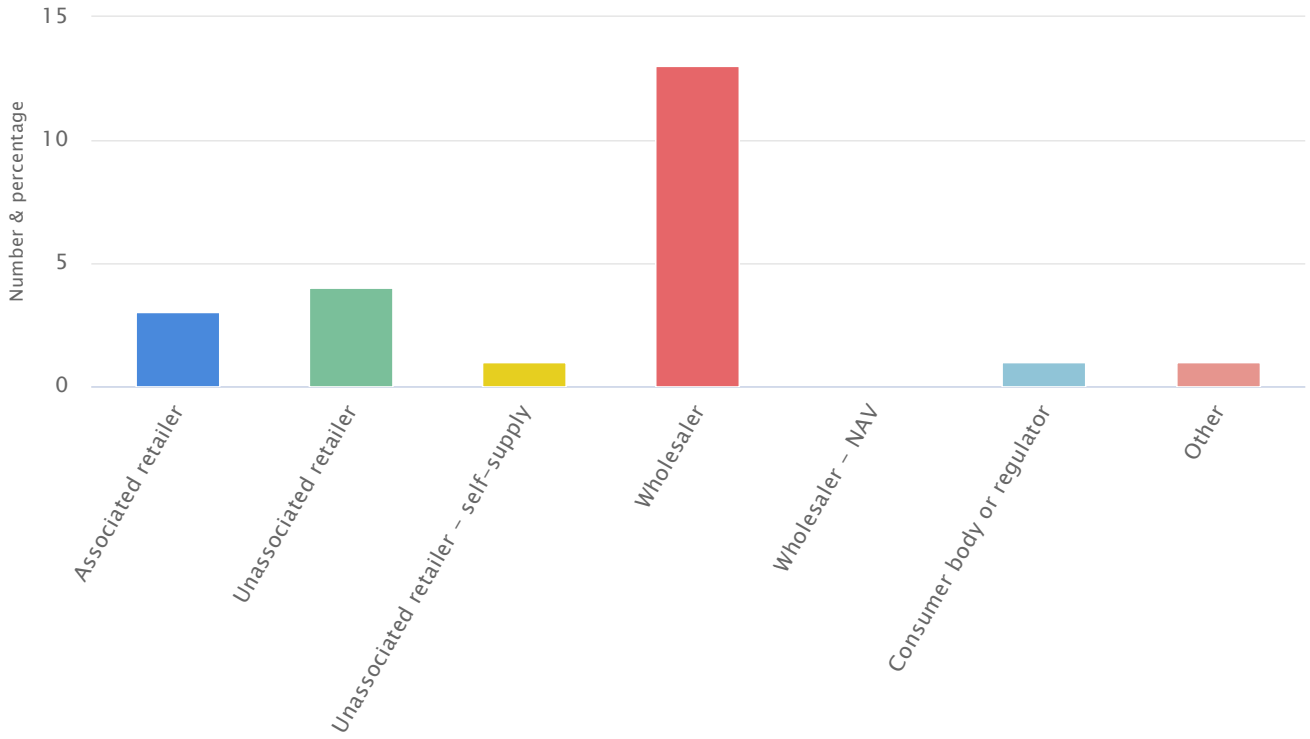
Type of organisation:
Page 1 - Question 3 | Information



1 Associated retailer	3 (13%)
2 Unassociated retailer	4 (17%)
3 Unassociated retailer - self-supply	1 (4%)
4 Wholesaler	13 (57%)
5 Wholesaler - NAV	0 (0%)
6 Consumer body or regulator	1 (4%)
7 Other	1 (4%)
Answers	23

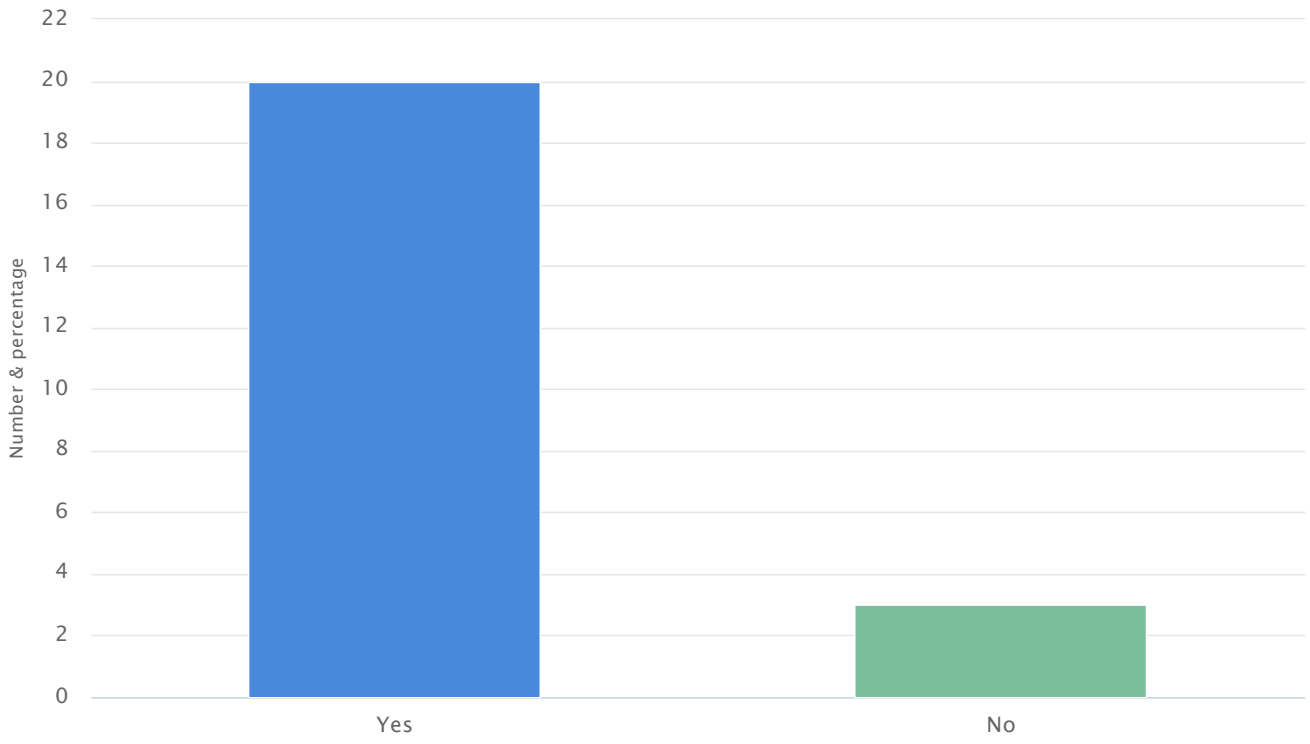
We have discounted one of the wholesaler responses in the online consultation as no name, organisation or open text answers were provided.

A further three consultation responses were submitted to MOSL offline. This means the total number of responses received through our consultation was 25. The additional three offline responses showed support for each of the consultation questions answering 'yes' to all questions.

Market Operator (MO) charges remain flat in real terms with a 2.9% increase driven by inflationary pressures. The total cost of MO charges for 2022/23 is £11,400k.

Q1 - Are you supportive of the overall level of MO charges proposed for 2022/23?

Page 2 - Question 1 | Overall MO charges



1 Yes	20 (87%)
2 No	3 (13%)
Answers	23

ANSWERS
sda
N/A
N/A
N/A
We are supportive of the overall level of MO charges for 22/23 as feel increase is fair in relation to CPIH and inflation. What would be useful to trading parties is examples of bench marking against other industry operators for example cost per SPID. It would also be useful for MOSL to demonstrate how they deliver value for money for the retail market.
Customers continue to suffer the effects of the market frictions that are referenced in the document. Trading Parties are spending large sums to remedy these issues for customers. Slow recovery from the effects of Covid-19 is exacerbating the problems for both customers and Trading Parties. In these circumstances, it is unconscionable for MOSL to propose any budget increase, even in cash terms. The almost 6% increase in pay rises and additional staff recruitment would be a stark contrast with the experiences of business customers struggling with these issues. MOSL should absorb these and other 'inflationary pressures' of up to 10%, just as market participants have had to do as a result of the pandemic and regulatory pressures. Where MOSL has proposed savings from increasing in-house resource, these are in areas where MOSL already performs poorly, such as Code change assessment and market audit. These savings may turn out to be false economies. We suggest that MOSL benchmarks its plan and budget against other comparator organisations. This is a notable omission.
Expanding operations and costs at this time does not feel appropriate or recognise the challenges in the market. It is noted that while progress has been made in some areas, market performance has stagnated over the last three years and this is having a continued impact on customers. We have not felt the impact of market improvements and therefore are not impressed with funding the increases in this economic climate. We would also question the transparency of the proposed increase of 2.9% to the budget - regardless of being lower than inflation, there is no visibility on what the rise covers due to mandatory legislation changes (NIC for example) against other pay rises
N/A
N/A
n/a
N/A
We are supportive of the proposed charges. We note from page 18 and elsewhere, that funding for the proposed central cleanse will not be through MO charges but is TBA. We consider this to be a fair approach but cost and value to individual trading parties will be important considerations.
N/A

N/A

n/a

N/A

n/a. [redacted] appreciates the efforts by MOSL to challenge costs and drive efficiency. The 22-23 Plan is well laid out and easy to understand in this format. It contains the right level of detail to help us as an organisation to understand MOSL's plans.

N/A

Yes, we are supportive of the proposed Market Operator (MO) charges of £11,400k for 2022/23.
It is essential that if we are to achieve a retail market that delivers for all business customers and trading parties that the allowed budget for improvement programmes allows us to work towards realising ambition.
The improvement fund increase of £435k from the original budget will enable the delivery of a far reaching program targeted at achieving each of the strategic priorities. This in turn will have a significant customer and trading party benefit, will drive innovation, and will help create value for customers, society and the environment.
We welcome the additional funding (£740k) for the expansion of the bilaterals program. This will enable the market to build on the successes achieved to date with the areas of focus in 2022/23 being informed by this, trading party feedback and quantifiable NHH customer benefit.
The external factors and inflationary pressures which have seen and upward pressure on employment costs are keenly felt across the industry and all trading parties. We must however ensure that the right resources are in place to enable the core services to be delivered.
The range of efficiency measures proposed, which include the insourcing of legal and audit activity and contract negation, go some way to offset this as does delaying CMOS modernisation which will also allow all in year system enhancement focus to be targeted towards bilaterals.

We agree that the plan achieves the aims of keeping costs as low as possible, whilst enabling core services to be maintained and improvement programmes to be delivered which will support achievement of the strategic priorities.

Although we agree that in broad terms MO charges remaining flat is a good aspirational position, we hold some concerns that this might be unrealistic given the extensive nature of some of the projects and programmes that are scheduled to be undertaken this year or are already in progress. We feel that this approach might lead to an underfunding problem part way through the year, with resultant under delivery or a request for additional funding being required.

We do not think sufficient transparency is provided with regards to one of the programmes and would therefore question investment in this area

Given the very low margins available in the market and the fact that MO charges weren't included in the retail costs remunerated through these margins, it is really important that MOSL is able to demonstrate value for money for the services it delivers. In practice this means keeping its cost base as lean and efficient as possible, for both core service provision and improvement programmes.

We note that unlike all previous draft budgets, this year's plan didn't include any commentary on the proposed size of the MOSL team. This information would be helpful to allow a direct year on year comparison of resources.

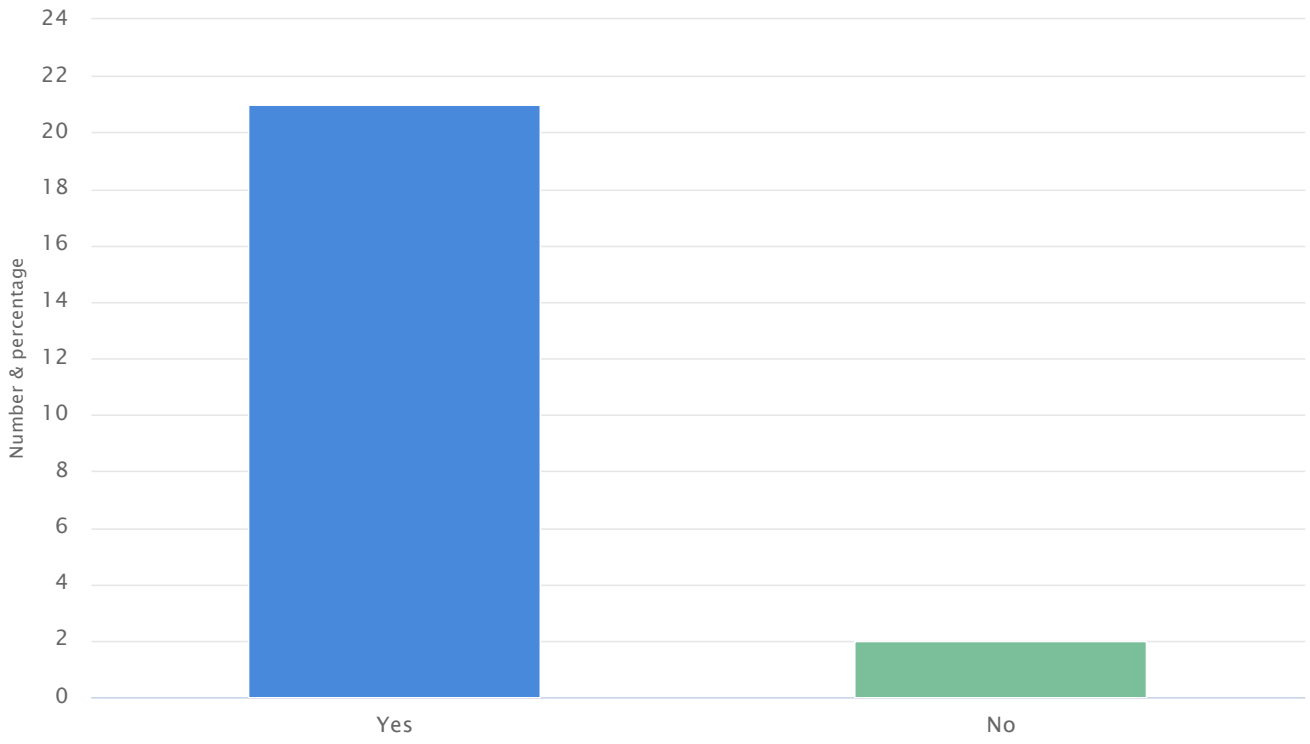
From an operational perspective, the implementation of the bilateral transactions solution has been a real success story, helping to improve the transparency and consistency of retailer/wholesaler interactions, reduce failure demand, and improve the efficiency of core bilateral processes. The programme overspend of £740k and the resulting impact of delaying the modernisation of CMOS is however disappointing. Moving forward there is a greater need for transparency on the forecast costs and benefits of improvement programmes to avoid any surprises.

On a point of detail, with current switching levels so low and very little switching of SME customers occurring to date, we don't see the proposed focus on timely and accurate customer transfers as being good value for money at this time. With the proposal also appearing to be out of step with MOSL's principle of delivering improvement programmes that provide significant benefits to the market.

The business plan sets out a three year roadmap for improvement and delivery of MOSL's strategic priorities through the refined five improvement programmes.

Q2 - Do you consider that these improvement programmes are the right areas of focus?

Page 3 - Question 1 | Proposed Improvement Programmes



1 Yes	21 (91%)
2 No	2 (9%)
Answers	23

Q3 - If you agree that these are the right areas of focus, are there any programmes where the phasing should be changed i.e. brought forward? If so, what are the drivers for the proposed change and what elements of the current plan do you think should be delayed/removed in order to fund any additional activity and ensure it remains deliverable?

If you disagree, are there any additional programmes that should be added to the plan, or existing programmes that should be removed?

Page 3 - Question 2 | Proposed Improvement Programmes

ANSWERS

asdasdasd

We believe the current programme is appropriate in terms of priority and timescale

We support the phasing of the plan.

For any of the proposed market initiatives and improvements time needs to be taken to properly engage with trading patties to understand trading party impact and the costs and benefits of any proposed changes at a market level i.e. taking into account impact and cost on trading parties and not just on MOSL / MOSL budget. Where flex is required to ensure that initiatives are shaped and delivered effectively this should be allowed for within the plan and commitments adjusted accordingly.

Any elements of the plan that may impact on trading parties own plans for PR24 need to be progressed as a priority and there needs to be a clear understanding of the link between the MOSL plan and the PR24 process.

We woudl like to see a clearer position taken earlier on smart metering so that it informs PR24 wholesaler investment plans. Many wholesalers are looking to roll out smart metering and it woudl be a missd opportunty if this did not include NHH sites in their areas

Many thanks for the opportunity to comment on the business plan. We particularly welcome the focus on Ofwat's three key market frictions; (i) Poor quality consumption, customer, and asset data. (ii) Cumbersome wholesaler-retailer interactions, and (iii) Inadequate wholesaler performance. We encourage prioritisation of all elements of the business plan that helps accelerate improvements in these areas. In particular: (1) The continual and planned development of the Central Bilateral Hub to the satisfaction of Trading Parties, a key area to reduce retailer transaction costs; (2) The development of a Market Performance Framework that incentivises Trading parties to do the activities end customers want and importantly to the right quality and timescale, thereby avoiding imposing unnecessary cost on customers and Trading Parties; and (3) The use of the MOSL insight to centrally address known national data issues and thereby avoid nonstandard approaches to this key area.

We do consider the improvement programmes to be the right areas to focus on especially the modernisation of systems. We believe there are clear synergies between the programmes which ultimately should address key market frictions and improve the business customer experience. It would be useful to see high level milestones required for 23 and beyond to understand if the phasing is appropriate. There is some general feedback around prioritisation of trading party input in low value consultations with resource being detracted from focusing on delivering key initiatives to support the improvement programmes.

How far MOSL's programmes - which are resource intensive - have been subjected to an optioneering assessment in terms of value for money over possible alternative structures is opaque.

It is unclear what quantitative analysis underlies the programmes. For example, how much of an increment in 'better outcomes' will result from the incremental money for the bilaterals programme? Given metering is (of course) a 'high priority', what impact will the choice of Quick Start programmes have over alternative resource commitments? What actual improvements in data quality will result from more 'Insight'?

So any mis-scoping, gold plating or over-engineering is hard to discern.

As indicated below, the MPF reform programme should be subjected to a different assessment from that which appears to be in prospect. That could in itself make the programme quicker, cheaper, or both.

The 'holistic' reporting programme should be halted. It is neither holistic nor even statistically sound, as we have pointed out in detail. There is no point in overlaying further flawed metrics on an MPF base that even Ofwat and MOSL accept is fatally flawed. It is better to focus on the existing iniquities. See further below.

We are supportive of four of the five improvement programmes: the Data Insight programme feels beyond the scope of what we would expect from a market operator and is stepping into an area that we feel is not needed. A focus on getting the basics right would be more appropriate.

While we welcome a clear strategy around the data insight framework and process, the current plan does not provide clear enough insight into the solutions and systems and how these will benefit trading parties or customers.

The Data Charter is aspirational gives a general sense of direction but it does not address concerns of interference in the competitive market or provide an understanding of what systems and services will be provided to us. The Charter is not clear of how or what will be provided to customers or any governance structures in place, which will be essential to our businesses.

Furthermore, the data sharing obligations are barely mentioned and we really have no idea what we are signing up to and will be unable to authorise sharing of our data with unknown 'third parties'

[redacted] is supportive of the MOSL Business Plan and we agree the improvement programmes are the right areas of focus. The improvements being driven by the bilateral transactions programme, the strategic metering review, achieving greater data insight and the market performance framework review are all embedded in the drive to improve customer outcomes and reduce market frictions. These include poor and protracted interactions between wholesalers and retailers, the current lack of frequent and accurate meter reading and reliable consumption data, and the lack of incentives that are customer service focused or driving the right behaviours.

We can see the tangible benefits that these four programmes are already starting to deliver or are promising to deliver. Therefore, we would not support any removal of funds which would delay these activities, nor would we argue that a programme's delivery should be brought forward if this meant that it had not been sufficiently developed and tested.

However, while we support the improvement programmes, we are less clear on the benefits for customers of the programme to modernise market-facing systems and how much of this work is required to take place within 2022-23. With this in mind, we would not support this programme being prioritised over other areas of focus, which we consider will deliver greater customer benefits.

To ensure the programmes remain focused on customers, we will continue working closely with MOSL, [redacted] share performance data, as this provides a source of robust evidence to help drive forward improvements for customers and the business retail market.

We have seen a notable change in the focus of improvement and decision making in order to deliver better value and choice for customers within MOSL's business plans over the last two years. This is also evident in the governance arrangements for the market decisions, as there is a new Strategic Panel and soon to be formed Code Change Committee, which will follow revised code principles. These will be in place as MOSL starts its plans for 2022-25 and it is vital that these changes translate to action to tackle the challenges facing the market.

N/A

We would request the metering review picks up the fundamental question on responsibility for reading; should this move from the Retailer to the Wholesaler, this might be covered by the definition of roles and responsibilities but we would encourage the review to encompass this fundamental element. A number of Wholesalers are now moving towards providing a Wholesaler service offering for this activity but this still maintains the current responsibilities. We would also like metering reading of Void properties to be included within the scope of this project.

No, we support the current phasing plan. All plans are essential areas of focus and we feel changing their phasing at this stage to prioritise one plan would only sacrifice progress in other areas.

We consider these to be the right areas of focus. We welcome the focus on five improvement areas, but hope that this really does reduce the level of trading party effort and response required i.e. renaming other areas as 'business as usual activities' may not actually reduce the need for consultations with and work by trading parties.

We do not suggest any change to phasing and have not identified any further programmes.

Data cleanse proposal - timeline is unrealistic given the magnitude of what is being proposed, in terms of size, costs, resource etc.

We broadly agree that these are the right areas of focus, with appropriate phasing and macro timelines for review and delivery. Whilst holistically, we do not believe any major changes to the phasing of these areas should be required, we would comment that within these objectives are a number of actions and deliverables that would benefit from a tighter delivery schedule.

Within the Strategic Metering Review, a number of potential changes have been proposed that would provide significant market benefit with limited cost to deliver however the currently expected timelines are not set for delivery until mid-2023 at the earliest. As many of these changes appear relatively simple to deliver, particularly in comparison to the potential benefit they will provide, this delay in implementation appears difficult to justify. We would encourage MOSL to consider more agile delivery timetables on proposals and deliverables (not limited to the Strategic Metering Review) that individually receive widespread market support, to best ensure the positive outcomes identified throughout the wider area reviews can benefit the market in a timely manner.

At this current time, CMOS only undertakes two 'Major' releases annually with one additional 'Minor' release. These timeframes currently act as a preventative barrier from providing required change 'at pace', leading to further delays and frictions against agile improvement. In line with this view, we would recommend MOSL review the schedule for MOSL releases with a view to better aligning to the needs of the market.

We remain highly supportive of the on-going Bilateral Hub Project, and are encouraged by the progress to date. Due to the high potential for the Bilateral Hub to deliver efficiency within the market, and reduce known frictions, we would once again encourage MOSL to strive for earlier implementation and delivery whilst also ensuring that the delivery timelines enable effective engagement.

The focus areas and phasing look fine. Spend on the bilaterals solution and tools which highlight issues or help trading parties to deal with the state of market data are right to be early in the plan as these will result in improvements for all stakeholders.

The Bilateral Project must remain the priority for the coming year if it is to be delivered to time and budget. Of the remaining initiatives, we believe the Metering Project should be given greater priority as it directly affects the ability to deliver customer and environmental outcomes. More importantly the work needs to be completed within a timeframe that will allow its outcomes to influence Ofwat's PR24 considerations.

We are broadly supportive of the programme of work as outlined in the 22-23 Plan and we think that it is well balanced overall. We note that alternative funding approaches are being considered in relation to Data Cleanse work. We are keen to ensure that trading parties responsible for the data carry the cost of cleansing activities. We have invested heavily in improving our wholesale data during 21-22 and expect to be at the required threshold by year end. For this reason we believe the use of market performance penalties is unsuitable to fund data cleanse work. We do, however believe that MPF penalties could be used to fund improvements to the MPF. We think that Wholesaler penalties could be put to better use here.

The Bilateral programme, strategic metering review and data insight all can all deliver efficiencies and accuracy within the market. MOSL's response to Ofwat's PR24 Consultation highlighted that everything in the NHH market starts with a meter and its data. We believe that if the strategic meter review is likely to highlight that additional investment (over that that may already be being considered) needs to be included in Wholesalers Business Planning for NHH metering then these areas should be a priority for the forthcoming year. The delivery of the bilateral portal will result in efficiencies for Trading Parties which could then be channelled into resolving data issues so this should continue to be a priority.
Regarding data, while MOSL has produced some insightful information which highlights where gaps in data are we believe further information is needed to determine which of these issues are causing a real problem for Retailers and whether quick wins that could be delivered using a "fix from centre" approach will actually result in improvements for Retailers and Customers. For example, we have spent considerable time populating missing VOA and UPRN data but this has had no impact for Retailers as the address data already in the market was adequate for their requirements, i.e. are Retailers abilities impacted by a large number of missing UPRN's and VOA refs or are these only an issue where there is inadequate customer address or location data.

Yes. The improvement programmes of Bilateral Transactions, Strategic Metering Review, Data Insights, Market Performance Framework review and Modernisation of Systems we believe are the correct areas of focus and align with the markets strategic priorities.
Building on the early successes of the Bilaterals programme, continued MOSL and trading party participation and focus (Pathfinder group) will increase the number of processes managed through the Bilaterals Hub. This will realise efficiency and reduce market frictions.
As more and more market processes are systemised this will also enable more accurate and consistent reporting, challenging companies to improve and deliver better outcomes for customer.
To create and sustain an efficient market it is essential to review the Metering Strategy to ensure the system and underlying processes are robust and responsibilities are clearly understood. From consumption data to physical location and new technologies, all combine to benefit the environment and ultimately customers. By conducting a review which considers all stakeholders, this will lead to a more dynamic market, one lead by an increased understanding of and which dives drives down consumption helping reduce carbon emissions and importantly for the end customer results in an accurate bill.
Data Insight focus is critical in supporting all other programmes and in ensuring greater effectiveness within the market. Key to this is data ownership and maintenance of quality data sets.
Reviewing the Market Performance Framework (MPF) should help deliver better customer outcomes by increasing the focus on a condensed number of customer centric measures which in turn can be better monitored and supported whilst aligning incentives of trading parties with those of their non-household customers. By simplifying Performance scorecards, industry engagement will increase with more meaningful peer comparators bringing subsequent improvements and innovation into the market.
Ensuring Systems are fit for purpose, offering both flexibility and security is essential to meet the demands of a complex market. The risk of the central system (CMOS) failing or being compromised is too great to ignore. Reducing operating costs and increasing use and functionality of data within systems will compliment the support principle of simple, cost effective and secure.

[redacted] agree with the phasing of the outlined programmes and have been encouraged with the level of market participation within the Bilaterals Programme in particular, which has seen and ensured engagement across all parties meeting the Non-discrimination principle.

While we are supportive of the range of programmes outlined, we are concerned that some of them may be at risk of failing to deliver on time to the milestones outlined within the plan due to limitations on funding. If we were to choose a programme to be pushed back, it would be the CMOS modernisation programme. This seems the least pressing in terms of time delivery as it will not deliver many user-visible improvements and the system currently in place seems to be up to the task the market requires of it.

We do not believe that the current programmes should be moved from the proposed schedules, other than those noted in previous answers, however we believe this should remain under review by the respective programme boards taking into account any new information or requirements that emerge during the year.

We are supportive of four of the five improvement programmes; in order of priority, the Bilateral Transactions Programme, the MPF review, Strategic Metering Review and Modernisation of Systems, however, we do have major reservations with the MO extending its remit into data analytics.

While the MOSL Data Charter looks to enable the move away from the "one size fits all" approach which is welcomed, we are concerned that MOSL appears to be stepping outside of its remit with regards to the collation of data and extending their offering to providers of water efficiency and leakage initiatives. Surely this is an area for competitive market development, driven by Trading Party innovation, not MOSL.

This does not feel appropriate. We fully appreciate the need to understand what types of customers are held within the market so that you can assess appropriate actions for instances such as the recent lock-down, and provide detail to the regulator of the impact. We also understand the value in understanding the total consumption of the market but beyond that, comparative analytics are above and beyond the role of the market operator.

We expect the role for MOSL to be one of a facilitator, enabling effective competition and for the avoidance of doubt in this respect, that means providing the base data we and all other Trading Parties can leverage and undertake the analytics on the market's behalf.

We are wholly supportive of improving data quality and access but would question how the market is expected to operate effectively, drive competitive change, and develop for Trading Parties to innovate if MOSL are undertaking works market-wide which could detrimentally impact such works. MOSL needs to be encouraging Trading Parties to take on more action regarding water efficiency; providing core data, not the analytics, would help with this and encourage further collaboration. It is frustrating that the market seems to be so far from getting the basics right 5 years on and would posit if this is in part due to distractions in other areas of data analysis that do not support effective market development. We would rather see MOSL spend time working with Ofwat to set clear, visible performance expectations, track performance and develop mechanisms to drive trading party accountability.

We are concerned about MOSL extending their remit into undertaking data analytics and enrichment work with funding provided by Trading parties and encourage MOSL to focus on data quality before looking to enrichment, which should be a bilateral discussion between TP's. We believe that more intervention from the MO might impede the development of this market and stifle growth.

These are well established, multi-year improvement programmes, which we would like to see continue; however, against a backdrop of financial recovery from Covid-19, any continued financial investment in these areas should be based on a robust business case supported by strong return on investment criteria. We have provided comments on some of the proposed programmes below:

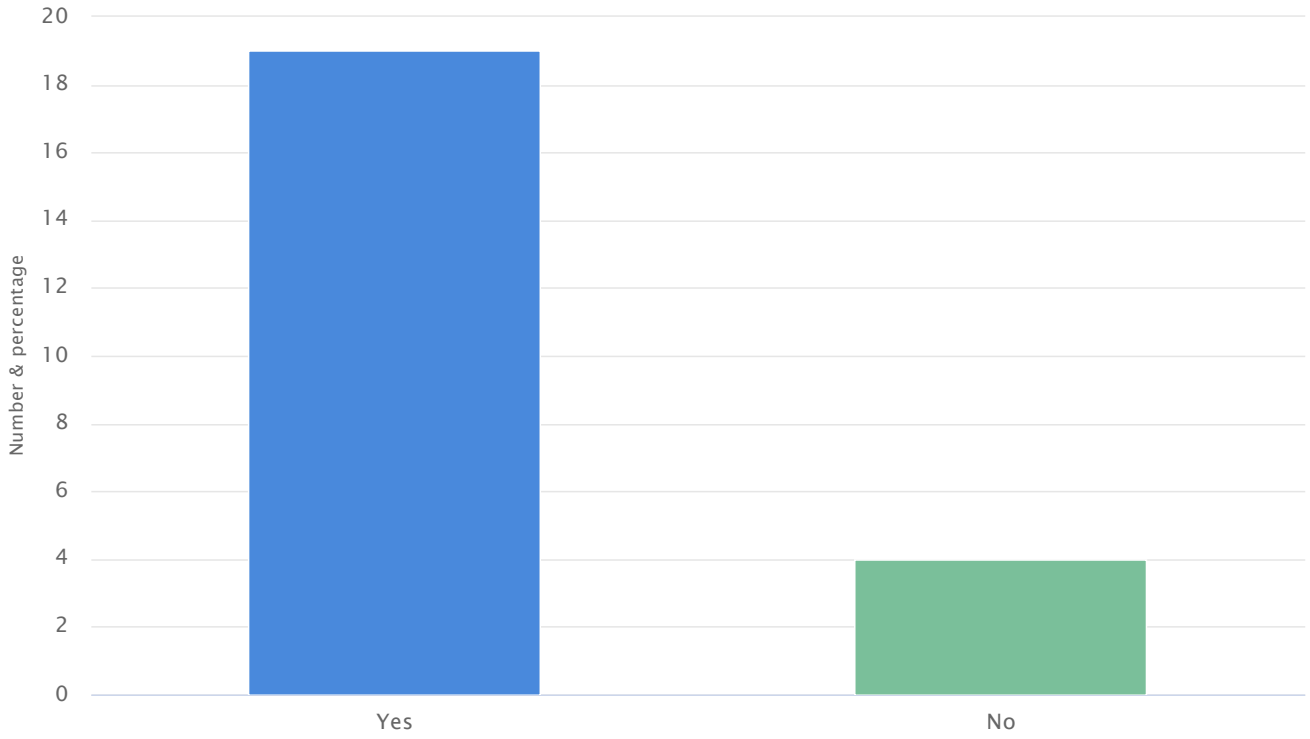
Strategic metering review – [redacted] was supportive of the strategic metering review and remains supportive of the metering committee. The expectation that was set in the 2020/21 MOSL business plan was that we would see a "step change" in this area, but as we move into 2022/23 we haven't seen any tangible improvements delivered to date. It was disappointing that the final version of CPW118 was rejected by both the Panel and Ofwat, which suggests misalignment between the views of the metering committee and the requirements and views of market participants and stakeholders. Any expectation gaps or misalignment will need to be addressed in advance of any future change proposals.

Data insight – While we remain supportive of this improvement area and the five listed initiatives, we are of the view that MOSL needs to be careful that in developing its own analytical capability it doesn't overstep the mark by impinging on the ability of retailers to compete for services such as water efficiency or bill reduction.

We support the MOSL proposal for a central data cleanse, providing the funding mechanism is appropriate. While we look forward to responding to the consultation on this matter in due course, our view is that as wholesalers own the majority of the data items and they were responsible for ensuring the quality of the data before market opening, they should be responsible for funding the work. While we are not opposed to using market performance charges to fund this initiative, there is a perversity in the proposal in that much of the fund is made up of charges levied on retailers for failed meter reads, a significant proportion of which could be attributed to poor market data.

Q4 – Early feedback from the Panel and MOSL Board supports increasing the funding provision for the Market Performance Framework Reform considering the significance of this work to drive fundamental improvements to trading party incentives and customer outcomes. Would you support an increase of the MPF Reform programme cost of £150k (total £250k) which we would look to fund using forecast underspend from 2021/22?

Page 3 - Question 3 | Proposed Improvement Programmes



1 Yes	19 (83%)
2 No	4 (17%)
Answers	23

If no, please provide a reason for your response (if yes, please write N/A):

ANSWERS
asdasdasd
Before we support this use of the underspend from this year we would like to further understand the breakdown of this significant cost increase. We are supportive of the any Market Performance Framework reform as detailed in our consultation response. We would request that a more detailed breakdown of the £250K spend should be provided to members for clear transparency and in order that support or not can be given.
N/A
N/A
We support in principle and welcome the opportunity to input to the MPF reform especially around holistic reporting.
No. The underspend should be returned to Trading Parties. While the MPF cries out for reform, particularly in respect of redressing the imbalance between Retailer and Wholesaler performance, its scope should be reviewed with view to staying within the present budget. There are already signs of mission creep: despite MOSL referring to 'root and branch' reform, contradictory signs are emerging that a reformed MPF will remain focused on evermore intrusive incentives and penalties on a presumption that these are required – effectively ex ante regulation for its own sake. Rather the programme ought to start from a blank sheet of paper, proceed with a CMA-style competition analysis and adopt only those measures that are needed to address market failure. That would no doubt result in a streamlining of the programme and its costs. We are therefore particularly concerned by the lack of justification for the increase, which portrays a mindset of 'if it's important, throw more money at it'.
Yes the MPF reform is much needed.
N/A Given the importance of the work to reform the Market Performance Framework in order to create incentives that are customer centric, we would support funding additional costs from forecast underspend in 2021-22. We also note there is potential for the B-MEX incentive to form part of the future Market Performance Framework. As the former is intended to improve wholesaler performance and accountability, we support this work being part of the wider performance review. If an increase in funding helps facilitate this, then this is positive.
N/A
n/a
N/A
The suggested approach to MPF funding, which does require reform, appears sensible.
N/A
N/A

In our opinion the MPF is one of the key tools at the industry's disposal for driving continuous improvement in customer outcomes. Together we must find the right set of measures and benchmarks to drive the market forward. Whilst there is still a lot of data improvement work going on we do think that trading parties will be in a much better place in 12 months' time and then at a point when the industry can collectively drive improvement to the customer base as a whole. We are therefor supportive of the proposed increase to the MPF Reform programme budget.

Whilst we agree that reform of the Market Performance Framework is important, and we are not averse to MOSL using their discretion to redirect underspends towards business priorities, we believe the Bilateral and Metering Projects are better candidates.

We thank MOSL for consulting on this approach which we believe is sensible. We would expect MOSL to apply their investment approach to challenge the value for money, spend profile and the benefits that would be achieved from the additional £150k funding. As stated, in question 3 we suggest that Wholesale MPF penalties would be appropraite to provision for an additional budget requirement for MPF improvement.

N/A

Yes, ensuring performance measures are included will encourage the correct attention is given by trading parties to drive market improvement. This is fundamental to achieving a retail market that delivers for customers.
It is however important the right and not necessarily more measures are included. The development of any new measure, particularly those that include a survey element, must be fair, accurate and consistent. They must also be easily understood by all trading parties and customers. Each measure must also have a quantifiable market and customer impact which is compared directly to its cost to develop, launch, administer and achieve. This directly aligns to the supporting principle of proportionality.
Ensuring the correct funding is in place will help mitigate and overcome any of these risks and will help to expedite its deployment.

We believe that the existing funding for this project may not allow for the resources required to deliver a successful outcome or to give the project the level of focus and considered rigour that we believe it requires. We agree that this work is critical to the future development and improvement of the market for the benefit of all participants and more importantly customers. As a result, we do agree that an increase as outlined is justified. Our only concern regarding funding this from underspend is whether this underspend should have been used elsewhere this year, although we assume from the commentary it is because of savings made due to the lack of travel and meeting costs associated with Covid-19 restrictions.

Yes the MPF reform is critical for driving the right behaviours and holding Trading Parties accountable and should address many of the challenges the market faces.

Responses from trading parties to the MPF subgroup call for input (CFI) indicates overwhelming support for this project. We agree that the Market Performance Framework Reform needs to be appropriately and fully funded, however, we do think that alternative funding options should be considered.

The vast majority of the respondents to the CFI agreed that the current MPF regime doesn't apportion accountability correctly, with many arguing that retailers have been unfairly paying performance charges on failed meter reads which are often outside of their control. Therefore, as an alternative to using the forecast underspend from 2021/22 which is essentially funded by all trading parties, our preference would be to use market performance charges paid by wholesalers for OPS and MPS underperformance. There are clear customer benefits associated with this review with the main objective being to "facilitate improved customer outcomes" and the activity doesn't meet the definition of 'business as usual', so access to market improvement funding should be permissible. Our understanding is that OPS charges can't be redistributed to wholesalers and therefore it's our view that funding for the MPF Reform programme should be the first call on these accumulated charges.