

# Minutes of the Market Performance Committee Meeting 46

28 January 2021 | 9:30 – 15:15

Held via Videoconference (Microsoft Teams)

Status of the Minutes: **FINAL**

## MEMBERS PRESENT

Pamela Taylor	PT	Chair	David Seymour	DS	Alternate Wholesale Committee Member
Claire Yeates	CY	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Don Maher	DM	Wholesaler Committee Member	Andrew Smith	AS	Retailer Committee Member
Wendy Monk	WM	Retailer Committee Member	John Vinson	JV	Independent non-voting member/Independent supporting observer

## OTHER ATTENDEES

Samantha Webb	SW	MOSL Presenter	Luke Austin	LA	MOSL Presenter
Matt Labrum	MLa	MOSL Presenter	Pam Nash	PN	MOSL Observer
Alexandra Piper	AP	MOSL Presenter	Markus Lloyd	ML	MOSL Presenter
Darren Hayes	DH	Ofwat Presenter	Janet Judge	JJ	MOSL Observer
Adam Boyns	AB	CCW Presenter	John Gilbert	JG	MOSL Observer
Milo Halford	MH	MOSL Observer	Steve Arthur	SA	MOSL Observer
Simon Bennett	SB	MOSL Observer	Milo Halford	MH	MOSL Observer
Farah Ali	FA	MOSL Observer	Aneesa Rahman	AR	MOSL Observer
Fabrizio Zamburlin	FZ	MOSL Observer	Georgina Mills	GM	Ofwat Observer
David Garner	DG	MOSL presenter	Annabel Parsons	AP	Satori

## APOLOGIES

Gerard Lyden	GL	Wholesale Committee Member	Ethan Fleming	EF	Secretariat
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## 1. Confidential Closed Session

Satori Presentation

Next steps and Agreement of Protocols

**Action: 46\_01**

## 2. Welcome and Introductions

- 2.1 The Chair welcomed everyone to the meeting and began by expressing gratitude to be chairing the committee and working with everyone.

### Agenda

- 2.2 The Chair noted that a new approach will be attempted in today's meeting in that some of the papers were for information and questions were by exception. The chair requested that in future meetings the description in the agenda of whether papers were for decision, discussion or information matched the description of the purpose in the papers.
- 2.3 SA began the session by updating the committee on changes that have been made in the business following work on the three-year business plan, and MOSL's strategy, purpose and vision. His role is being removed and as a result, he is leaving next month. He thanked the committee for its contribution in shaping the market and helping it develop on its promise. The committee wished him well in his future endeavours.

### Minutes Sign Off

- 2.4 MOSL noted there were no comments on the November minutes so the final draft is being prepared and will be published on the website.
- 2.5 The minutes of the previous meeting were agreed as an accurate and correct record.

### Actions

- 2.6 MOSL presented the actions to be closed namely: 41\_02, 41\_08, 42\_10, 44\_01, 44\_04, 44\_05, 44\_06 and 44\_07.
- 2.7 Action 44\_10 related to spikes in MPS 18 and 19, which are reducing and as a result legacy long unread meters are reducing. A member questioned whether this was because long unread are being read or is it because meters are being transferred but are still not being read. MOSL explained that it could be that they could be read or could be transferred, so there could be a number of reasons for the change, but it is difficult to know exactly what these reasons are.
- 2.8 In relation to action 44\_10 a member requested clarity on it and LA explained that it showed there was no correlation between high level of vacancy across new registrations.
- 2.9 A member felt that this action needs to be picked up in the data cleanse work with RFI and that it could not be closed. It was agreed that the action remains open until the data cleanse work is presented, and then it could be closed.
- 2.10 The Committee was content to close all actions except for 42\_10.

## 3. Market Performance

### Options for R-MeX 2021

- 3.1 MOSL explained that it is looking for agreement from the committee to move the R-Mex survey date. Currently the survey is sent in March and October but it is aware that TPs are really busy during these times. It was proposed that the survey is sent out in February and August instead, in order to miss year end and therefore hope for more detailed responses. MOSL is not proposing

sending the R-Mex out next month, instead it will send a survey out to gain feedback from Wholesalers on the survey completed in October and to gain insight on the steps they took to make any changes to their ways of working. A member questioned why it would not be appropriate to do a slim down version of the survey next month. MOSL reported that a survey had already gone out in October and they didn't feel it appropriate to expect Wholesalers to have made any substantial changes since.

- 3.2 A member commented that the new proposed date of August will be holiday season so extra response time would be required.
- 3.3 A member questioned that the new proposed dates would result in the AMPR reflecting the results of only one survey this year. MOSL explained that it would only be based on one survey anyway due to how the current timeline falls within the financial Year and this is the reason why the change being proposed. AMPR is a look back on the market.
- 3.4 MOSL explained that a big part of the feedback received was to do with the use of the Netigate system. Following this feedback, the decision has been made to use an Excel based survey moving forwards.
- 3.5 Another member suggested that within this August survey, it might be worth adding a question for retailers to ask if they think wholesalers have made adequate changes since the last survey. MOSL agreed to take this suggestion on board and took an action to include that in the next survey.  
**Action 46\_02**
- 3.6 The committee agreed with MOSL's proposal but made it clear extra time for the August survey would need to be considered, requested the inclusion of the extra question for retailers and careful wording within the AMPR.

## 5. Covid

5.1 MOSL explained that within this section it is asking the committee three questions regarding paper 46\_04:

- ◆ Does the committee recognise what is being given to them and does it agree with the conclusions?
- ◆ Performance is being assessed differently and whether the committee agrees with this approach?
- ◆ To endorse the recommendation to de-escalate WaterPlus from the watchlist to standard performance monitoring.

The Chair noted that Waterplus was not on the agenda nor had data on this decision been provided as part of the committee papers. She requested that future agendas include all items for decision, discussion or information and that all relevant data is provided as part of the Committee papers (N.B the papers can be slides).

5.2 MOSL agreed to pull out the key headlines on the MPS and OPS figures within the Market Performance updates and to answer any questions raised.

[MOSL Insight- papers 46-04 \(note that discussion on MOSL's analysis included comments on paper 46-05\)](#)

5.3 A member noted that some of the graphs in the paper (46\_05) were too small. The member questioned the task volumes for the large retailers as they had not seen other numbers. It was also noted that the committee could look at unemployment rates and furlough rates too. Furlough will finish at the end of the year so that will be a critical issue for the market.

- 5.4 MOSL took the feedback on its paper on board. It explained that with regards to the task volumes for the large retailers, they were designed to show that the tasks are not dropping off. Those tasks have effectively remained at the same level and the final piece on extra data will be the subject of MOSL's next paper looking at the economic analysis in which it will look at the figures from the office of national statistics.
- 5.5 A member enquired about the meters unread for twelve months and the assumptions made on the increase. It was hard to know the customer impact of these and what that means for the customer. A question was raised as to whether we have visibility of a meter being internal or external. MOSL explained that this data is included within CMOS however there is a question mark over the accuracy of this data. The member felt that despite the question over accuracy, it would be useful to see that data anyway. MOSL took an action to see what it can achieve with the data it has and will feedback in the next session.

**Action: 46\_03**

- 5.6 The committee discussed paper 46\_04 p5 where data on vacancy volumes was presented. A member opined that 3% seemed a low number to accurately reduce usage in the market. Some members felt that the YVE is not necessarily reflecting the usage. One member commented that we have an expectation that the figures should be greater than what they are, especially if we are talking about furlough having an impact then one would expect to see an impact on the market.
- 5.7 Another member thought that there will be some lag between what you are seeing here and what a trading party sees. It was questioned whether MOSL had a good insight into what each of the figures are for each customer and if not, then how it goes about getting that data. If the graph continued the trend, then YVE will become more important for settlement. It was noted that this trend could impact customers financially if the YVEs are not accurate.
- 5.8 MOSL explained that it is very difficult to say what a good YVE is without knowing the meter reads. It knows that retailers are trying to do the best they can. MOSL has not seen anything that it is overly concerned with.
- 5.9 A member questioned what the issue with automated YVE updates is given that the settlement value will be based on historical value and not YVEs. It was questioned whether this is just a natural extension from Covid as you would expect YVEs to reduce given that there is zero consumption on a lot of sites due to lockdown.
- 5.10 MOSL explained that YVEs were not the issue, it is useful to understand the trend given the impact on settlement, but it is not a problem. In fact, YVE ought to be considered as part of the reporting so we can get the whole picture.
- 5.11 A member thought that we ought to be careful with the conclusions we are drawing between CMOS data and customer billing. It needs to be understood whether YVE trends are impacting settlement, which would then be an issue. It is also not understood whether these sites are consuming any water at all and so whether YVEs are reflecting this properly.
- 5.12 A member opined that the use of YVEs is positive but that we are not seeing that uniformly across all retailers. There is the danger of customers being overcharged where a YVE is not reflective of reduced usage. It is not that YVE is a problem, it is whether they are being used correctly. We need them to truly reflect reality.
- 5.13 It was thought by one member that from a wider perspective, there is less cash being collected from customers and this being collected slower. Retailers are still having to pay wholesaler charges. When meter reads do come through, that sets the level of billing.
- 5.14 From the discussion, MOSL felt that it had the endorsement from the committee and that the revised approach to market performance is useful but that will do the insight work on what it is

finding on YVEs. It will need to look at the volumetric charges and what they actually mean for market consumption.

**Action 46\_04**

## Covid Reporting Decisions

- 5.15 MOSL explained that on paper (46\_05) it was asking the committee for thoughts on whether it goes in the direction on the economic analysis of the market. Whilst MOSL does not have a relationship with customers, trading parties do. If the direction of the committee is that we do need to consider this then it needs to see what else needs to be looked at regarding customer impact. It is a natural progression from where we are and moving to looking at customer base and impact on customers. If the 1.2 million customers in the market are declining, then that presumably has a knock-on effect on the market. MOSL wanted the committee's opinion on whether this is worth looking at, in terms of some customers becoming insolvent.
- 5.16 A member thought that it is important to compare back to what we are seeing in CMOS and what we see in the market data. If we are not seeing reduced customer numbers when we expect quite a few businesses to be closed right now but this is not being reflected in YVEs, then there may be an issue. Another member commented that we are missing future looking and forecasting, in that what happens with furlough. We are also missing trying to predict the future the best way we can and how we mitigate that risk. What are the things that will change and the impact this will have on customers? Is the market realistic of the economic situation?
- 5.17 It was felt by a member that MOSL does not need to do a lot of work into understanding what is happening to businesses as a result of Covid, but rather should analyse whether we are seeing what we expect to see in the data. It was suggested to reflect the numbers presented in Figure 1 as percentages, in order to see the behaviours.
- 5.18 A member felt that understanding the customer impact was vital. Customer insight research that CCW do jointly with Ofwat would be relevant here. We also need to understand that we are likely to see a big impact but would also need to see the impact on customers who have survived.
- 5.19 A member opined that an unfortunate reality is that retailers do not know the status of their customers, they only know that consumption has declined from meter reads or that the business is closed if reads are skipped. They do not know if a business is temporarily vacant or permanently vacant. It is difficult for a meter reader to determine that. It is therefore not enough to understand the economic metrics as this data can be sought from credit management. The question is not even about insolvency as, we will not know until the point of administrators being appointed that that customer has entered insolvency. A retailer is therefore blind to this and has few mechanisms to truly know how its customers are doing financially, particularly during Covid.
- 5.20 It was suggested by a member that if we are talking about economic data, then MPOP might be a good place to explore that.
- 5.21 The committee discussed the regularity of the reporting. A member thought we had to be cognisant of the external economic factors that are likely to affect performance, as on a monthly basis it will be problematic to track and will be easier to monitor at the end of the year through MPOP. It was also thought that there will be a huge time lag between when insolvencies/vacancies happen and when these are reported.
- 5.22 MOSL understood the conclusion of the discussion to be that it would go forward with this work and bring it back to the MPC and answer the questions it feels confident with. It does not have to come back on a monthly basis, but could look at reporting quarterly. It recognises that insolvencies is not part of the code and the data insight programme is starting to look at this.

5.23 The committee confirmed its support to take this forward on a quarterly basis. It was noted by one member that when we come out of this (COVID), we should know the data being collected and should ensure we review the process in order to be better prepared for next time and react more quickly so that Ofwat can be informed about what needs to be done in preparation. JV took an action to have a look at formulating the suggested timeline for this.

**Action 46\_05**

### De-escalation of WaterPlus

5.24 MOSL sought the committee's agreement with its recommendation that WaterPlus is de-escalated from the PRP watch list. It was explained that MPS 16 and 17 are linked and related to transfer reads, one is submission and the other is taking of the transfer reads. The previous decisions made for MPS 16 was that it was de-escalated from the watchlist and any improvements on MPS 16 could be captured on MPS 17. They still remain on the watchlist for MPS 17 but around April it was agreed that WaterPlus should remain on the list three months post Covid. MOSL is happy for them to be de-escalated and their performance will still be monitored each month. It was recognised that standard performance monitoring was paused because of Covid, and that this could bring on some uncertainty which may lead to some members deciding that they do not want WaterPlus to be de-escalated. It was explained that MOSL would look at it on a standard basis, with the number of fails, the task volumes and the charges incurred and see any concerning patterns every month. MOSL reassured the committee the WaterPlus could not just fall under the radar as there are performance measures in place.

5.25 A member asked whether the system changes WaterPlus had mentioned they were going to implement had been completed and whether MOSL had received any information from WaterPlus as to what work it had done. MOSL had not been informed about this.

5.26 Another member asked MOSL for its insight on the Covid situation, and specifically if it felt confident that WaterPlus has resolved the root cause. It was felt that as a potential action MOSL can formally review the de-escalation process. This was to help make the process more efficient and escalation quicker should it be needed in the future.

**Action 46\_06**

5.27 The committee gave its permission for the de-escalation agreeing that WaterPlus's performance warrants this. It was noted that MOSL would come back to the committee with information confirming that the root cause has been addressed by WaterPlus.

**Action 46\_07**

### Role of MPC Covid Sub-group

5.28 MOSL sought the committee's agreement that the COVID subgroup has now completed its work and can be disbanded.

5.29 The committee agreed with MOSL's recommendation.

## 6. Market Operator Compliance and Quarterly Update

6.1 MOSL explained that the paper (46\_07) is to fulfil the code requirement that MOSL reports its compliance to the Panel. This responsibility has been passed down to the MPC to fulfil. There were two points to pull out from the paper:

- ◆ There was a high impact finding where MOSL failed to upload a dispute on the website within the required timeframe, being one day late. A review was done and it was established

this was a human error, and there has been some guidance provided to ensure that this does not happen again.

- 💧 A medium impact finding – between June and November 2020 MOSL failed to publish the Guarantee Details and Declarations of Assurance on its website. The explanation for that is in the paper. The non-compliance was not picked up in the Q2 review because the requirement was not contained in the compliance matrix. MOSL looked at why this was the case. MOSL found that this was the only obligation within the MOSL Business Terms and it had been missed when the Matrix was created. MOSL have confirmed that they cannot see any other compliance requirements within this document but have asked its General Counsel to also look through and confirm.

- 6.2 No agreement from the committee was required, the paper was for the committee to note. A member noted that we probably have a duty on how this is reported to the Panel. The Chair took this as an action to report this in the committee update to the Panel. She requested the secretariat's help in preparing this report.
- 6.3 The committee had no other questions or comments and the paper was duly noted.

**Action 46\_08**

## 8. MPF Subgroup Update and Next Steps

- 8.1. CY reported that the initial MPF roadmap review with Economic Insights took place in August 2019, and this was followed by subsequent workshop sessions. MOSL presented the new roadmap in December 2019. The roadmap suggests that quite significant work on Phase 1 ought to have been completed with Phase 2 starting to be implemented. This had been behind schedule for various reasons including resource issues and Covid-19.
- 8.2. The MPF sub-group felt that there had been a drift from the principles they had first agreed and held a session to re-evaluate whether the principles were still right, which they confirmed were, and to get the framework back on track in order to meet the deliverables. This was felt to be important as the MPF was referenced across different workstreams.
- 8.3. The paper provided explained the MPF sub-group's suggestions. The MPF sub-group wanted to conduct a more holistic review in terms of what the purpose of the MPF is and what it should deliver and achieve, and then report back to the MPC.
- 8.4. A member mentioned that when the priority changes were made to the MPF measures there was an expectation that they would be able to see the impact of the changes and due to Covid-19 they had not been able to get feedback on some of those elements. The member queried whether the group had considered the impact of this missing information. CY reported that one of the things the MPF sub-group were aware of was the customer impact, which was a focus. It is likely there would not be visibility of some of the impacts for a while and there would be stages after more input and detail was received.
- 8.5. There was a focus on different types of incentives and levers and what was appropriate. They were hoping to get to a point where the incentives were finessed, and it was not just about the monetary value but included reputations and measuring the customer impact. The member agreed that the approach should be to develop different measures and the customer impact rather than how large the incentives needed to be.
- 8.6. DH commented that Ofwat were very supportive of this work and recognised its strategic importance. Linking to the creation of new metrics, Ofwat had commissioned work to look at the concept of a B-MEX incentive. This was now being started by Europe Economics and the results

should be published in April 2021. The findings could be passed on to the MPF sub-group or the wider MPC about the learnings and ownership of the work could then sit with the MPC.

- 8.7. The Chair asked how delayed the phases were and whether Phase 1 would be finished on time. CY explained that an update on timelines would be provided to the MPC at the next meeting.

**Action:46\_09**

- 8.8. The sub-group members regrouped after Christmas and presented a paper to MOSL to give direction on next steps. MOSL were happy with the approach but the timescales had not been reset. There was an ambition to make this happen as quickly as possible. The MPF sub-group had regular meetings scheduled and would be discussing timelines.

- 8.9. The Chair commented that it would be helpful for the MPC to have a role in monitoring and tracking the deliverables, and to have a revised timeline. CY agreed and mentioned the MPF should have a feature on the agenda at the MPC meetings to provide regular updates.

**Action:46\_10**

- 8.10. A member asked whether the MPF sub-group's principles had stood the test of time as the sub-group were sat in abeyance. CY confirmed that the sub-group felt the core principles and the areas the sub-group would explore were still right but some of the context had changed. There were also additional learnings that could be added to the programme.

- 8.11. DM commented that the purpose of the slot was to build momentum and ask MPC members to reacquaint themselves on what had previously been agreed to in order to continue to push forward.

- 8.12. The Chair asked what the MPC would be asked to consider next month. CY answered that it was too premature to state, but it would likely to be a reassessment by the MPC on whether the metrics were the right things to consider. Additionally, there would likely be an update on how and when things should be tackled.

- 8.13. A member queried how clarity would be provided on a message around performance and incentives. CY responded that the MPF sub-group had discussed simplicity and clarity and were keen to have transparency. In moving forward, they were keen to ensure trading parties understood how, when, and why they were measured and what the associated incentives were.

- 8.14. The MPC welcomed the update from the MPF sub-group. The MPC members would read the papers and reach out to CY if there were any further questions.

**Action:46\_11**

## 9. Market Improvement

- 9.1. LA reported that he had received detailed comments back on paper MPC46\_09 from members. The comments were well received and some of the comments on the approach showed that engagement from the leads at MOSL needed to improve with TN and the MPC.

### MPOP Reporting

- 9.2. LA reported that one of the comments was on the completion rates for items on MPOP. Specifically, the question was asked why these were so high given that the outputs had not been seen. LA explained the way the completion rates had been progressed and captured was about the activity and the steps to be taken to provide the deliverables. There was also an element that MPOP is a twelve-month plan on activity, some of this would become BAU particularly on implementation. He recognised that there could be an improvement in communicating this to the MPC.

- 9.3. For example, with data cleanse the deliverable was a data cleanse plan and a review of the incentive. A lot of work had been done on that in terms of the RFI and the analysis and research with SMEs across the market to assess the issues. The final data cleanse plan was due to be published at the end of January but given the comments provided by members, and particularly TN, LA would like some oversight from TN before it is published. This was not originally planned as there had already been a lot of oversight and the RFI results were supportive of the vast majority of what was being proposed.
- 9.4. The completion rates were high as there had been a lot of work done in the background and further work completed following the RFI which had not been shared yet. LA commented that the issue was probably about how MOSL communicated this and would be happy to share this with TN.
- 9.5. The Chair asked whether the MPC was comfortable with the approach mentioned given that they had raised a lot of questions and whether the reaching out to TN or particular members would be an adequate solution.
- 9.6. TN mentioned that his comment about completion was not trying to undermine any work done but was to ensure the scale of the task was understood. TN mentioned that he would be happy to be involved and provide oversight, however the concern was about communication on the output and how it would be delivered back to the market to do the work set out in MPOP. A communication plan to try to get all trading parties to start cleansing the data would be quite tricky. There needed to be cognisance of what there was left to do and that trading parties understood what they were being asked, how it will be monitored and measured.
- 9.7. The members discussed concerns about how completion was measured. Communication could be misleading if stating the completion rate was 100% when, in reality tasks may have been moved elsewhere or if there was a high completion rate and the final task was a big task. There could be an issue with providing a misleading representation on what the MPC has done and delivered.
- 9.8. The communication needed to be clear and it was felt reports on completion could be delivered in a different way. If there were big tasks these could be broken down in the reporting with separate KPIs and tracking. Additionally, tasks should not be recorded as completed when they had been transferred elsewhere. Whether a task is complete or not should be based on whether it has met the objectives and how close it is to meeting the delivery of the objective.
- 9.9. A member added that if tasks set out in MPOP were passed on to other groups, for example the RWG, how would the progress and completion be tracked?
- 9.10. LA commented that part of the nature of MPOP is a twelve-month plan, which was why it was being reported in this way. If the reporting was not useful or misleading this could be changed. He was concerned about how much MPOP should go beyond the twelve months and how things that go beyond the twelve months should be captured. Some of the deliverables are multi-year but MPOP is yearly. MOSL would need to find a way to track the multi-year deliverables.
- 9.11. A member commented that in MPOP the commitment was to initiate tasks not complete them. It may be that MPOP needed to be widened out like the business plan and to set out the commitment and expectations on what was delivered and what is tracked throughout the year.
- 9.12. The request from the MPC was to revise the reporting to show whether the objectives had been met. There should be consideration on whether it could be shown if the task had gone beyond the twelve-months. Secondly, there needed to be consideration on how to track things that had been transferred.
- 9.13. LA confirmed that he would consider how to do this and come back to the MPC with a clear outline on what the deliverables were supposed to be, where the tracking was against that and what activities were left. Consideration would also be given to how to track tasks that had been handed over.

## Vacancy Challenge Application

- 9.14. LA reported that there are many problems with the VCA process. Work was started with a working group, containing some nominees from the MPC and other SMEs, but it was challenging to get an agreement on how to resolve the issues due to various complexities. There has been a lot of work done on this, but it is felt to be beyond the scope of the current MPOP.
- 9.15. MOSL looked at this earlier in the year and investigated whether this could be included in the bilaterals programme. This was considered to be a neat solution, but an interim solution also needed to be considered. A potential simple solution was to delete the VCA from the codes which could be justified on the basis that there were only a handful of trading parties using the VCA. It was felt that there was not enough to justify putting an interim process in place. Instead the idea was to start from scratch and come up with something more enduring. The idea was not to drop the VCA completely, but to potentially raise a code change on this.
- 9.16. The members discussed whether the bilaterals would be the right solution or whether it could be through a code change. JV queried whether commissioning the VCA to bilaterals would close down the opportunity for innovation to come into the market. A member commented that one of the weaknesses in the process was that bilaterals would be between wholesalers and retailers but challenges could be raised from retailer to retailer as well. The scheme had to allow for a wider cohort than bilaterals. Both CY and JV offered their support to take this forward and LA suggested involving Northumbria Water due to their previous involvement.
- 9.17. The members felt that the papers suggested the VCA process was being dropped and were assured from the discussion that this was not the case. There needed to be communication that the VCA has not been 'dropped off the cliff' and would be looked at. TN, AS and DS offered support in considering the options.
- 9.18. JG commented that he would be open to using bilaterals as a vehicle for VCA but he wanted to manage expectations on this as the bilaterals were already quite a complex programme. JG would be happy to consider this with LA.
- 9.19. A member commented that there were lots of solutions that could be taken, for example desktop analysis could potentially be used. There were two months left for something to be pushed on this and it was important to do so for credibility of MPOP in the market.
- 9.20. The MPC agreed that reporting needed to be clearer but welcomed the continued commitment to solving the VCA issue. LA acknowledged the comments and informed that MOSL had previously presented a paper to the MPC on a strategy plan for vacancy. The plan was to consider how to tackle vacancy as a whole, of which VCA would form part of.
- 9.21. The MPC agreed that the request was for MOSL to work with members that had offered their assistance to consider how this could be taken forward, consider a timescale for it and report back to the MPC next month.

**Action:46\_13**

## New Connections

- 9.22. MLa reported that responses to the new connections RFI were received in mid-January and he was providing a summary of those responses. A member provided comments about temporary building supplies and solutions. There was a disconnect between retailer and wholesaler feedback around supply point data quality and this needed to be explored further. MLa was reviewing the solutions on this and would be addressing these more fully at the next MPC meeting, but one of

the key elements was the way performance was measured around the timeframes of inputting data as opposed to data quality.

- 9.23. The other point raised in the comments was that there was a shortcoming in the RFI of not reaching out to developers. MLa confirmed he would reach out to developers before the next MPC meeting to obtain feedback and understand their level of engagement with the process and the market itself.

**Action 46\_14**

- 9.24. JV opened up a wider challenge on whether this should be in the market and if so whether a new model was required. A point was also raised on whether the authority needed to consider whether it should be taken out of the competitive market. Another member commented that this question was previously put to DEFRA and it was included in the market due to the interpretation of the law.

- 9.25. MLa said the solutions needed to be fully investigated before the next MPC but a sub-group may be required to discuss the elements raised. It was agreed that a sub-group should be created to debate whether this should be part of the market.

**Action:46\_15**

## 10. Updates

### Ofwat Update

- 10.1. DH reported that Ofwat were looking to publish a joint statement with MOSL to set out a response on the most recent national lockdown. This was still subject to board views so further information could not be disclosed yet.
- 10.2. Earlier this week Ofwat provided some clarity and information to customers on their website and on the Open Water website about meter reading. This highlighted the possibility of customers submitting their own reads where it was safe to do so. These updates were also supported by messages via Ofwat's social media channels.
- 10.3. A CFI was published in November on the work Ofwat were doing on bad debt. This took views on the approach in assessing whether revisions to protections were warranted in the retail market in respect of the risk of elevated customer bad debt due to Covid-19. The closing date of the CFI was 22 January 2021. Ofwat were working to consult on the preferred options on 31 March 2021.
- 10.4. Further work had been undertaken since the previous MPC meeting on the Customer Protection Code of Practice. Ofwat had published a decision before Christmas on CP0009 in relation to the CCW raised amendments. The changes introduced should clarify the expectation of retailers in terms of promoting and signing up customers to repayment schemes, and steps around engaging with customers before progressing to debt recovery stages. Additionally, there was a reporting requirement on retailers to provide data to Ofwat on a monthly basis on how many customers were on a repayment plan and where action was being taken against customers.
- 10.5. The deadline for responses to the CFI relating to the Castle Water raised amendments to the Customer Protection Code of Practice closed on 2 January 2021. The team had reviewed the responses and were drafting a consultation on the proposed position.

## CCW Update

- 10.6. AB reported that after previously seeing increases in non-household complaint levels in September and October there had been an overall reduction in November and December. The complaints reduced from a total of 311 complaints in October, to 267 in November and 224 in December. The levels in December 2020 were almost at the same level as they were in December 2019 and 11% lower compared to December 2018.
- 10.7. The reduction in complaints could be due to a couple of factors. Firstly, the steady increase of Covid-19 restrictions in this period may be leading to the same decreases that were seen in non-household contact in the first lockdown. Contact also generally tended to drop in December due to the time of year. Secondly, retailers were starting to manage backlogs better which seemed to be reducing the number of complaint levels.
- 10.8. There had been no changes to entry and exit complaints since June 2020.
- 10.9. After seeing a steady increase in metering and consumption complaints from July 2020, it had decreased in November and December. The disputed liability category accounts for the largest share of all complaints but there has been a steady reduction in these. There had also been a reduction in all other sub-categories, except for estimated billing which has remained fairly static. A few complaints had related to backdated charges, and a few Covid-19 related complaints on bills received whilst customers were closed.
- 10.10. There had been a slight increase in asset maintenance complaints for November and December, but numbers were typically still small. Most of the complaints related to meter maintenance and replacement issues specifically where meters were removed and there was a delay in replacing them.
- 10.11. After the eight complaints received in October in relation to insight and choice, where complaints related to customers being blocked from switching due to disputed charges, there had been a steady reduction in complaints. Due to the number in this category being so low it was difficult to say whether this was a particular concern and whether retailers were seeing large numbers of these issues.
- 10.12. There was a decrease in administration, debt recovery and surface water drainage complaints in December after a slight bump in November. Administration complaints have remained fairly static for the last few months, but complaints have related to delays and failures in responding to customer queries and complaints. The static level was not surprising given that some retailers had a backlog in contact due to Covid-19, but it was expected that numbers would reduce as retailers continue to work through the backlogs.
- 10.13. Debt recovery complaints had also reduced in December, although there was an increase in complaints where customers were chased for charges where no bills had been issued and for inaccurate bills during lockdown.
- 10.14. There was one operational complaint in December which related to a customer with multiple external sewerage incidents and delays in the wholesaler and retailer responding to the customer.

## 11. AOB

### Spring MPC Strategy Session

- 11.1. The Chair reported that the MPC had kicked off work on priorities in December and the intention during the spring MPC strategy session was to follow on from that with the added insight provided by the Satori review on how to enhance the MPC further. Secretariat to arrange a date for the spring MPC strategy session.

### MPC Tenure

11.2. A member raised a query about MPC tenure in light of Ofwat approving the change code for Panel members to continue their tenure through to September. The Chair commented that she sat on the Market Governance Committee and would raise this question there. The Chair would either provide an update at the next MPC meeting or communicate it before then.

**Action:46\_17**

### Panel Update

11.3. A member raised whether Panel updates could be provided at the MPC particularly in relation to Panel items being discussed that are related to MPC activity. The Chair informed she was happy to note that this should be included on the agenda.

**Action:46\_18**

### Bilaterals

11.4. MR introduced himself as the Integration Manager on the Bilaterals team and explained he would be acting as the bridge between the Bilaterals team and the MPC. MR informed he would be returning to the MPC at different points to provide updates on Bilaterals, including to share the plan on the transition process. This may include points for discussion and decision by the MPC at later dates.

## 12. Closed Session – Feedback on MPC46 Morning Session