

Minutes of the Market Performance Committee Meeting 70

16 February 2023 | 09:30 – 14:00

Held via Videoconference (Microsoft Teams)

Status of Minutes: APPROVED

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Louise Rutherford	LR	Alternate Wholesaler Committee Member
Neil Pendle	NP	Retailer Committee Member	Lucy Byrnes	LB	Alternate Customer Representative Committee Member
Fallon Wilkinson	FW	Retailer Committee Member	Sean Mills	SM	Ofwat Representative*
Shaun Kent	SK	Ofwat Representative*			

* Non-Voting Members of the Committee

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Alexander Cowie	AC	Secretariat
Markus Lloyd	ML	MOSL Presenter	Trading Party 1 Representative 1	TPR1	Trading Party 1 Presenter
Jacqueline Gibson	JG	MOSL Presenter	Trading Party 1 Representative 2	TPR2	Trading Party 1 Presenter
Sarah McMath	SMc	MOSL Observer	Trading Party 1 Representative 3	TPR3	Trading Party 1 Presenter
Harriet George	HG	MOSL Observer			

APOLOGIES

Adam Boyns	AB	Customer Representative Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Adam Richardson	AR	MOSL Representative*			

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies for absence had been received from AR, AB and JW and that LB would be standing in as AB’s alternate and LR would be standing in as JW’s alternate.
- 1.2. The Chair welcomed the Committee to briefly introduce themselves to the alternates.

- 1.3. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 1.4. It was confirmed that the meeting was quorate.

2. Performance Overview

- 2.1. The Committee noted the performance overview pack circulated on in advance of the meeting along with an update on new letters of concern due to be issued in February and the status of trading parties previously reviewed.
- 2.2. The Committee further noted the video update provided in advance of the meeting by ML which gave an update on the latest findings from the settlement accuracy market indicator.

3. Trading Party 1 Performance Rectification Plan Discussion

Trading Party 1 Discussion Prep

- 3.1. The Chair thanked Committee members for providing comments and questions on Trading Party 1's proposed Performance Rectification Plan ("PRP") in advance and the paper detailing the questions submitted was noted and the allocation of questions between Committee members was discussed and agreed.

Trading Party 1 Performance Rectification Plan Review

TPR1, TPR2 and TPR3 joined the meeting

- 3.2. The Committee received a brief presentation from TPR1 and TPR2 outlining Trading Party 1's proposed PRP and providing additional context to the root cause of performance issues and improvement projects being undertaken.
- 3.3. The Committee discussed Trading Party 1's proposed PRP and noted additional clarifications from TPR1, TPR2 and TPR3.
- 3.4. The Chair thanked TPR1, TPR2 and TPR3 for their presentation and engagement with the Committee and noted that the outcome of the Committee's discussion on next steps would be communicated shortly after the meeting.

TPR1, TPR2 and TPR3 left the meeting

Trading Party 1 Rectification Plan Decision

- 3.5. The Committee noted a statement from the Chair detailing the quantum of Trading Party 1's performance on certain metrics against other trading parties who had not been escalated to the Committee that highlighted the potentially lower impact on customers and the market of Trading Party 1's position.
- 3.6. The Committee reflected on the presentation from Trading Party 1 and the responses to its questions along with the information provided by the Chair, before agreeing next steps.
- 3.7. Following discussion, the Committee:

- **AGREED** (unanimous) to reject Trading Party 1's proposed PRP and request further clarifications and amendments be provided for short- and medium-term performance targets.
- 3.8. Following a request for clarification from the Chair, the Committee confirmed that Trading Party 1's escalation status should not be published on the MOSL website at this point.
- 3.9. SW confirmed that a written response from the Chair would be provided to Trading Party 1 as soon as possible and that Trading Party 1 would be given five weeks to respond. Trading Party 1's response would be circulated ex-Committee for comments, and its status would be reviewed at the April Committee meeting.

4. Trading Party 2 Performance Review

- 4.1. The Committee reviewed Trading Party 2's response to letter of concern issued in December as well as their recent performance and raised the following points:
- The Committee was generally satisfied with the response, which was viewed as positive, demonstrated a commitment to improving performance and that there was a clear involvement at Director level in the performance improvement projects.
- 4.2. Following discussion, the Committee:
- **AGREED** (unanimous) that Trading Party 2 remain in MOSL-led monitoring.

5. South East Water Performance Rectification Plan Update

- 5.1. The Committee noted the written update provided by South East Water on its performance against its performance rectification plan.
- 5.2. The Committee briefly discussed the update provided, noting that it was very positive.

6. Transfer Behaviour Analysis

- 6.1. The Committee noted the paper circulated in advance of the meeting which provided an update on the Transfer Behaviours audit, including retailer responses to the letter of enquiry and next steps as well as a brief verbal update from JG.
- 6.2. The Committee discussed the retailer responses and next steps, noting the following key points:
- While the issue of termination notice behaviour was one of serious concern, it is an area that falls under the Codes of Customer Practice, which is not a document owned by the Committee nor within its remit. Committee members welcome MOSL working with CCW and Ofwat to take this forward to understand the scale of the issue. The Committee recommended that, once the scale of the issue is further understood, the Chair should formally notify the Strategic Panel of termination notice behaviour as an identified area of concern outside of the Committee's remit.

ACTION A70_01

- The importance of actual transfer reads, and the potential impact of estimated transfer reads on customers as well as both the incoming and outgoing retailers was emphasised.

- The Committee noted that MOSL had written to retailers who disagreed with MOSL’s assessment that their transfer read policies appeared to be non-compliant requesting further clarification on why the retailer believed the policy to be Code compliant.
- The Committee noted that the MOSL audit was focussed on selected retailers whose use of estimated transfer reads had, following initial analysis, indicated potential concerns. Some Committee members felt there might be benefit in conducting a full market audit of all retailers transfer reads policies and requested that MOSL consider undertaking an audit of all retailer policies on estimated transfer reads.

ACTION A70_02

- The Committee noted that MOSL would review responses to its request for clarification on the policies that were considered non-compliant and that it would, in the first instance, work with those trading parties to rectify any non-compliant policies and/or behaviours. Where this interaction did not result in adequate performance rectification, MOSL would escalate trading parties to the Committee for review.

ACTION A70_03

6.3. The Chair thanked JG for her presentation.

OPEN SESSION

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Louise Rutherford	LR	Alternate Wholesaler Committee Member
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Markus Lloyd	ML	MOSL Presenter	Harriet George	HG	MOSL Observer
Jacqueline Gibson	JG	MOSL Presenter	Evan Joannette	EJ	MOSL Observer
Sarah McMath	SMc	MOSL Observer			

APOLOGIES

Adam Boyns	AB	Customer Representative Committee Member	Jesse Wright	JW	Wholesaler Committee Member
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Adam Richardson	AR	MOSL Representative*			
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7. Welcome and Apologies

- 7.1. The Chair welcomed attendees to the open session and noted that AR, AB, and JW had sent their apologies for the open session and that LB would be standing in as AB's alternate and LR would be standing in as JW's alternate.
- 7.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 7.3. It was confirmed that the meeting was quorate.

8. Housekeeping

- 8.1. The minutes of MPC69 in January were approved as an accurate record.
- 8.2. The actions update circulated in advance of the meeting was noted and it was:
 - **AGREED** that the following actions could be closed: A60_01.
 - **AGREED** that the following actions would remain open: A55_01, A59_01, A61_05, A62_05, A64_01, A67_05, A68_01 and A68_02.
- 8.3. The Committee reflected on action A62_05 and clarified that the expectation was that MOSL would include market performance trends for each metric as part of the performance overview pack going forwards. SW thanked the Committee for this clarification and indicated that it was likely that this detail would be added to the performance pack for the April meeting.

9. Development of Holistic Reporting

Absolute Performance Targets

- 9.1. The Committee noted the paper circulated in advance and welcomed a short presentation from SW on the proposed introduction of absolute performance targets for the following holistic metrics:
 - For retailers with more than 5,000 SPIDs:
 - Data Quality.
 - For retailers with fewer than 5,000 SPIDs:
 - Data Quality; and
 - Vacancy with Consumption.
 - For self-supply retailers and NAVs:
 - Data Quality; and
 - Vacancy with Consumption.

- For wholesalers with more than 1,000 SPIDs:
 - No absolute measures recommended at present.
- For wholesalers with fewer than 1,000 SPIDs:
 - UPRN;
 - VOA;
 - GIS;
 - Long Term Vacant; and
 - Legacy Long Unread Meters.

9.2. The Committee noted that for each of the proposed metrics the performance threshold would be set at 99.0% with the exception of the Long Term Vacant and Legacy Long Unread Meters measures for wholesalers with fewer than 1,000 SPIDs which would be set at 98.0% and the GIS measure for wholesalers with fewer than 1,000 SPIDs which would be set at 95.0%.

9.3. The Committee discussed the proposed introduction of absolute performance targets, noting the following points:

- While implementation of the absolute performance metrics would change how letters of concern are triggered, they would not change how the targets physically appear on the portal.
- Committee members were comfortable adopting a hybrid approach with some absolute performance targets and some relative performance targets and understood and agreed with the rationale for introducing absolute performance targets.

9.4. Following discussion, the Committee:

- **AGREED** (unanimous) the implementation of the proposed absolute performance targets from the March 2023 performance review onwards.

9.5. It was noted that the Committee would like to review the impact of the absolute performance targets at a later point, and it was suggested that this could be picked up within the performance packs as part of future trend analysis.

10. Tabled Updates

10.1. The tabled updates provided in advance of the meeting were noted.

11. AOB and Reflections

11.1. The Committee noted an update from JG that the statement of work and initial findings from the Non-Market Meter Audit were available on the MOSL website, and that further information on the results of this audit would be brought back to the Committee at its March and April meetings.

11.2. The Committee discussed a recent news article in the trade press that referenced the ongoing transfer behaviours audit, and it was confirmed that only information available in the public domain had been referenced in the article.

11.3. The Committee members reflected on the meeting.

11.4. There being no further business, the Chair closed the meeting.