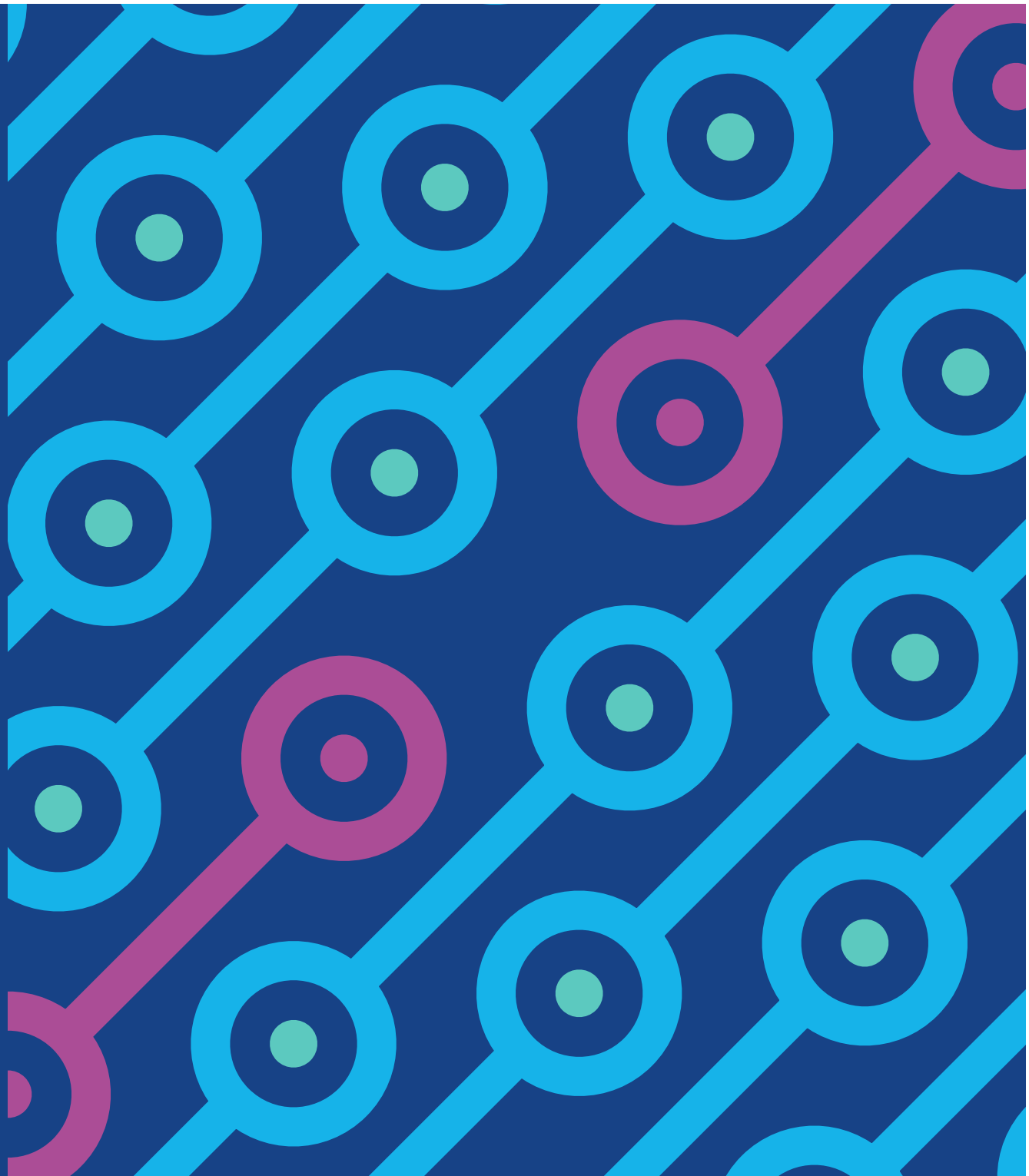


# Disconnection for Non-Payment

## Good Practice Guide



## Guide Summary

This document is a good practice guide around Wholesale-Retail Code Operational Terms Part I Process I1 and I2 and has been developed by trading parties under the Retailer Wholesaler group and the WIRSAE Panel.

Planning to Disconnect Preparation

Monitoring

Conducting a Disconnection

Conclusion

This document is dedicated to the late Andrew Bamber, whose drive, determination, and level-headed approach helped lead and construct this RWG Good Practice Guide.

This document has been deemed as a Water Retail Market Guidance or Good Practice Document by the Trading Parties involved in the Retailer Wholesaler Group (RWG). The document is designed to bring together in one simplified guidance/good practice document the different Wholesaler or Retailers Policies or Practices.

It is important to note that wholesaler or retailer policies and practices change from time to time and whilst effort is made to maintain the currency of this document if there is any doubt the current policy or practice should be checked with the relevant wholesaler or retailer.



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**Contributors:** Andrew Bamber (Chair), Amber Morton, Caroline Lindsay, Evan Joannette, Simon Bennett, Angela Brown, Neil Harper, Ian Booth, Richard Barton, Stephen Winnie, Kate Russell and Karen Hardaker.

**Target audience:** Retailers, Wholesalers and Accredited Entities (AE's) in the Water Market Objective.

### Objective

The objective of this document is to provide some standardisation and guidance for Retailers, Accredited Entities and Wholesalers in carrying out temporary disconnections for non-payment for 'normal usage sites. This good practice guide covers the Water Retail Market in England and Wales.

### Introduction

The Wholesaler is billing the retailer and is being paid through the settlement activity for the water their customers consume. The Retailer may need the wholesaler's support to ensure they are able to collect revenue from their customers. The Retailer is responsible for collecting the revenue from their customers and should they be in a situation where the bill has not been settled then prompt action will be required to set an expectation with the customer that full payment is required. One of the options open to the Retailer is the disconnection of the supply to that customer. From experiences in the Scottish Retail Market, water tends to be the last payment a company may choose to make.

This good practice document will provide both the Retailer, Accredited Entity, and the Wholesaler with guidance around conducting a disconnection for non-payment which should benefit all parties involved. In all cases all parties should always follow Part I of the Wholesale-Retail Code Part 3: Operational Terms.

Before any disconnection is progressed, Retailers are reminded to follow Ofwat guidelines around customer contact, payment frequencies and methods, correspondence in plain English, considering individual customer circumstances and any third party (AE or wholesaler) involvement.

### Approach

The Retailer Wholesaler Group (RWG) is a market group made up of Retailers, Wholesalers, the Market Operator (MOSL) and CC Water. The aim of the group is for Retailers and Wholesalers to be working together with key market stakeholders to improve the market and deliver excellent outcomes for customers.

Following a poll of the trading parties in 2017, disconnections for non-payment was one of the top 5 issues highlighted. A small subgroup was put together under the chairpersonship of the late Andrew Bamber (Retailer). Terms of Reference were drawn up and the output agreed. The group have met "face to face" on several occasions and shared/updated the RWG through the process. The RWG have also been working closely with the WIRSAE Accredited Entity Panel on improving the AE process and updating the Code of Practice. A group continues to meet annually to review and update this document.

## Validation

The Good Practice Guide was launched to the market in April 2018 and will be monitored by the group for the first 12 months to ensure its value. Feedback on its effectiveness and impact will be gathered through the RWG main calls and face to face meetings.

## Preamble

To minimise the use of Temp disconnection process. Retailers accept this process should be the last action in a process to ensure payment. Although subject to their own business processes and commercial decisions the following are good practice:

- On switching or acquiring a customer set clear expectations regarding payment terms and non-payment consequences now the customer has a choice and so accepts the retailer's terms and conditions as part of choosing to be their customer.
- Follow the defined collection process rigorously and consistently for all customers so setting an expectation of prompt payment.
- Prior to possible temporary disconnection seek to remind all types of customers of the costs and obligations of not paying as per agreed terms and conditions and the options available to support them in coming to an agreement with their retailer.

The market participants recognise that in many cases the objective of receiving payment will be achieved without physical disconnection but know that good pre-work and due diligence is an essential part of being able to deliver the outcome if required as is building awareness amongst customers of the resolve of retailers to ensure payment.



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## 1.0 Planning to Disconnect Preparation

The Retailer should conduct a detailed desk top survey on customer/SPID.

The objective is to minimise advising Wholesaler and others of SPID for which no Disconnection activity would be possible.

Suggested methods to verify SPID detail given not available in CMOS:

- GIS Mapping (if available)
- Google Search/Google Maps
- VOA Records
- Billing System(s)
- EHO Area (In preparation to advise if required on disconnection)
- Supply address/billing address (to ensure both are advised of the possible temp disconnection)
- Site visit Seeking to ensure we have wholesaler input at the earliest stage via form I/01 or email
- Issue disconnection letter on customer (generic sample attached covering all required aspects)

The Retailer will decide on who they will employ to conduct the work.

### Wholesaler

- Retailer raises the correct materially complete bilateral hub form (not a CSV file, to comply with market codes) and attaches a copy of any disconnection letter issued on their customer. Accept a standard letter as a sample trusting Retailer will have sent the letters on the stated date, evidenced by audit if required.
- The disconnection letter will have a hot line contact phone number and will state the timescales for reconnections and the stakeholder engagement (EHO etc).

- The Wholesaler on receipt of the bilateral hub form will conduct their own desk top survey using their own corporate systems. Assuming they have better detail, the objective is to ensure best due diligence before proceeding to Temp Disconnection.
- If the Wholesaler has any concerns, they should contact the Retailer immediately via the bilateral hub form stating both reason(s) and evidence. Both Wholesaler and Retailer should update their own records for future reference.
- If the Wholesaler has no concerns, they can continue to plan the disconnection.

### Accredited Entity (AE)

- Retailer or AE contacts the wholesaler via email listing the SPID's, customer name and address that may be disconnected. The Retailer or AE will only raise the bilateral hub form I/01 if a property gets disconnected.
- The Wholesaler on receipt of the email will conduct their own desk top survey using their own corporate systems (comment as per Wholesaler to conduct activity).
- If the Wholesaler has any concerns, they should contact the Retailer or AE immediately. Both Wholesaler and Retailer should update their own corporate records.
- If the Wholesaler has no concerns, the Retailer or AE can continue to plan the disconnection exercise.

## 2.0 Conducting a Disconnection

### Wholesaler

- The Wholesaler visits site. If the disconnection cannot be completed, the site team contact their Wholesale Services Team with reason(s) and evidence to record for future reference, who in turn contact the Retailer to advise of the situation.
- If the disconnection can be conducted, then isolate the water supply using a lock off/blanking device.
- Advise the customer that the disconnection is a request from their Retailer and the customer will need to speak with their retailer with regards to any reconnection activities, they will have a contact card and copy of retailer's letter (Sample and date sent).
- Advise that you will remain on site for up to 20mins.
- If the customer agrees payment with the retailer within the 20mins, the Retailer will contact Wholesale Services, who in turn will contact the site team. The site team will be authorised to reconnect the supply.
- If no payment/agreement is made within 20mins, the site team will leave site and notify Wholesale Services, who will contact the EHO/Defra/Own Customer Services Team.
- Wholesaler completes the bilateral hub form as per the Code.
- Wholesaler MUST be available to carry out the reconnection to the same timescales as for the AE i.e. if post 15.00 next working day, if pre-15.00 before 18.00.

### Accredited Entity

- The AE visits site. If the disconnection cannot be completed, they will contact the Retailer to advise with reason(s) and evidence to record for future reference.
- If the disconnection can be conducted, then isolate the water supply using a lock off/blanking device or alternative means to maintain the disconnection and inhibit customer self-reconnection.

- Advise customer that the disconnection is a request from their Retailer, and they will need to speak with their retailer with regards any reconnection. They will have contact card and copy of retailer's letter, could be template and standard details to ensure no Data protection breach.
- Advise that you will remain on site for up to 20mins to enable collection of payment.
- The customer agrees payment within 20 mins, the Retailer will advise the AE to reconnect the supply.
- If no payment/agreement is made within 20mins (see above), the AE will tag the stop tap and leave site. The bilateral hub form I/01 will be issued by either the Retailer or the AE to the Wholesaler. The Retailer will notify the EHO/Defra/Wholesaler.
- The AE MUST be available to conduct the reconnection to the same timescales as for wholesaler i.e., if post 15.00 next working day, if pre-15.00 before 18.00. It is good practice, due to various disconnection techniques available, that the AE is available to conduct any reconnection activities.

## 3.0 Monitoring

The Retailer will monitor all disconnections on a weekly basis. If they have concerns that the water may have been illegally reconnected, they will then notify the Wholesaler or the AE to re-disconnect. Experience suggests if the customer has not arranged reconnection in 5 working days, the disconnection imperative is lost in which case the retailer should be proactively working to understand why and seek payment by alternative means. If a disconnection is in place for more than 3 months, then the Wholesaler and Retailer should discuss flushing the supply for water quality reasons or making the disconnection permanent. The Wholesaler may monitor some disconnections but will not be able to recharge that cost to the Retailer.

## 4.0 Conclusion

This document has been put together by Trading Parties collaborating with the Retailer Wholesaler Group and the WIRSAE Accredited Entity Panel. It is with MOSL and all Trading Parties via the RWG page on the MOSL Web Site. The Good Practice Guide has been compiled to improve the existing process around disconnections and should be read in line with the Wholesale-Retail Code Operational Terms Part 3.

### Areas for further discussion

- Separation of supplies – NHH and Household.
- Obligations under the Water Act: NHH properties supplying HH property
- Types of Lock Off/Blanking Devices on the market
- Lock Off Management of Keys for OOH reconnection
- Changes to existing bilateral hub form
- Future field in CMOS for disconnection history
- Future field in CMOS to flag HH joint supply or not, positive verification over time.