

Minutes of Code Change Committee Public Session Meeting 37

11 March 2025

Broadway House, Kingham Room, Tothill Street, London, SW1H 9NQ

Status of the Minutes: **Approved**

MEMBERS

Anthony Pygram	AP	Independent Chair	Euan Mitchell	EM	Retailer Member
Steve Creighton	SC	Alternative Customer Representative	Mike O'Connor	MO	Independent Member
Matthew Glover	MG	Retailer Member	John Vinson	JV	Customer Representative
Ulrike Hotopp	UH	Independent Member	Jesse Wright	JW	Alternate Wholesaler Member

AFFILIATE MEMBERS PRESENT

Holly Woodhead	HW	Ofwat	Sarah McMath	SM	MOSL
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Helen Peace	HP	Secretariat
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OTHER ATTENDEES

Stuart Boyle	SB	MOSL Presenter (item 4)	Sayonee Nandi	SN	MOSL Presenter (item 7)
Huw Comerford	HC	MOSL Presenter (item 5)	Sasha Pearce	SP	Ofwat
Tom Daborn	TD	MOSL Presenter (item 7)	Simon Powell	SP	MOSL Presenter (item 1)

Monica Falasca	MF	MOSL Presenter (item 3) (virtual)	David Seymour	DS	Thames Water Observer
Steve Formoy	SF	MOSL Presenter (item 1)	Elliot Smith	ES	MOSL Presenter (item 8) (virtual)
Andrew Johnson	AJ	MOSL Observer (item 7) (virtual)	Peter Strain	PS	Castle Water Observer (virtual)
Evan Joannette	EJ	MOSL Presenter (item 10)			

APOLOGIES

Kye Smith	KS	Wholesaler Member			
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CLOSED SESSION

1 Open data and data sharing mechanism

- 1.1 The Committee received a presentation on open data and an update on the meter data-sharing mechanism proposed by the Strategic Panel.

OPEN SESSION

2 Welcome and Introductions

- 2.1 The Chair welcomed members to the 37th meeting of the Code Change Committee (the "Committee").
- 2.2 It was confirmed that the meeting was quorate with representation from each of the required categories of members.
- 2.3 The Compliance Statement was displayed, and Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda. None were declared.

3 Minutes and Outstanding Actions

- 3.1 The Committee noted the minutes from Code Change Committee 36, 11 February 2025, which had been circulated for review before the meeting. The Secretariat had received no comments. The minutes were confirmed as an accurate reflection of the proceedings and approved for publication.
- 3.2 The Committee agreed that the following actions should be closed:
- 3.2.1 • CCC34_01, the amendments to the cost template, included on the agenda;
- 3.2.2 • CCC34_02 articulating the links between [CPW157 \(Data Retention Beyond Seven Years\)](#) and [CPW152 \(Post-RF customer refunds\)](#), which was included on the agenda; and
- 3.2.3 • CCC36_01, Code Advisory Group's Terms of Reference, was updated with the requested amendments and confirmed with the Chair.
- 3.3 The Committee noted that the open actions CCC23_02 and CCC30_02 had target completion dates of April 2025 and August 2025, respectively;
- 3.4 The Committee noted and supported the request to revise the target completion dates for the following open action items:
- 3.4.1 • CCC31_02 [CPW155 Data Quality Assurance Flags](#), the PIR methodology was deferred until July 2025;
- 3.4.2 • CCC35_02 [CPM060/CPW156 Customer and Third-Party Access to Consumption Data](#), clear articulation of the scope of the assessment was deferred to August 2025 to align with the commencement of the work on this change; and
- 3.4.3 • CCC35_03 [CPM061/CPW158 Data/Report requests of the Market Operator](#) (previously, Data Report Release to Public Bodies) to be considered in parallel with Customer and Third Party Access to Consumption Data (CPM060/CPW156) would be tabled in August 2025 and September 2025 respectively.
- 3.5 **Cost template**
- 3.5.1 The proposal, included in the meeting papers, recommended amending the process guidance to emphasise the template, providing examples and undertaking a request for information (RFI) to gather generic costs, which would be used as a baseline for estimating code change costs and benefits. The Committee discussed the cost template and the proposed amendments with the following points being raised:

- 3.5.1.1 • Cost-benefit analysis was useful in informing the Committee of the magnitude and impact of changes proposed for acceptance into the change process;
- 3.5.1.2 • The Committee noted that an RFI for average/mean cost data would only be meaningful for a limited number of use cases where the data request included clearly defined parameters. EM and JW noted their willingness to assist in formulating the questions to be used as part of the RFI;

Action: CCC37_01

- 3.5.1.3 • The Committee noted this was the first request to establish a de facto set of aggregated industry costs. The Committee further noted that these baseline minimum cost profiles would be updated as trading parties advised that these no longer reflected the actual costs in future code changes or other industry research.

3.5.2 The Committee:

- 3.5.2.1 • **ENDORSED** (unanimous) updating the change process guidance;
- 3.5.2.2 • **ENDORSED** (unanimous) providing examples of completed templates; and
- 3.5.2.3 • **ENDORSED** (unanimous) the Request For Information to obtain baseline cost data.

4 Change Report

- 4.1 The Committee received an update from SB on the Change Report focused on prioritising pipeline Code changes. The following points were highlighted:
 - 4.1.1 • SB advised that [CPW132, Credit Support and Wholesaler Credit Ratings](#), was referred to the Competition and Markets Authority (CMA) on 26 February 2025. The timeline for the change from acceptance into the change process on 7 June 2023 to the CMA decision, which was expected on 2 May 2025, was noted.
 - 4.1.2 • [CPM051/CPW139 Bilateral Hub](#), although there were no further recommendations to be made, a change closure paper was expected to be tabled in April 2025. SB reported that following issues found in pre-release testing, the Steering Group had delayed phase 15 of the programme to avoid compromising quality or functionality. MOSL would be tabling a request with Ofwat to amend the implementation date.

Action: CCC37_02

- 4.1.3 • CPW155 Data Quality Assurance Flags, respondents to the consultation were generally supportive of the proposal, including the anticipated costs of circa £100k CMOS costs plus trading parties' costs. To ensure the solution was optimised for BR-MeX and MPF and would deliver the expected data assurance process efficiencies, MOSL wanted to further refine the solution prior to seeking a CCC recommendation (see item 7 below).
 - 4.1.4 • [CPM054/CPW145 Deductions and Withholdings under Disputes Process](#), the consultation process had highlighted discrepancies and alternative solutions which required further exploration. A meeting of the Disputes Committee was scheduled for 21 March 2025, where the feedback would be considered and confirmation on whether to progress the change.
- 4.2 The Committee:
- 4.2.1 • **NOTED** that the closure of the Bilateral Hub Change Proposal (CPM051/CPW139) would move from March to April 2025.
 - 4.2.2 • **NOTED** the recommendation on the Data Quality Assurance Flags (CPW155) to optimise the solution for BR-MeX and MPF.
 - 4.2.3 • **AGREED** (unanimous) the recommendation to revise the timeline on the Deductions and Withholdings under Disputes Process (CPM054/CPW145) from April to June 2025, noting the expectation that a recommendation would be tabled at the meeting on 10 June 2025.

5 Wholesaler MPS Charge Discontinuation (PIP236)

- 5.1 AR referenced the communication to the Committee circulated on Monday, 10 March 2025, which advised that MOSL had revised its assessment of PIP236 from failing to meet the initial acceptance criteria. The initial assessment had reflected PIP236 seeking to implement an element already proposed by the Market Performance Framework reform programme. The new assessment recognised the programme would have no effect on the Market Performance Framework in the timescales proposed by PIP236.
- 5.2 HC outlined the problem statement that wholesalers subject to both Market Performance Standard (MPS) charges and the incentive effect of BR-MeX could deprioritise MPS charges in favour of the significantly higher financial impact of BR-MeX.

- 5.3 The Committee discussed the initial acceptance criteria with the following points being highlighted:
- 5.3.1 • The Committee acknowledge that the proposed MPF KPIs would be reported in parallel with the current MPF KPIs. While the current MPF would continue to apply as the prevailing performance framework, there was a need for a shadow period to understand the impact of the new metrics;
- 5.3.2 • The change, if supported, would see the removal of MPS charges ahead of the implementation of the MPF Reform regime
- 5.4 HC advised that in considering whether PIP236 meet the acceptance and prioritisation criteria, MOSL was uncertain on whether the case for change was met, highlighting that while BR-MeX included a customer satisfaction score, the removal of these wholesaler incentives could negatively impact customers.
- 5.5 The Committee discussed the acceptance and prioritisation criteria with the following points being highlighted:
- 5.5.1 • The proposed rationale for the ‘evidence-based problem’, as presented, was potentially misleading, and a revision to reflect the potential for double counting/double jeopardy of incentives on common standards was recommended. Similarly, the rationale for ‘case for change’ was proposed to reflect that there was potential for a change in wholesaler behaviour, which may impact customers;
- 5.5.2 • The Committee previously approved the BR-MeX measures, which would come into effect on 1 April 2025. The focus on three categories, BR-MeX, the MPF KPIs and the MPS, which were never intended to run in parallel beyond the requested shadow period, was potentially diluting the focus of wholesalers;
- 5.5.3 • Responding to the query on whether the discontinuation of the MPS charges was expected to result in changes in behaviour, HC confirmed that no material changes were anticipated. These metrics, although not part of the KPIs proposed under the MPF reform programme, were within the remit of the Performance Assurance Committee to keep under review and introduce as additional indicators in the future;
- 5.5.4 • The Committee noted that the new MPF comprised those indicators deemed to be the best indicators of the performance of trading parties in support of optimising customer experience and did not include the six metrics which would be retired with phase one of the MPF. The MPF was intended to come into force on 1 April 2025; however,

amendments to the timing for the rollout of the programme and the request for an extended shadow period had resulted in a six-month delay in implementation;

- 5.5.6 • The Committee highlighted that the BR-MeX survey depended on customer contact/engagement with the wholesaler. The removal of the existing market performance framework before the introduction of the new MPF reform was considered premature;
- 5.5.7 • The Committee noted that the incentives which made up BR-MeX (M12, M15, and M18) would all be set to £0 from a performance charge monitoring perspective as these would feed into the BR-MeX performance incentive;
- 5.5.8 • The Committee noted that no formal decision had been made on the incentives that would make up the MPF Reform beyond those that formed part of BR-MeX. AR confirmed that this was expected to be tabled for consideration in July 2025 for recommendation to Ofwat.
- 5.6 The Code Change Committee:
- 5.6.1 • **DID NOT AGREE** (four in favour, four against) that PIP236 was accepted into the change process and therefore recommended to Ofwat that this change was rejected.¹
- 5.6.1.1 The Committee members who voted against the case for change criteria did so on the basis that;
- it was premature to retire these changes as the incentives which would replace them had not yet been agreed upon,
 - there was no evidence that running these metrics in parallel with BR-MeX would create a greater likelihood of double counting of penalties beyond the same risk with the new incentives,
 - there was no evidence that the retention would result in lower service relating to these standards by wholesalers,
 - there was a potential for an erosion of customer benefits/service as a result of removing these metrics,
 - the proposer had asserted that poor performance against an MPS could potentially also impact their BR-MeX scores leading to a wholesaler being charged under both

¹ At the meeting, a casting vote by the Chair was issued. Following the meeting, the Market Arrangement Code and the Terms of Reference for the Committee were reviewed, and it was confirmed that there was no provision for a casting vote. However, the outcome was the same as the proposal to accept the change failed to reach the required simple majority.

the MPF and BR-MeX incentives. Members were concerned that the same could be argued for all wholesaler charges which would undermine both current and future Market Performance Frameworks; and

- there were costs (time and resources which were limited) associated with progressing the change without an adequate case to support the change proposal.

5.6.1.2 The Committee members who voted in favour of the change did so on the basis that;

- there was a willingness to have the points of interest further investigated and assessed, providing an opportunity to submit further evidence to support or refute the concerns highlighted,
- the focus of the MPF reform was on the customer, and thus, there was support for increased focus on the new regime in the new financial year.

5.7 The Committee noted a potential challenge with the new change process, which required that, at the 'acceptance and prioritisation' stage, the Committee be satisfied that there was a problem that required further investigation and possible resolution. If accepted into the change process, further investigation and the recommendation of a solution would be tabled for consideration at the 'recommendation' stage.

6 CMOS Data Retention Beyond Seven Years (CPW157)

6.1 SN reminded the Committee that the change proposal, which sought to amend the CMOS Data Retention requirement beyond seven years, was considered in December 2024 and accepted into the change process. The change was placed on hold until March 2025 due to a limitation on MOSL resources and was now re-presented for consideration of the engagement plan and timeline.

6.2 SN reminded the Committee that the proposal put forward by Water Plus sought to extend the Code obligation on the Market Operator to retain CMOS data beyond seven years. The deletion of historical data could impact charging within the 44-month settlement window and refunds issued after this period, where meters had large gaps between actual readings, particularly long unread meters (meters without an actual reading in CMOS in the previous 12 months) and legacy long unread meters (meters without an actual reading in CMOS since market opening).

6.3 The timeline presented in the meeting included a proposed 'check-in' in July 2025, which was included due to the anticipated material costs associated with retaining data beyond seven years. It was suggested that the change be reassessed at this check-in point.

- 6.4 The Committee DISCUSSED the assessment plan, timetable and the PIR rationale with the following points being highlighted:
- 6.4.1
- Responding to the query around the retention of the data for the PIR, SB clarified that the change proposed the further retention of the data and therefore data would be available for a PIR 12 months after the implementation of the change if the change were not approved then data beyond seven years would be deleted as per the current codes and no PIR would be required;
- 6.4.2
- The Committee requested clarity around the type of data to be retained, who the data owner was, the purpose for which the data would be retained, and the period for which the retention of data was proposed as part of the assessment;

Action: CCC37_03

- 6.4.3
- SM confirmed that in line with MOSL's interpretation of the codes, the intention had been to commence with the deletion of data in September 2024, at which point this code change was raised. A key part of the process was understanding the overall cost, the impact on customers, and whether the challenge was unique to one trading party or more widespread. TD added that recognising the cost to trading parties of increased CMOS costs associated with the retention of the data for longer periods, the check-in point in July 2025 was included as an 'exit opportunity' to the code change process for CPW157;
- 6.4.4
- SN confirmed that a preliminary consultation was proposed as part of the design phase to inform the July 2025 'check-in';
- 6.4.5
- Responding to a query on the customer impact of deleting data, SN confirmed that the impact on customers of deleting data was within the scope of the data analysis which would be conducted but noted that initial reads were specifically called out in the codes to be retained.
- 6.4.6
- Responding to the query about potential hybrid solutions, SM noted that in the first instance, the change proposal would seek to understand the scale of the problem and then establish a decision tree for the deletion of data.
- 6.5 The Code Change Committee:
- 6.5.1
- **APPROVED** (unanimously) the revised assessment plan and timeline, as presented at the meeting, for CPW157, CMOS Data Retention Beyond Seven Years.

7 Data Quality Assurance Flags (CPW155) for replanning

- 7.1 TD reminded the Committee that this change arose from the Data Assurance Programme and sought to implement a centralised, automated data quality assurance mechanism within CMOS. This mechanism would encompass several flags and indicators in CMOS that would enable assurance to be demonstrated as completed and provide visibility on key areas such as mixed-use premises and external data source alignment.
- 7.2 The change was accepted into the process in September 2024 with a planned recommendation date of 11 March 2025. A strawman solution was developed with the Data Assurance Working Group in November 2024 and consulted on in January 2025. There was general agreement on the proposed indicators and transaction and support for the overall solution. However, some concerns were raised, including the number of flags proposed, the anticipated cost of the system changes, and therefore additional time was requested to refine and further develop the solution.
- 7.3 The Committee DISCUSSED the revised timetable with the following points being highlighted:
- 7.3.1
- Responding to the query on whether the extension of the timetable by four months would impact any other in-flight changes, TD confirmed that there was no anticipated impact on either CMOS resources or the Data Assurance Programme
- 7.3.2
- Responding to the query on confidence in the solution, which would be put before the Committee in July, TD advised that the additional time requested was to increase the confidence level in the recommendation tabled to the CCC and Ofwat and eliminate the need for potential rework.
 - TD advised that the level of data quality submissions and resubmissions was expected to decrease due to this change. TD undertook to articulate the data quality assurance flag process and the qualitative benefits of the change more succinctly in July 2025 when the recommendation was tabled.

Action: CCC37_04

- 7.4 The Code Change Committee:
- 7.4.1
- **AGEED** (unanimously) the revised assessment plan.

8 Interim Supply: Customer Data Provisions (CPW137) post-implementation review (PIR)

- 8.1 ES recapped the context and timeline of the CPW137 change, which sought to ensure that there was continuity for customer billing data during an Interim Supply Allocation event. The assessment period, the scope of the assessment and the outcomes of the PIR were presented. ES confirmed that the interim SharePoint solution was an effective repository for storing viable customer contact data monthly, at minimal cost, whilst upholding cybersecurity capabilities.
- 8.2 The Committee discussed the PIR with the following observations being highlighted:
- 8.2.1
- Responding to the query about a CMOS-based permanent solution, ES advised that the comparisons performed provided no greater data quality coverage than the interim SharePoint solution and at a cost in the region of £150k. SF added that the solution was spreadsheet-based but with a common format; a CMOS solution would not necessarily provide a simpler, seamless solution for trading parties using different CMOS interfaces. Retailers were expected to transfer their customer data to new retailers before exiting the market. Therefore, the CPW137 solution was not the preferred solution in the event of an interim supply allocation event but rather a workable 'plan b'.
- 8.2.2
- Responding to the query on interfacing between trading party systems and the interim spreadsheet solution, HC confirmed that this was dependent on the systems utilised by trading parties, some of whom would be able to import the spreadsheets into their systems with minimal challenge;
- 8.2.3
- Referring to the number of valid submissions detailed in the meeting papers, there was a query about the consequence for retailers of not providing these submissions. ES confirmed that MOSL actively engaged with retailers who had failed to provide submissions for at least two consecutive months. SF confirmed that compliance had been positive; he outlined the escalation steps, which would, in the first instance, be to the Performance Assurance Committee. SP confirmed that Ofwat also monitored this.
- 8.2.4
- The Committee highlighted that where retailers were failing to comply with this requirement to submit customer billing data, even where these accounted for a tiny percentage of SPIDs, this could be indicative of early challenges. The need for ongoing monitoring, which was considered monthly by MOSL was emphasised.

- 8.2.5
 - SM noted that the review of the Water Industry Act may allow the market to propose changes to the Supplier of Last Resort process.
- 8.2.6
 - The Committee noted that at least one month's data was always retained, which was replaced by new submissions when provided.
- 8.2.7
 - Responding to the query around whether all 25 retailers had provided MOSL with submissions, ES confirmed that 80% of all retailers had provided submissions; the remaining 20% accounted for less than 0.0023% of the SPIDs. ES further advised that the absence of verified data had, in all instances, been as a result of formatting issues.
- 8.2.8
 - The Committee noted that irrespective of whether the solution was SharePoint-based or CMOS-based, trading parties would remain reliant on retailers submitting customer billing data monthly.
- 8.3 The Code Change Committee:
- 8.3.1
 - NOTED the findings of the CPW137 post-implementation review.

9 Any Other Business

- 9.1 The Committee did not have any additional business to consider

CLOSED SESSION

10 Market Performance Framework Reform (standards and charges)

- 10.1 The Committee received a presentation on the MPF Phase One standards and charges.

11 Committee Reflections

- 11.1 Committee members shared their learning from other market governance committees and groups they had participated in and reflected on the meeting.