

## Minutes of the Market Performance Committee Meeting 89 (Confidential)

25 September 2024 | 09:30 – 12:00

Via MS Teams

Status of the Minutes: Final

### MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Michael Rathbone	MR	Wholesaler Committee Member
Paul Baker	PB	Retailer Committee Alternate	Jesse Wright	JW	Wholesaler Committee Member
Neil Pendle	NP	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Fallon Wilkinson	FW	Retailer Committee Member	Sarah McMath*	SMc	MOSL Representative
Gerard Lyden	GL	Wholesaler Committee Member	Shaun Kent	SK	Ofwat Representative* (for item 7)
Adam Richardson	AR	MOSL Representative*			

*\*Non-Voting Members of the Committee*

### OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Axelle Saada	AS	MOSL Presenter	Markus Lloyd	ML	MOSL Representative

APOLOGIES

Wendy Monk	WM	Retailer Committee Member			
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**CLOSED SESSION**

**1. Welcome and Introductions**

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies had been received from WM who nominated PB as her alternate for this meeting. It was noted by the Chair that SK would attend the meeting for item 7 in Closed Session.
- 1.2. 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.
- 1.3. It was confirmed that the meeting was quorate.

**Performance Reviews**

**2. Trading Party One**

- 2.1. At the end of August, the Chair of Strategic Panel met with the CEO of Trading Party One and members of their team. Following that discussion it was agreed that Trading Party One would provide a new plan and that once the Performance Assurance Committee (PAC) was in place, it would continue with the monthly monitoring brief. The Panel will monitor in the interim period.
- 2.2. It was noted that Trading Party One’s performance has shown some improvement. However, the Committee felt that several trading parties are in a similar position. In terms of the peer comparison table and the Committee felt that, in that tight group of trading parties, moving up and down without performance improving a great deal was possible. It was acknowledged that this demonstrated the limitations of the current framework.

2.3. The Committee noted the plans in place to hold Trading Party One to account and the Chair thanked SW for the update.

### 3. Trading Party Two

3.1. The Committee noted that Trading Party Two's review had been brought forward from the original date planned as that would have been the last MPC meeting.

3.2. Trading Party Two has improved due to work on its Long Unread Meters (LUMs) and it has a plan in place to carry on with this work. The Committee noted that it has changed Meter Reading provider and that there will be a change of Contract Manager. The recommendation from MOSL was to continue with Focussed Monitoring.

3.3. The Committee largely agreed with the recommendation to continue with focussed monitoring but it was not convinced by the plans to improve on the metric measuring Long Unread Meters (LUMs). It was suggested that Reassurance could be an option with the changes in staff and potential lack of knowledge.

3.4. The Committee expressed concern about taking a wait and see approach and was unsure that there was any recognition from Trading Party Two about the potential for end-customer impact and what it is doing to mitigate this risk. The rate of progress was also questioned it was agreed that Trading Party Two should be asked about customer impact and any details of a plan to improve on its current position.

- **AGREED** to continue in Focussed Monitoring with an update at MPC90 on forward plans for improving performance and customer impact (and how Trading Party Two was working to mitigate the risk of the impact to end-customers) and recommend that the situation with Long Unread Meters (LUMs) is monitored carefully by PAC.

3.5. The chair thanked SW for the update.

### 4. Trading Party Three

4.1. The Committee noted that LUMs numbers had reduced in the last month. SES had issues with its meter readers and these issues have now been resolved and there have been tangible improvements in the Market Performance Standards (MPS) data.

- 4.2. Trading Party Three had a LUMs project which predated the Letter of Concern (LOC). Although there have been reductions in the number of LUMs this has not moved them out of the bottom quartile. Trading Party Three is currently working with the Wholesaler that accounts for 27% of its LUMS to work out the most efficient way to raise the bilateral requests for these. SW indicated that the plan appeared to be the right approach and recommended Focussed Monitoring.
- 4.3. The Committee, whilst noting that Focussed Monitoring may be the best way forward for Trading Party Three, did express concerns about the LUMs situation, particularly those that were not being addressed through its work with the wholesaler. Concerns were also raised about the customer impact and the length of time it was taking to improve as the level of customer complaints was high.
- 4.4. Following discussion, the Committee:
- **AGREED** to continue with Focussed Monitoring but that more information would be sought around the LUMs not being dealt with in conjunction with the wholesaler. More information would also be sought on the impact on customer billing and what was being done to mitigate this risk (in light of the level of customer complaints).
- 4.5. The chair thanked SW for the update.

## 5. Trading Party Four

- 5.1. A member of the Committee recused themselves from the meeting.
- 5.2. The Committee noted that Trading Party Four had improved performance (particularly on metering and verification) and that today, it would not trigger a Letter of Concern (LOC). Trading Party Four had set out the projects and plans to improve performance, taking on extra staff and having a dedicated team to look at Legacy LUMs. SW recommended to take Trading Party Four off Focussed Monitoring.
- 5.3. Whilst appreciating that there had been an improvement Trading Party Four's performance and the ongoing work it is doing to improve further, the Committee expressed a desire to keep Trading Party Four in Focussed Monitoring until next month. The Committee would like to review the results of the project work around Legacy LUMs (as it anticipated that this

should show an improvement in performance on this metric). It would also like to hear about the customer impact that is an outstanding action on the log (A85\_04).

5.4. Following discussion, the Committee:

- **AGREED** to continue with Focussed Monitoring for Trading Party Four with an update at MPC90 in October.

5.5. The chair thanked SW for the update.

## 6. Tabled Updates and Review of the Holistic Performance and Escalation Decisions

6.1. The member who recused themselves rejoined the meeting.

6.2. The tabled updates provided in advance of the meeting were raised.

6.3. The Committee was concerned about the situation with Trading Party Five as the progress of improvement on some metrics was very slow whilst on others, performance was deteriorating rather than improving. The Committee asked SW to find out from Trading Party Five why performance in some areas is deteriorating and to find out about the impact to customers. This will be reviewed at MPC90 in October.

### ***ACTION A89\_01***

6.4. SW confirmed that there were some smaller trading parties who had the potential to trigger a Letter of Concern but, as agreed with MPC, she had reached out to those parties and would update on this at the next meeting.

6.5. The Chair thanked SW for the update.

## 7. Working Practice/Handover to the Performance Assurance Committee

7.1. The Committee was content with the version that was presented and felt that it was pitched at the right level and captured the information well.

7.2. SK joined the meeting for this agenda item and asked that it was made clear that Ofwat representatives are excluded from the assumption of cabinet responsibility set out in

recommendation 20 on the slides. It was agreed that this clarification would be made in the final handover document.

## 8. Wholesaler Tariff Audit

- 8.1. The Committee reviewed the audit paper circulated before the meeting. AS confirmed that she would be presenting the findings to RWG next month and further (targeted) work will be carried out with the RWG Tariff Simplification Group.
- 8.2. MOSL would update the Tariff upload guidance as part of the next steps following this Audit.
- 8.3. The Committee was asked to consider the area of NAVs. Whilst it was acknowledged that NAVs not publishing tariff documents rests with Ofwat to resolve, the Committee was asked about its level of concern over NAVs not updating their CMOS data for several years. The customer impact is likely to be limited as NAVs usually also the retailer, but there is potential if the customer switched to another retailer as that retailer would have to resolve the issue.
- 8.4. The Committee was concerned about the prospect of retailers not knowing what they would be signing up to due to NAVs not updating CMOS data, as this was not encouraging competition and was not transparent. This was a concern especially as there is a lot of growth in NAVs. There was also concern about the lack of engagement with MOSL and all parties needed to be treated with equity.
- 8.5. The Committee was interested in the potential link between NAVs being candidates for Reassurance and their engagement with the Market more generally (including the updating of data to CMOS). It was agreed that a follow up from the MPC, the PAC or MOSL would be a useful outcome from the Audit.
- 8.6. The committee discussed the relatively poor alignment to RWG Good Practice Guides and that there may be a need to monitor ongoing alignment in the future. However, there was a recognition that alignment wasn't within the remit of MPC to manage.
- 8.7. MOSL confirmed that it will be working with the RWG to explore what can be done to encourage wider alignment with the Good Practice Guides. The committee also welcomed the proposed follow-up by MOSL on auditees commitments.
- 8.8. It was suggested that MOSL link up with the Panel Members responsible for this area so that they have sight of the Audit Report. The Strategic Panel can then decide whether this is an

area that they would like to address. It was agreed that AS will have a conversation with Ofwat to explore what else can be done to ensure that NAVs are meeting their code obligations with regards to updating CMOS data.

**ACTION A89\_02**

## OPEN SESSION

### MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Michael Rathbone	MR	Wholesaler Committee Member
Paul Baker	PB	Retailer Committee Alternate	Jesse Wright	JW	Wholesaler Committee Member Alternate
Neil Pendle	NP	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Fallon Wilkinson	JS	Retailer Committee Member Alternate	Sarah McMath*	SMc	MOSL Representative
Gerard Lyden	GL	Wholesaler Committee Member	Adam Richardson	AR	MOSL Representative*

*\*Non-Voting Members of the Committee*

### OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Markus Lloyd	ML	MOSL Observer
Axelle Saada	AS	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Miles Robinson	MS	MOSL Presenter	Angela Day	AD	MOSL Presenter
Reindorf-Elijah Akakpo	RA	MOSL Presenter	Peter Strain	PS	Castle Water Observer

### APOLOGIES

Wendy Monk	WM	Retailer Committee Member	Shaun Kent	SK	Ofwat Representative
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## 9. Welcome and Apologies

- 9.1. The Chair welcomed attendees to the open session and noted that apologies had been received from WM. It was noted that PB would be acting as alternate for WM. SK offered his apologies for this portion of the meeting. PS (Castle Water) was welcomed as an observer.
- 9.2. 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.
- 9.3. It was confirmed that the meeting was quorate.

## 10. Housekeeping

- 10.1. The Committee signed off the minutes for MPC87 (circulated prior to this meeting) as a true record of the meeting.

## 11. Market Operator Compliance

- 11.1. AD and RA joined the meeting. The Committee received information about Market Operator (MO) Compliance. There was one new non-compliance that was closed within the same quarter and details of this were circulated to the committee in the paper pack before the meeting. (Historical Transfer Reads Notifications). This was identified in early July and resolved at the end of August 2024.
- 11.2. The non-compliance relating to the User Forum Chair has now been addressed by Strategic Panel.
- 11.3. MOSL has carried out a business continuity exercise since the MO Compliance presentation to MPC. It was a system denial exercise working around having no access to CMOS.
- 11.4. It was agreed that the Data Retention item that is still being addressed will be kept open to the Performance Assurance Committee whose remit will include monitoring MO Compliance.

11.5. The Chair thanked RA for his presentation.

## 12. Market Performance Framework Reform Programme Update

12.1. The Committee received information on the Programme.

12.2. The Committee noted that Part A and Part B of the programme had been signed off by Ofwat and therefore implementation has begun. Part of this is the move from the Market Performance Committee to the new Performance Assurance Committee and it was confirmed that the Trading Party interviews for this will take place in the first full week of October and an announcement about the new committee will follow shortly after that.

12.3. Part C of the Programme, the Financial Tools, was progressing from a technical perspective. MOSL held a face to face meeting with Trading Party representatives in September, discussing key themes and a decision document on how the areas discussed will be taken forward will be presented to the MPF Steering Group. The main outcome of that meeting was a desire for a further consultation and a period of shadow reporting before implementation of the new Framework.

12.4. The Chair thanked MR for the update.

## 13. Tabled Updates

13.1. The Committee noted the Tabled Updates paper circulated in advance of the meeting.

13.2. The actions update circulated in advance of the meeting was noted and it was:

- **AGREED** that the following actions would remain open: A85\_04 and that it was prudent to keep A83\_05 (re: Decisions Log) open as a suggestion in the handover to PAC.

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