

## Wholesale Retail Code Change Proposal – Ref CPW139h

<b>Modification proposal</b>	Wholesale Retail Code Change Proposal – Ref CPW139h – Bilateral Hub (Phase 14)
<b>Decision</b>	The Authority has decided to approve this Change Proposal
<b>Publication date</b>	31 October 2024
<b>Implementation date</b>	13 December 2024

### We are approving this Change Proposal.

CPW139h seeks to deliver four enhancements to functionalities and processes already present in the bilateral hub as part of the Bilateral Transactions Programme, which aims to improve the efficiency of interactions between trading parties. The enhancements implemented through this change will enable trading parties to more accurately record information in the bilateral hub relating to site visit failures, follow-up site visits, and the SPID attached to certain processes. The change would also allow trading parties to attach information contained in emails to requests. We think these changes will support the recording of accurate and complete information in the bilateral hub, which will allow trading parties to operate more efficiently and effectively, which ultimately benefits customers. Some enhancements will also allow increased standardisation in the bilateral hub, which could allow trading parties to operate more efficiently and customers to benefit from a more standardised experience of the market.

## Background

[CPW070/CPM043](#) (an Authority timetabled change proposal) created the programme of governance under which work would take place to address issues that had been identified relating to bilateral transactions (i.e., transactions between Wholesalers and Retailers). The first phases of the Bilateral Transactions programme, which integrated a number of processes into the Bilateral Hub, were delivered under this change proposal and concluded in November 2022. [MOSL's 2023-26 Business Plan](#) includes a subsequent programme of work which aims to continue to standardise, combine, streamline, or retire residual processes set out in the [Operational Terms](#) before

bringing them into the Bilateral Hub which is aimed at improving the efficiency of interactions between Wholesalers and Retailers for the benefit of customers.

CPW139 and CPM051 establishes this programme of work and is delivered through a series of implementations in the same way that previous Bilateral-related change proposals were implemented under the Ofwat-led programme via CPW070 (a, b, c, etc.). CPW139h represents the eighth phase of processes under CPW139 & CPM051.

## The issue

CPW139a – CPW139f primarily focused on migrating all operational processes into the Bilateral Hub, or retiring them. As of June 2024, all operational processes have been transitioned to the Hub.<sup>1</sup> Early delivery of some existing operational processes into the Bilateral Hub has allowed MOSL to deliver additional functionality enhancements prior to closing the programme. The Operational Advisory Group (**OAG**), a group comprising operational process subject matter experts, has prioritised additional enhancements for delivery. CPW139f included the first delivery of these additional enhancements, and CPW139g and all subsequent phases focus on other additional enhancements.

## The Change Proposal<sup>2</sup>

CPW139h was proposed by MOSL and seeks to deliver four additional enhancements:

### 1) Additional site visit failure codes

Currently, Retailers can record the reason for a failed site visit in the Bilateral Hub as being because a customer/Retailer/third party cancelled, or because a Wholesaler cancelled. This does not cover all reasons for a failed site visit, acting as a barrier to completion of any actions required prior to scheduling another site visit. CPW139h proposes adding additional site visit failure reason codes, improving standardisation and consistency in handling failed site visits.

### 2) A new follow-on site visit functionality

Sometimes, it is necessary for more than one site visit to take place to fully complete a request. For example, where a Wholesaler visits a site to complete a task but adverse weather conditions hinder full completion. Currently, the Bilateral Hub does not allow

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<sup>1</sup> With the exception of process H7 that may be delivered if there is a sufficient business case to justify taking this forward as a standalone process.

<sup>2</sup> The proposal and accompanying documentation are available on the MOSL website at <https://www.mosl.co.uk/market-codes/change#scroll-track-a-change>

for a follow-up visit to be requested, so trading parties must flag the initial visit as cancelled and schedule a new separate visit. CPW139h proposes a new transaction that will allow Wholesalers to advise the Retailer of follow-on site visits related to a request, without marking the initial request as failed, promoting more accurate communication and facilitating the completion of the whole task. The process for requesting a follow-on site visit will mirror the process for requesting the initial visit, an alignment which will include a requirement for Wholesalers to check whether the customer requires a scheduled appointment or communication prior to the site visit, to ensure their needs are met.

### **3) New functionality to retrospectively link SPIDs to certain processes**

Some processes in the bilateral hub (C3, G2, M1 and E1) can be raised without entering a SPID. This is intentional given the nature of these processes; for example, process C3 is concerned with where a Retailer identifies a gap site where no SPID is registered to the premises. However, it is not possible to retrospectively link a request to a SPID once one has been assigned to the premises, which can make follow-up requests related to the SPID challenging. CPW139h proposes to implement a new functionality to allow trading parties to link a request to a SPID retrospectively.

### **4) Expanding attachment file formats**

Sometimes, customers or third parties provide information via email that needs to be attached to a bilateral hub request. However, email file formats cannot be uploaded to the bilateral hub. Trading parties may therefore have to complete the 'Additional information' field manually, which is time-consuming and risks human error. CPW139h proposes expanding the valid file formats to include .msg and .eml, enhancing the provision of necessary information and reducing manual administration.

## **Impact**

The Proposer has argued that CPW139h furthers the following Principles of the WRC:

**Primary Principle** – The Bilateral Hub facilitates faster and more effective resolution of requests and improves the accuracy of market data to facilitate accurate customer billing. CPW139h proposes to increase the standardisation of site visit management, which should result in quicker resolution of customer issues. Moreover, follow-on site visits will mirror the steps and obligations of the initial site visit, ensuring that customers' preferences are always met when scheduling site visits. CPW139h also adds the ability to link requests to a newly created SPID retrospectively, hence enhancing customer records keeping. CPW139h should also enable trading parties to further improve customer service, and the quality of information provided to customers.

**Seamless NHH customer experience** – CPW139h continues the Bilateral Transactions Programme aim to standardise processes under one central system and support retailers in providing a seamless experience across wholesale areas. CPW139h further supports a seamless customer experience by standardising the approach to failed site visits and further facilitating the provision of information through the hub.

**Simple, cost effective and secure** – The bilateral hub offers a simple, cost-effective, and secure system for trading parties who currently rely upon multiple systems for progressing requests. One central system maintained by MOSL also allows recovery processes to be consistently maintained in line with code requirements. CPW139h enhances the processes available in the bilateral hub, reducing trading parties' reliance on multiple systems.

**Transparency and clarity** – The proposed additional enhancements to the bilateral hub are accompanied by clear, open and transparent code drafting. This makes the new arrangements and standards complete, concise, structured, unambiguous and readily accessible to both existing and prospective trading parties.

**Efficiency** – CPW139h continues the work of the Bilateral Transaction Programme to increase the efficiency and standardisation of processes and effective resolution of non-household customer issues. This approach reduces the complexity associated with using multiple processes and interfaces where a retailer's customer base is across multiple wholesale areas. Furthermore, the centralised technology platform will utilise links to other central systems (e.g., CMOS) to pre-populate fields with appropriate data, helping to maintain and improve data quality and avoid manual errors.

**Non-discrimination** – The bilateral hub is intended to be universally beneficial to market participants and does not discriminate against existing or prospective trading parties or groups.

## **Industry engagement and assessment**

The recommendation reports presented as part of CPW139 and CPM051 do not feature a traditional industry consultation. Instead, the OAG and Code Advisory Group (**CAG**) were directly involved in the assessment and development of CPW139h, each consisting of subject matter experts from Retailers, Wholesalers, MOSL, and where appropriate, third-party integrators. Representatives of these groups expressed support for the change; for example, one expressed the view:

*"The enhancement to the site visit process will help us keep a more accurate and easier to digest timeline on forms, making it simple for us to keep retailers updated without using workaround transactions which are misleading. Linking SPIDs to a no SPID form will make the Gap Site and TE application forms much easier to find when it is unclear*

*why a new SPID was set up or what the charges are based on, and we need to track back. The expanded options for attachments reduce the risk of information being shared outside of the Hub."*

## **Views of the Customer Representative**

The Consumer Council for Water (CCW) provided the following view on the change:

*"We support the enhancements to existing processes proposed under CPW139(h). As well as introducing new bilateral processes into the Hub where needed, it is also important to review and make enhancements to existing ones that may be needed to benefit customers. We agree that this change should improve trading parties communication, which could lead to a better customer journey and outcomes.*

*We agree with the proposal to provide additional site visit failure reason codes. It is important that in the event of such a failure, there is a comprehensive list of reasons so the retailer is in the best position to advise the customer and determine the best way forward. While the existing 'additional information' field may be useful for this purpose, we agree it is important to try and standardise processes where possible so trading parties are operating consistently. This also means customers are more likely to receive a consistent level of service too. Having clearer information on why a site visit has failed could help trading parties address root causes, which would also benefit customers.*

*We also agree with the proposal for the new follow on site visit functionality, as it is important to cater for situations where more than one site visit is required. Trading parties currently having to flag a prior site visit as failed if they want to record a follow on visit potentially causes confusion, and poor record keeping, which may mean incorrect information being shared with customers. Introducing this new functionality should therefore lead to more accurate communication. It is also positive that wholesalers will have to check with customers whether they require a scheduled appointment, or communication prior to the visit. Poor communication is an underlying theme of many customer complaints that reach CCW, including where wholesaler site visits have been arranged. A requirement to check in with customers may decrease these complaints, and could also lead to less failed site visits if customers are aware of, and can allow access to premises."*

## **Code Change Committee (CCC) discussion and recommendation**

The CCC considered this Change Proposal at its meeting on 10 September 2024. It recommended, by majority (eight in favour, one abstention), that Ofwat approve this proposal. The proposed implementation date set out in the CCC's FRR is 13 December 2024 if Ofwat approval is received by 22 November 2024.

One member abstained due to a question raised at a previous CCC meeting of the Bilateral Hub Steering Group whether the pace of the Bilateral Transactions programme was too quick for trading parties. Although generally in favour of the programme, the member wanted more assurance that trading parties were fully implementing the solutions by the implementation dates. MOSL said that testing of the previous phase (CPW139g), due to be implemented in October 2024, was proceeding to plan. No concerns had been raised by trading parties, who were completing their assurance work on time. MOSL noted that CPW139h was small compared to previous releases. It sought to improve existing functionality in the Bilateral Hub rather than introduce new processes. Implementation would therefore require considerably less effort from trading parties.

In making its recommendation, the CCC considered that the change furthered the following WRC principles:

- **Primary Principle** – The CCC agreed that this change would benefit customers and further the Primary Principle for the reasons given by the proposer.
- **Seamless Non-Household Customer experience** – The CCC agreed that in standardising processes across wholesaler areas, CPW139h would align customer experiences across wholesaler areas.
- **Transparency and clarity** – The CCC agreed that CPW139h would provide better clarity whether follow-on site visits resulted from previous failed visit or were an expected part of the process.

## **Our decision and reasons for our decision**

We have considered the issues raised by the Change Proposal and the supporting documentation provided in the CCC's [Final Recommendation Report](#) and have decided to approve the proposal. We have concluded that the implementation of CPW139h will better facilitate the principles and objectives of the Wholesale Retail Code detailed in Schedule 1 Part 1 Objectives, Principles and Definitions, and is consistent with our statutory duties.

We think the implementation of additional site visit failure reason codes will help ensure trading parties are able to accurately record information in the bilateral hub, which will enable Retailers to communicate effectively with customers and liaise with them to determine the most suitable way forward. We agree with CCW that while the 'additional information' field may be useful for accurately recording the reasons for a failed site visit, providing additional reason codes will increase standardisation which can help promote consistency of service across trading parties. Additionally, we think the implementation of a functionality to allow follow-up site visits without marking an initial visit as failed will help ensure information in the bilateral hub is recorded

accurately and further appointments can be scheduled efficiently with customers as necessary.

We think a new functionality to link SPIDs retrospectively to requests will enhance the accuracy of trading party's customer records, so that any follow-up activity with customers can be dealt with efficiently and effectively.

Additionally, we think that an expansion in valid file formats will ensure trading parties are able to include all relevant information in a bilateral hub request, ensuring that requests can be dealt with efficiently and effectively. It will also reduce reliance on manual administration, improving trading party efficiency and reducing the risk of human error in data entry.

### Decision not to consult

Under Sections 66DB and 117G of the Water Industry Act, if Ofwat is minded to approve a change to the WRC, it is required to issue a statutory consultation on the change unless it is assessed as being unnecessary to consult. We assessed that it was unnecessary to consult on this change for the following reasons:

- **Does not significantly depart from the status quo** – as CPW139h implements improvements to existing processes in the bilateral hub, it does not substantially alter the status quo; it simply allows the more efficient and effective use of the bilateral hub.
- **Does not impose a new financial burden on trading parties** – as this change forms part of the Bilateral Transactions programme, for which funding was approved as part of [MOSL's 2023-26 Business Plan](#), it does not introduce any significant new financial burdens on trading parties. It also does not introduce any new OPS charges.
- **Change is not contentious** – We are satisfied from our engagement with market stakeholders that there is strong support across the board for the Bilateral Transactions programme. There was no indication from the OAG and CAG, which incorporate a wide range of stakeholders, that the change is contentious.

### Alignment with Principles of the WRC

We agree that CPW139h will further the **Primary Principle** by facilitating the work of the Bilateral Transactions programme, which will allow the more effective resolution of trading party requests and support the timely resolution of issues facing customers. With specific regard to CPW139h, we think that the proposed functionality improvements will better enable trading parties to ensure customer information held in the bilateral hub is accurate, complete and not misleading, which will allow them to carry out their work more effectively and efficiently and, where relevant, to



communicate with customers transparently and accurately. This also furthers the supporting principle of **transparency and clarity**.

We think CPW139h will contribute to a **seamless NHH customer experience** through standardising processes under one central system for trading parties, promoting a standardised customer experience. Additionally, expanding site visit failure reason codes will increase standardisation by reducing instances of trading parties having to enter the reason for the failure in a free text box. The change is **simple, cost effective and secure** as the incorporation of multiple enhancements simultaneously minimises costs and complexity, and the Bilateral Hub offers a simple, cost-effective and secure system for trading parties to communicate. We think CPW139h will increase the **efficiency** of the resolution of customer issues through increased standardisation of trading party interaction through the Bilateral Hub. We also think it will increase trading party efficiency by reducing manual administration burdens and increasing standardisation. This increased efficiency can reduce costs incurred by trading parties, supporting the **continued development and sustainment of an effective market**. The Bilateral Hub can be used universally by trading parties and therefore the principle of **non-discrimination** is furthered.

## **Decision notice**

In accordance with S.66DC(1)(a) and S.117H (1)(a) of the Water Industry Act, the Authority approves this Change Proposal.

**Shaun Kent**  
**Director, Business Retail Market**