The voice for water consumers
Y corff sy'n rhoi llais i ddefnyddwyr dŵr

CCW response to the MOSL Business Plan 2023-26 consultation

CCW response **January 2023**

1. Introduction

1.1 The Consumer Council for Water (CCW) is the statutory body representing the interests of household and business customers of water and sewerage companies and licensed retailers in England and Wales.

1.2 We welcome the opportunity to respond to the consultation on MOSL's Business Plan for 2022-25.

2. Response to specific questions

Q1) Are you supportive of the overall level of MO charges proposed for 2023/24? The business plan sets out a three-year roadmap for improvement and delivery of MOSL's strategic priorities through five key improvement programmes.

2.1 Overall, we are generally supportive of the five key improvement programmes. However, we have a number of points to raise regarding the overall level of MOSL's charges, your role within BR-Mex, and the modernisation of systems.

2.2 It is right that MOSL recognise the tough economic conditions that currently exist for many business customers. We would like to see this translate to further scrutiny within the five key improvement programmes to identify if greater efficiency savings can be made, with the aim of reducing the overall level of charges proposed. Within the non-household market the bulk of fees charged to retailers and wholesalers are those of MOSL, with the rest from Ofwat and CCW. With the economic strain being felt across the industry, we must all strive to operate as efficiently as possible, with the ultimate aim of reducing those charges that are allowed to be passed onto business customers.

2.3 With that in mind, CCW would welcome a more streamlined approach to MOSL's roadmap and programmes this year, as well as in the future, where you concentrate on your core functions before tackling any new challenges or issues. Including in this MOSL's interest in the business customer satisfaction element of BR-Mex, where you propose to pilot the survey. We have real concerns about MOSL taking on this role, primarily as we see this sitting firmly with Ofwat under the price review performance commitments, mirroring the approach used for C-Mex, and not part of MOSL's core function as BR-Mex is a regulatory mechanism.

2.4 We would also like clarity on the benefits for customers from MOSL modernising systems. We would not support this programme being prioritised over other areas of focus, which we consider will deliver greater customer benefits.

Q2a) Are you supportive of the proposed new phase of the Bilateral Transaction Programme?

2.5 We are supportive of the plans for the phased bilateral transactions programme for the next two years, which are a continuation of the plans from previous years. However, when determining the order of the new phase of the programme we want to see MOSL prioritise by what will deliver the most benefits for customers.

2.6 The improvement programmes also continue the good progress made on the important areas of focus from the previous business plan, which we welcome. We want to see improvements in customer service delivery and customer satisfaction, which the Bilateral Transaction programme plays a key role in helping to deliver. This will be achieved by helping to improve the interactions between trading parties and enable greater visibility of data for retailers when serving their customers.

2.7 As a measure of the programme's success, we urge caution with linking it to a reduction in customer complaints alone. We cannot confirm the effect bilateral improvements have had on complaints, as this process should be invisible to customers. In the business plan, MOSL states that there has been a reduction in complaints by 19%. However, it is important to note that the reduction quoted is business customers' complaints to CCW only, whereas complaints to retailers reduced by 3% from 2020-21 to 2021-22.

2.8 To ensure the programme continues to remain focused on customers, we welcome working with MOSL through our roles on the Strategic Panel, Code Change Committee and Market Performance Committee, as well as working closely with the MOSL Bilateral Programme Team.

Q2b) If yes, do you support MOSL's plan to deliver the processes in nine groupings across the next two years or would you prefer a different delivery profile?

2.9 While we support the overall Bilateral Transaction programme, we would like to see a clear indication how each aspect is ultimately going to improve service and satisfaction for customers. As stated above, MOSL needs to ensure that these are carried out in the priority which best serves business customers.

Q3a) Are you supportive of the proposed Central Data Cleanse service to improve wholesaler-owned data in CMOS?

2.11 Yes, we are supportive of this service as it is vital to ensure that customer data is accurate in the market. Essentially, if customer and market data in CMOS was accurate then this could prevent many of the current issues that escalate to complaints.

2.12 However, caution should be taken to ensure that priorities are set with a clear timeline in place. We strongly believe more should be done to understand why trading parties either lack incentive to maintain certain data fields properly, or face barriers in doing so. A central cleansing activity should not become a continuous service acting as an alternative to trading parties properly maintaining data quality on an on-going basis. We expect this to be a one-off exercise.

2.13 In our response to the consultation on the Central Data Cleanse, we recommended that incentives should be applied under a revised Market Performance Framework (MPF) to ensure there is not another deterioration of market data to the detriment of customers. The data cleanse should benefit customers, but should not be funded by them, as the onus to get this data right should have been addressed at market opening, and well before we reach the six year period of the market being fully opened to business customers. In addition, had trading parties had the right incentives to address poor data quality from the start, MOSL would not need to carry out this service.

Q3b) The Central Data Cleanse proposal includes a new funding mechanism whereby the cost of the service is funded by additional ring-fence Market Operator charges levied on the wholesalers only. Are you supportive of this funding mechanism?

2.14 Yes, we welcome this being funded by additional ring-fenced charges that are levied on wholesalers. This is sensible given the responsibility they have for the data items covered, and their role in determining market eligibility. However, both trading parties need to take responsibility to ensure all data is accurate to reduce or remove the need to fund future improvements.

Enquiries

Enquiries about this consultation should be addressed to:

Lucy Byrnes
Policy Manager, CCW
Email: Lucy.Byrnes@ccwater.org.uk