

Market Performance Framework

Performance Advisory Group – PAG11

09 November 2022

Agenda

1	Welcome	Chair	5 Mins
2	Actions from previous meeting	Chair	5 Mins
3	Review progress to date & Steering Group feedback	Chair	5 Mins
4	Endorses Group 4 candidate metrics	Evan Joanette	60 Mins
5	Endorses Group 4 candidate tools	Janet Judge	40 Mins
6	Any Other Business, upcoming meetings	Chair	5 Mins

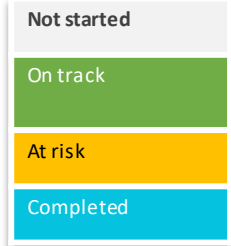
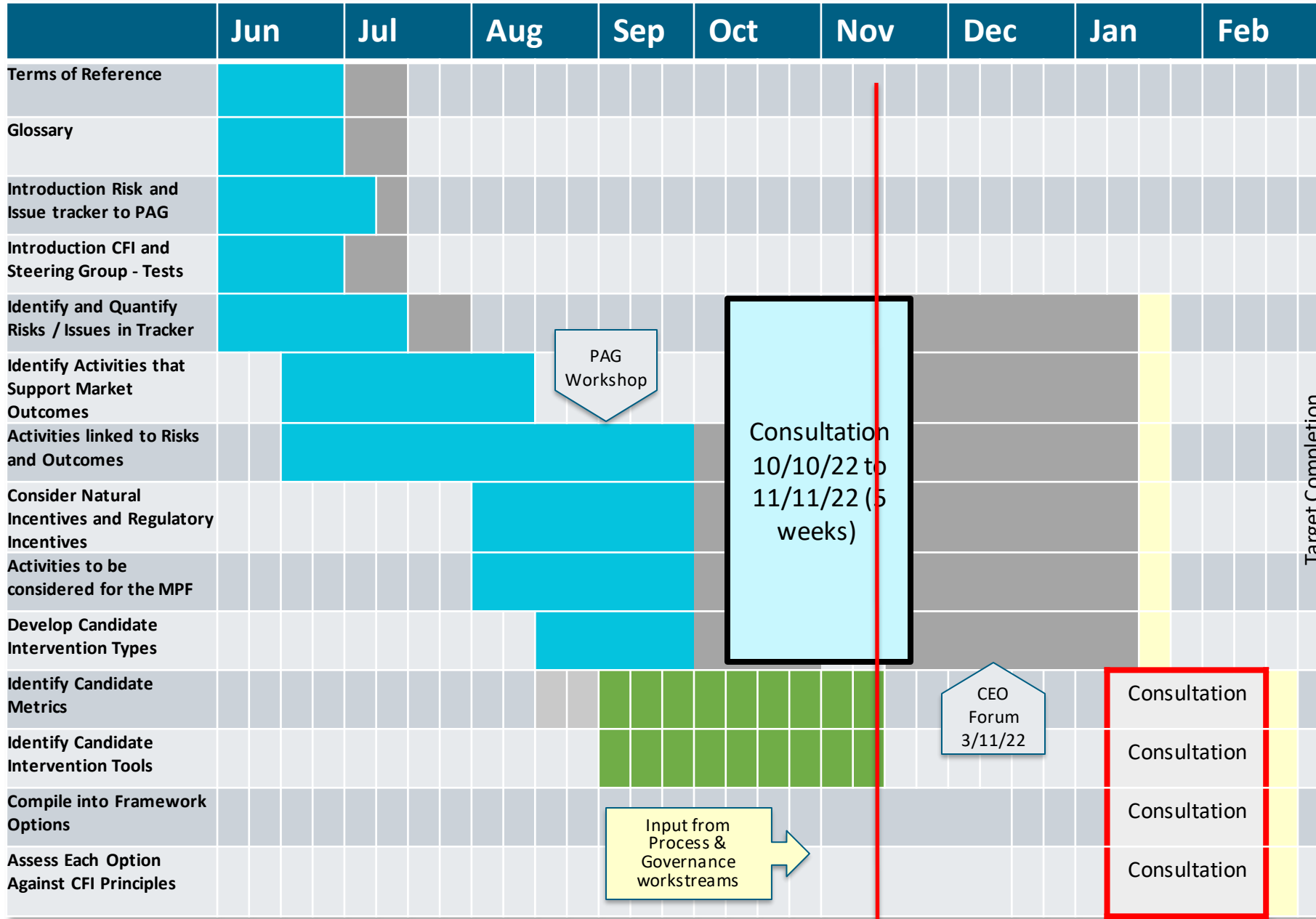
Actions from Previous Meeting (1 of 1)

NO	Action required	Action by	Action Date
10/01	CV.9 add more relevant examples (C1 for example) - Complete	AS	09/11/2022
10/02	More work is required to ascertain metrics around and regarding collaboration against CV11 (and others). - Open	All/(AS, JJ)	07/12/2022 (Workshop)
10/03	WM noted on occasion Wholesaler policies do not enable backdating of allowances beyond the current financial year. JF noted ACoPS may move all Trading Parties to working from similar policies thus enabling a metric to be established against a known baseline. - Complete	AS	09/11/2022
10/04	Review how 'rejections' in the Bilateral Hub may be an area where Wholesalers and Retailers need to work together to lower number of instances and thus may be suitable for a metric on collaboration along with other similar processes where resolution can only be gained by collaboration. - Complete	AS	09/11/2022
10/05	Review order of workshop on 7 th Dec. Review Consultation first (to shortlist) and then move onto Metrics and Tools. - Open	CD	07/12/2022 (Workshop)
09/01	Members to advise of any possible customer focused metric relating to CV.23	ALL	
09/02	Members to suggest any method to develop a metric regarding refunds in respect of UWE.6	All	
01/04	Ensure customers have an opportunity to engage in consultations as the MPF programme progresses (consultations currently anticipated to begin in late September) Open	MOSL	10/10/22

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Review Progress to date (1 of 1)



Target Completion

Target Completion

Input from Process & Governance workstreams →

Consultation
Consultation
Consultation
Consultation

Chair 10:15

Steering Group

- Next Steering group meeting moved to 25th November
- Steering group noted the good progress being made and the efforts from PAG members to date.
- A subset of the Steering Group was formed to provide feedback and advice on the forthcoming consultation.
- Steering Group dates :-
 - 25 November 2022
 - 11 January 2023
 - 15 March 2023
 - 9 May 2023

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Candidate metrics – feedback received on first tranche activities

Activity	Comment	MOSL response
CV.23: In the absence of a meter read retailers should make sure an accurate estimation of consumption is made	Where an estimation has been used for invoicing, that this calculation has been explained within the customers invoice of how this estimation value is calculated. i.e. last two meter reads and dates gives an average daily volume of Xm3. The requirement for Retailers to provide this information.	Added "Audit on retailer bills to see whether estimate's value (and potentially calculation) is provided when bill is on estimate and not on actual" as a potential metric

Activity	Comment	MOSL response
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	Retailers report the number of accounts in credit and the average number of days credits on hold.	Added "Self-reported number of accounts in credit and average number of days credits on hold" as a potential metric
	I am not sure what the thinking was to have a refund to customers included in this activity as it is related to water-saving solutions. Could it be the wording of the activity isn't quite right?	The reference to refunds was added to UWE.6 as a result of PAG feedback. Enabling customers to receive refunds when due is also a way to link the price they pay to the water they effectively consumed.

Candidate metrics – feedback received (2 of 5)

Activity	Comment	MOSL response
CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate Evan Joanette	Address of premises - This should be quality/accuracy of address data	Clarified the metric
	Legacy LUMs - Whilst may not be suitable for consumption banding, it is possible to band by actual meter size. There's a benefit in doing so working on the assumption that larger meters consumer more.	Updated the metric
	R-MeX - Quality of data maintenance and improvement - Is this too subjective in it's current form - Holistic reporting already measures quality of data based on factual evidence. We've already seen the R-MeX scores can be influenced heavily something which may not be factually correct. Amber?	Updated the metric
	Late meter reads and missed reads - MPS 7 to 14 - Should this be aligned to retailer MPS ratings?	Ask Mitch Y-B to clarify
	Location data for the premises (in addition to the meter) as a metric?	Is this different than address data?
	Output of Identeq MIF project - Could this be extended to central data cleanse if/when it goes ahead? I am sure there will be plenty of insight and data coming from this. Including attitude towards data cleanse?	The business case for the data cleanse is still being written so we haven't included it as a factor for metrics but indeed, the output of the data cleanse will have a strong impact on MPF metrics
	Volume of CMOS updates following completion of a C1 (and other relevant processes) - Needs to consider that if data prior to C1 being raised is correct there may not be a requirement to update CMOS.	We would not expect 100% of C1s being followed by a CMOS update, we would look for outliers within wholesalers or very low percentage and probably investigate further at that point
	Date of last data item update for wholesaler-owned transactions - As per same comment above for retailer metric - If there hasn't been anything to update this could be a pointless measure, could this be changed to validated or reviewed? This could put increased pressure on trading parties to review where data may not have changed increasing cost to serve. Based on comments, should this be amber?	We would look for poor behaviour e.g. a large bunch of SPIDs where nothing has updated since market opening
Meter reads with picture attached (for visual reads) - As per above for retailer metric. - Whilst this would be a great addition this defeats the object of encouraging wholesalers to persue AMR/AMI technology as taking a photo would reduce efficiencies trading parties are striving for.	Remote reads would be excluded. We are also incentivising appropriate metering through UWE.5	

Candidate metrics – feedback received (3 of 5)

Activity	Comment	MOSL response
CV.7: Retailers to report customer queries to wholesalers in timely manner	CCW customer satisfaction/customer complaint - Should this be green or yellow - this should be a key driver to encourage excellent customer service?	Updated metric suitability to yellow
	Self-reported retailer complaints data - data on timescales for different complaints milestones - is self reported data the best measure? Would need to ensure working to the same measures and interpretation/application of these.	Indeed we would need to create clear guidance for this.

Activity	Comment	MOSL response
CV.18 Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems	F4 and F5 processes in bilats - Would require ability to categorise complaint drivers accurately (this may be in bilats?)	Updated cost RAG to factor in some extra analysis on complaint/query driver
	Appropriateness of tariffs isn't a MOSL mandates area, this falls within Ofwat's remit?	That's why we don't have metrics on appropriateness per se, this would be determined by Ofwat

Activity	Comment	MOSL response
General	We are referring often to CCW complaints data as a suitable metric for multiple activities. However, is it the case that this data is only suitable if there is sufficient granularity on the breakdown of the root cause of the complaints data so that it points to the failure of an activity? For example, CCW complaints data is only a useful metric for GS.1 if there is a category that relates to not providing clear info on rights and obligations. Does this level of granularity exist?	Some level of granularity exists, but it may not always fit exactly what we need for a given activity, which is why the suitability of CCW complaints is amber most of the time.

Candidate metrics – feedback received (4 of 5)

Activity	Comment	MOSL response
GS.1: Retailers provide clear information to customers on what their rights and obligations are (e.g. payment protection plans, right to formally dispute the money owed under contract, obligations re trade effluent consents)	Per comment listed as general (as above), is there a category of CCW complaints data that points to the failure of this activity?	Ask verbal explanations to Adam B
	Ofwat actions following from Customer Code of Practice - If Ofwat are taking actions are we 'double marking' by including this here?	We're looking for metrics to help us measure completion of GS.1 - we may not suggest applying an intervention on the back of each specific metric
	Retailer audit - evidence of availability and clarity of information - Should the cost RAG be lower given MOSL are carrying out market audit and the scope of which could be extended to include this activity?	Not proposing to amend as depending on the level of requirement, providing the evidence and reviewing it may be quite costly for retailers and for MOSL
	Self-reported retailer complaints data - Amber? As per comments on previous sheet, would require a clear consistent set of metrics to be interpreted and applied consistently.	Indeed, all metrics that require a standard to be met will need to see that standard defined. We are proposing to do this in Phase 2, i.e. design phase

Activity	Comment	MOSL response
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Could we also have wholesaler FTE count as a percentage of supply points?	Added as a potential metric
	Could GSS payments be included e.g. volume & timeliness of payment - this gives a view of field service.	Added as a potential metric
	TE performance?	What metric around Trade Effluent?
	Should this type of information be published centrally e.g. by MOSL, CCW or Ofwat. This would give it greater clout and ease of identifying good/poor performance in a single view without the need to visit numerous wholesaler websites?	The most appropriate way to publish these metrics will be fleshed in the next stages
	(self-certification) audit on publication of R-Mex, D-Mex and BR-Mex - Developer Services not covered within the remit of the Market Codes? As per comment, amber if D-MeX to be included.	D-MeX was included as technically they are NHH customers. However they are a very specific type and we may want to remove D-MeX from the final metric.

ENDORSE: Candidate Metrics (5 of 5)

- 💧 Seek Endorse – Exploration of possible Candidate Metrics for MPF
- 💧 What Endorse covers – all-encompassing view of possible metrics to be explored for the MPF
- 💧 What this Endorsement doesn't cover – The final list or what metrics will be used

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ENDORSE: Candidate tools (1 of 14)

Recap on where we are with intervention tools

- 💧 PAG endorsed the 11 intervention types
- 💧 Now trying to compile all possible intervention tools that could be explored for use in MPF to incentivise performance of activities
- 💧 Does not mean MPF will use all these intervention tools
- 💧 Some tools could be discarded based on suitability, cost, appropriateness and relevance to certain metrics, at next stage

ENDORSE: Candidate tools (2 of 14)

Feedback – suitability grade - amend

Activity	Comment	MOSL response
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p>	<p>Publishing performance: So much of what a retailer can do and how well it serves its customers is dependent on good quality data in CMOS. It's vital wholesalers are correctly and appropriately incentivised. Why is this only considered 'low' in suitability. I am also concerned that if publication is deemed to be low it weakens the current argument for Holistic Reporting of wholesaler performance which the MPC has already agreed.</p>	<p>Agree that we have seen improvements in completeness of certain data items such as UPRN and VOA since the introduction of publishing peer comparison (by way of holistic reporting). Propose these reputational tools are amended from low to medium suitability</p>
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p>	<p>Limitation of services/rights: 1) I don't feel the shift in balance of risk is proportionate to the causation. Credit is already a complex area of this market and adding additional complexities is only going to make this harder to manage for all trading parties. This would create instability for retailers cashflow if for example a wholesaler moved from lower quartile to upper quartile. Furthermore should a retailer default at a point in time a wholesaler had been mandated to lower credit support requirements this has the potential to impact costs for a wider spectrum of customers (e.g. HH and other customers supplied by different retailers) in the spread of debt recovery included in future years charges. Suggest low suitability. 2) this option needs further exploration, there may be unintended consequences on customers. E.g, if the retailer pays less credit then does this increase the risks on customers in the event a retailer fails due to cost sharing arrangements in the price control (i.e. more credit risk for wholesalers = more credit risk for customers)? Explore in more detail to understand the knock on effects for customers before it is assessed as high.</p>	<p>Agree there are challenges around credit and using this for limitations. Propose to amend suitability grade from 'high' to 'medium'. Further consideration will be given to specific tools as part of design of tools.</p>

ENDORSE: Candidate tools (3 of 14)

Feedback – suitability grade - amend

Activity	Comment	MOSL response
<p>CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems</p>	<p>Publishing individual performance: If the 'appropriateness' element of this was removed would this become a medium? Appropriateness of tariffs is outside of MOSLs mandate, this is Ofwat's area.</p>	<p>The volume and appropriateness of tariffs is something that we could use to help gauge the state/health of the market rather than individual trading party performance.</p> <p>Given current metrics, suitability may be 'medium'?</p> <p>Do PAG feel this intervention type for this activity should be considered in next steps?</p> <p>If so, propose to amend suitability from 'low' to 'medium'</p>
<p>CV.7: Retailers to report customer queries to wholesalers in timely manner</p>	<p>Two-way payments: says “is not suitable” but ranks as medium – is that an error and should be low?</p>	<p>Error on the spreadsheet, suitability grade should be 'low' not 'medium'. Will amend.</p>

ENDORSE: Candidate tools (4 of 14)

Feedback – tool description/rationale - amend

Activity	Comment	MOSL response
<p>CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems</p>	<p>What do we mean by “central systems” – is that CMOS? If so, this refers to “market participants” but is it the case that only Wholesalers put tariffs into CMOS?</p>	<p>Yes, central systems is CMOS. This is a wholesaler activity.</p> <p>Amend each of the tool descriptions and rationales for this activity where 'market participants' is stated to 'wholesalers', to improve clarity</p>
<p>CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems</p>	<p>Underperformance payments: The problem we’ve encountered is an error was found in the Wholesale tariffs after our bills had gone out. This impacted customers and cost us significant time, effort and cost to fix and rebill. Which intervention drives accuracy? Underperformance payments only specify for timeliness and appropriateness.</p>	<p>Amend tool description to include accuracy of tariff.</p> <p>(Under performance payments could be based on the number of customers that are billed on an incorrect tariff input to CMOS. Alternatively, this could form the basis of compensatory payments)</p>

ENDORSE: Candidate tools (5 of 14)

Feedback – design

Activity	Comment	MOSL response
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p> <p>CV.2/UWE.2: Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data</p>	<p>Additional metric monitoring: Lack of regular updates may not align with poor quality data, where a wholesaler has strong data quality there may not be regular updates, this isn't necessarily an indication of poor performance. Suggest low?</p>	<p>This activity is in regards to the maintenance of data and there are changes that happen to premises and assets that can impact that data.</p> <p>Propose to retain existing suitability grade of 'medium'. Additional metrics would be new metrics that we would need to identify and consider as part of design of tools. These would be based around the metric or combination of metrics chosen as the most suitable to measure this activity. We are assessing metrics and intervention tools based on suitability, cost, appropriateness and relevance to each other as part of our next steps.</p>
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p> <p>CV.2/UWE.2: Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data</p>	<p>Audit: Could additional costs be removed if MOSL were to carry out the audit utilising their current FTE who carry out market audit?</p>	<p>Consider details of audits e.g. how they may be conducted, associated costs etc. as part of design of tools.</p>

ENDORSE: Candidate tools (6 of 14)

Feedback – design

Activity	Comment	MOSL response
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Publishing individual performance: Will customers find this information useful, likely to be of more benefit to retailers in which case this should be centralised for ease of comparison/access.	Consider the details of how specific tools could work as part of design of tools
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Publishing peer comparison: A great build on Publishing individual performance - but, this would be better centralised and therefore a MOSL responsibility?	Consider the details of how specific tools could work as part of design of tools
CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate	Sanctions – not sure all the wording is correct “For retailers, this may be seen as an elevated credit cover requirement to move the balance of risk to the retailer while they underperform”?	This was included in error. Will amend at same time as amending suitability grade. Consider the details of how specific tools could work as part of design of tools
CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems	Compensatory payments – would these be paid by the wholesaler to the retailer to the customer? What about compensation to the retailer?	Details of compensatory payments (e.g. different concepts) for how they may work etc. would be looked at as part of the design of specific tools. This could included payments to affected trading parties.

ENDORSE: Candidate tools (7 of 14)

Feedback – suitability grade – retain existing grade

Activity	Comment	MOSL response
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p>	<p>Under-performance payments:</p> <p>1) So much of what a retailer can do and how well it serves its customers is dependent on good quality data in CMOS. It's vital wholesalers are correctly and appropriately incentivised. Why is this is only considered 'medium' in suitability. On something as important as this we need as many tools as possible.</p> <p>2) Don't understand why this is medium rather than high? I don't follow the reasoning, which seems to say the design and calibration of an incentive may be challenging rather than assessing whether this type of intervention would be effective by incentivising wholesalers to improve their performance. Experience on price controls (PR14/PR19) indicates wholesalers respond to financial incentives. Also publication of peer performance can be an effective complement to financial incentives. Why is this not rated as high? (These points also apply to CV.2 / UWE.2 (Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data)).</p> <p>3) Would need to consider complaint outcome and whether this was upheld or not. Also volume of data updates may be low for wholesalers who have good data quality. Agree with medium suitability rating.</p> <p>4) Suggestion: We could define the minimum data required to be present and accurate for a SPID to be tradeable. Suggest wholesale charges should be able to be withheld if asset and premises data within that minimum standard is not present and accurate. Perhaps this could be done by using the wholesale charges as the size of the underperformance payment. Could this then be high suitability?</p>	<p>Suitability assessment:</p> <p>High suitability: this is when it appears clearly that the metrics available can be used in the intervention to drive a company's behaviour towards market outcomes (through the activity)</p> <p>Medium suitability: this is when the metrics available can be used in the intervention to drive a company's behaviour towards market outcomes. However, the effectiveness of the intervention is subject to certain conditions</p> <p>Low suitability: this is when the currently available metrics cannot seem be used to put the intervention in place, and it would not be possible to drive a company's behaviour towards market outcomes.</p> <p>The decision was based on the measurability of the metrics used to assess this activity. Given that the metrics are still under discussion, we were not entirely convinced that the metrics proposed for this activity would have allowed us to measure marginal changes that would be linked to underperformance payments. If we were to find the appropriate metrics we would change the assessment to high.</p>

ENDORSE: Candidate tools (8 of 14)

Feedback – suitability grade – retain existing grade

Activity	Comment	MOSL response
CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems	Limitation of service: don't understand rationale for this being low for CVC.18 but high for CV.3. Once again this is an important area to ensure the settlement is accurate and customers receive the correct basis for their bills. The cost of rework could be very high.	As this activity is conducted once per year we consider it is more appropriate to fix the problem rather than limit the service. Based on this we have given limitation of service a 'low' suitability rating.
CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)	Education: Consider the reason for poor data may not be solely related to lack of awareness around inputting into CMOS - this therefore may not be the most useful of tools. Suggest low rating?	We think improving trading party understanding of the value of accurate premises and asset data to the market as a whole encourages the collection and inputting of this data. Propose to retain current suitability grade of medium.
CV.2/UWE.2: Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data	Education: Consider the reason for poor data may not be solely related to lack of awareness around inputting into CMOS - this therefore may not be the most useful of tools. Suggest low rating?	We think improving trading party understanding of the value of accurate premises and asset data to the market as a whole encourages the collection and inputting of this data. Propose to retain current suitability grade of medium.
CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems	Publishing peer comparison: Appropriateness not within MOSL's remit - high if removed? Under-performance payments: Appropriateness not within MOSL's remit - medium if removed?	The volume and appropriateness of tariffs is something that we could use to help gauge the state/health of the market rather than individual trading party performance. Propose to retain current suitability

ENDORSE: Candidate tools (9 of 14)

Feedback – suitability grade – retain existing grade

Activity	Comment	MOSL response
<p>CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems</p>	<p>Publishing peer comparison: not sure suitability is medium. I don't really understand how market participants can report on the timeliness of their tariffs submissions – tariffs are either present in CMOS by the deadline or they're not, and they're either correct or not. Market participants could report on the "appropriateness" of tariffs but won't they all say that they are "appropriate"?</p>	<p>Agree that tariffs are either correct or not and are in CMOS by the deadline or not. However, publishing performance against these does still have a reputational incentive.</p> <p>Propose to retain grade of medium.</p>
<p>CV.2/UWE.2: Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data</p>	<p>Compensatory Payments: The rationale for the low suitability rating could be said to apply to compensatory payments across all activities, given the difficulty quantifying detriment suffered, and the potential for trading parties disputing the calculations that underpin them. However, not all compensatory payments in other activities have been given a low suitability rating. Is there a particular issue with this activity which means disputes may be more likely to warrant the suitability being low? If not, I think it could be changed to medium.</p>	<p>Compensatory payments need to take a view on the impact e.g. the effort of rework by the affected trading party and/or the impact on settlement of poor data.</p> <p>Also need to consider who the compensation is given to. In this case it would be the customer. We would have to consider whether and how this could be managed under the MPF.</p> <p>Propose to retain grade of low.</p>

ENDORSE: Candidate tools (10 of 14)

Feedback – clarify

Activity	Comment	MOSL response
CV.2/UWE.2: Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data	Limitation of services/rights: Severe sanction agreed but aligns with energy market.	Noted
CV.18: Provision of timely, accurate and appropriate (i.e. meeting wider customer and water efficiency needs) tariffs into the central systems	Education: Like the shared learning potential from this allowing different trading parties to understand each other's perspectives and impacts.	Noted
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Financial incentives: Need to be mindful of lack of consistency in R-MeX scoring and subjectiveness of that measure.	The metrics are examples taken from the list of metrics at the time. Will consider what are appropriate metrics that could be used for this intervention as part of our next steps.
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Education: There is most definitely a benefit to sharing perspectives of different trading parties to understand unintended consequences etc.	Noted
GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services	Additional metric monitoring: R-MeX, B-MeX, (BR-MeX) - need to be careful about over-regulating this area of the water industry in comparison to HH service. Mechanisms are in place and will evolve in the run up to PR24.	We recognise we need to be conscious of regulatory framework and development of BR-MeX

ENDORSE: Candidate tools (11 of 14)

Feedback – clarify

Activity	Comment	MOSL response
<p>GS.1: Retailers provide clear information to customers on what their rights and obligations are (e.g. payment protection plans, right to formally dispute the money owed under contract, obligations re trade effluent consents)</p>	<p>Publishing performance: Is this not binary ie a retailer either provides clear information to customers on their rights and obligations or not? If so, how does a retailer publish performance on “how well” it does this as part of the reputational incentives? Does this limit the reputational incentives because if all retailers do this they can’t easily be differentiated?</p>	<p>The suggested metrics are retailer audit and CCW complaints . Audit can look for evidence of availability and clarity of information.</p>
<p>GS.6: Wholesalers provide clear and accessible information on their relative performance on NHH retail facing services</p>	<p>Why is publishing peer comparison is high and an under performance payment is medium when customers cannot switch wholesaler. Wouldn’t an under performance payment be more effective in driving better services?</p>	<p>This activity is about driving reporting on performance as opposed to driving better service. It is worth noting that it would be challenging to measure performance, and even harder to quantify a marginal change that could be linked to an underperformance payment. This makes a more "qualitative" form of intervention more appropriate. Given that quality of service should be directly reputationally impactful, it is more probable that a reputational intervention suffices here.</p>
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate</p>	<p>Is it correct that the wholesaler is “assessing eligibility for the market” – is that not a retailer activity?</p>	<p>The description of this activity was amended to include eligibility after feedback from the PAG as this was identified as a missing activity. I think assessing eligibility is both a retailer and wholesaler activity i.e the retailer cannot do this without wholesaler participation and the wholesaler has to input the relevant data to CMOS</p>

ENDORSE: Candidate tools (12 of 14)

Feedback – clarify

Activity	Comment	MOSL response
<p>CV.7: Retailers to report customer queries to wholesalers in timely manner</p>	<p>Clarity on definition of ‘query’ needed to avoid confusion with GS.3 on complaints. Does query include or exclude complaints – I think its intended to include, so this needs to be made clear.</p>	<p>Agree that CV.7 includes reporting complaints to wholesalers in a timely manner, where the complaint is in regards to a wholesaler service/requires wholesaler involvement to resolve . GS.3 - Retailers resolve complaints in a timely and efficient way - relates to all complaints.</p>
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p>	<p>Audit and assurance: I don't see how customers viewing a wholesaler badly will incentivise a wholesaler to improve performance as the customer can't switch wholesaler? What is the feedback mechanism here that encourages the company to improve its performance?</p>	<p>We accept that customers cannot switch wholesaler but we do know that wholesalers care about their reputation and believe there is a reputational incentive from failing an audit.</p>
<p>CV.3/UWE.3: Wholesaler to make sure that CMOS is regularly updated with good quality accurate asset and premises data including assessing eligibility for the market and timely deregistration of premises not eligible where appropriate (Combined with UWE.3)</p>	<p>Rectification monitoring / escalation: what evidence is there to support the statement that close monitoring from MOSL would provide a strong deterrent / incentive for wholesalers to improve? It would be good to understand whether experience of the current MPF / IPRP process supports this? (These points also apply to CV.2 / UWE.2 (Retailers to make sure that CMOS is regularly updated with good quality customer & consumption data)).</p>	<p>We have seen from both our previous and current (holistic) rectification process that escalation does improve trading party performance</p>

ENDORSE: Candidate tools (13 of 14)

Next steps

- 💧 Re-run suitability assessment once metrics are developed further
- 💧 Workshop metrics and intervention tools with PAG (7 December)
- 💧 Metrics and interventions shortlisted
- 💧 Conduct more detailed assessment on how most suitable tools would work, including interactions between them
- 💧 Then identify appropriate intervention tools

ENDORSE: Candidate tools (14 of 14)

- 💧 Seek Endorse – Exploration of possible Candidate Tools for MPF
- 💧 What Endorse covers – all-encompassing view of possible Tools to be explored for the MPF
- 💧 What this Endorsement doesn't cover – The final list or what Tools will be used

Agenda

1	Welcome	Chair	5 Mins
2	Actions from previous meeting	Chair	5 Mins
3	Review progress to date & Steering Group feedback	Chair	5 Mins
4	Endorses Group 4 candidate metrics	Evan Joanette	60 Mins
5	Endorses Group 4 candidate tools	Janet Judge	40 Mins
6	Any Other Business, upcoming meetings	Chair	5 Mins

AOB Future meetings (1 of 1)

Meeting Date	Discussion / Introductions / Endorsements
PAG 12 – 22 Nov	Pre - workshop – review of template and methodology, introduction to candidate tools
PAG 13 - 7 Dec (4hrs)	Workshop session to assess tools & metrics against activities/ Consultation feedback
PAG 14 4 Jan	Workshop wrap-up including tool specification (V0.2 - 1 page outline of each) Pre consultation 2 – Metrics & tools