges, costs, or unintended consequences that Ofwat would need to consider.

*We do not have any notable issues with credit balances due to the way we bill and the regular contact we have with customers in both our collections and account review process.*

*We are noticing an increase in requests from customers for annual consumption, cost and CO2 data for their annual environmental audits. Dovetailing credit balances into this statement may be an easier route than a separate and specific communication on credit balances. This would also increase focus on reducing consumption.*

15. Are there are any other options we could consider or anything we can learn from other sectors or markets on this issue? If so, please provide your views on pros and cons on any suggested alternative approaches, including implementation challenges, costs, or unintended consequences that Ofwat would need to consider.

*We have referenced other sectors under relevant questions above, recognising this could be an opportunity to gain wider experience, knowledge, and best practice.*

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

*Yes, the principles and approach to open market consultation and wider experience would carry benefits. Replication (where possible) would make the process easier to follow and understand.*

18. Do you consider that the current CPCoP has redundant or unnecessarily complex elements? If so, do you have any suggestions to reduce complexity or redundant elements of the CPCoP?

*As mentioned previously, a short form version for customers may be worth considering.*

19. Do any definitions contained within the CPCoP need updating or amending?

*Non-household to businesses and in line with other regulators.*

20. Do you have any views on whether we could protect customers better by taking further steps to increase our assurance that Retailers are compliant with their obligations as set out in the CPCoP and if so what in your view is the most effective way to do this?

*Regular and visible communications to customers to include reference to CPCoP, raising awareness and by default create endorsements of the CPCoP.*

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?

*No Comment*