

MOSL

User Forum

Online

**Hosted by
Markus Lloyd and Jakub Jager**

18 February 2026



Agenda



Item	Description	Who	Time
1	Introduction and Welcome: MOSL	Markus Lloyd and Jakub Jager	3 - 3:05pm
2	RWG update	Gerard Lyden	3:05 - 3:15pm
3	Change update	Olivia Bletsoe	3:15 – 3:30pm
4	Providing Assurance to the Market: Audit and Assurance statements update	Axelle Saada	3:30 – 3:45pm
5	Water Reform White paper update	James Higgins	3:45 - 4pm
6	MIF: No One Home update	Frances Youngson- Occutrace	4pm – 4:20pm
7	Discussion: Expectations around what a regulatory Sandbox would involve (Roadmap to a Flourishing Market)	Markus Lloyd	4:20 – 4:40pm
8	Closing and AOB	Markus Lloyd and Jakub Jager	4:40 – 4:50pm

18 February 2026

RWG update



RWG In-Person – 28 January 2026

Agenda Themes:

- Steering Group Update
- Sub-group Updates
- Market Governance Opportunities
- Meter programme and Smart Meter Read Hub update
- ‘If there was a magic wand’ discussion
- Adherence to RWG Guides

The [slides](#) from the event are available on the RWG webpage



RWG In-Person - January 2026



Sub-groups Highlights

Planned and Unplanned Events

- Publication of updated guides introducing guidance to encourage consistency in completing notification templates.

Smart Meter Roll Out

- Co-chairs – Sian Forward (Northumbrian) & Kye Smith (United Utilities)

Water Efficiency

- Seeking a Chair or co-Chairs to lead sub-group



How can you get involved?

A great opportunity to play an active role in shaping activities that will support the development of the business retail market for customers and trading parties:

- Join a sub-group
- Suggest an idea for a sub-group
- Become the next Retailer Vice Chair!
- To find out more about RWG please email rwg@mosl.co.uk or visit the [RWG webpage](#)
- Sign up to receive RWG emails, read Market Focus, engage with us on social media.





RWIG

Code Changes

Olivia Bletsoe
MOSL

14 January 2026



Change Proposals/Reports to table at CCC in next 3 months* (Part 1 of 2)



Title	Summary	Stage
	10 February 2026	
Change Acceptance and Withdrawals (CPM067)	Moves review of Market Operator decisions to fail changes against the Initial Acceptance Criteria from Ofwat to the CCC. Removes double negatives within the Initial Acceptance Criteria. Withdrawal of changes considered infeasible by both proposer and CCC.	Acceptance
Cyclic Read Skip Codes (CPW162)	Collate standardised reasons for missing cyclic meter reads in CMOS to support resolution of meter reading issues	Recommend
	10 March 2026	
Code Alignment with 2025 GSS Changes (CPW166)	Aligning market codes to changes in Guaranteed Standards of Services in Jul and Oct 2025	Recommend

*As of 06/11/2026 **Replanning

Dates for changes with PIP references are estimated.

Non-CMOS Change Proposals/Reports to table at CCC in next 3 months* (Part 2 of 2)



Title	Summary	Stage
	14 April 2026	
Primary Charges for Sites that Cannot be Disconnected (PIP249)	Retailers will not be charged by wholesalers where a disconnection (for debt) has been requested but the wholesaler is not able to action it (e.g. shared supply)	Acceptance
SPERR Use Clarification (PIP264)	Adding clarification around the responsibilities of retailers and wholesalers. This would include clarification around the backdating of premises found to be ineligible for the non-household market.	Acceptance
CMOS Deregistration Adjustments (PIP265)	Introducing a new transactions in CMOS that would allow adjustments, specifically to be used in the case of deregistration.	Acceptance
Change Acceptance and Withdrawals (CPM067)	Moves review of Market Operator decisions to fail changes against the Initial Acceptance Criteria from Ofwat to the CCC. Removes double negatives within the Initial Acceptance Criteria. Withdrawal of changes considered infeasible by both proposer and CCC.	Recommendation

*As of 11/02/2026 **Replanning

Dates for changes with PIP references are estimated.

Trading Party requests in next 3 months*

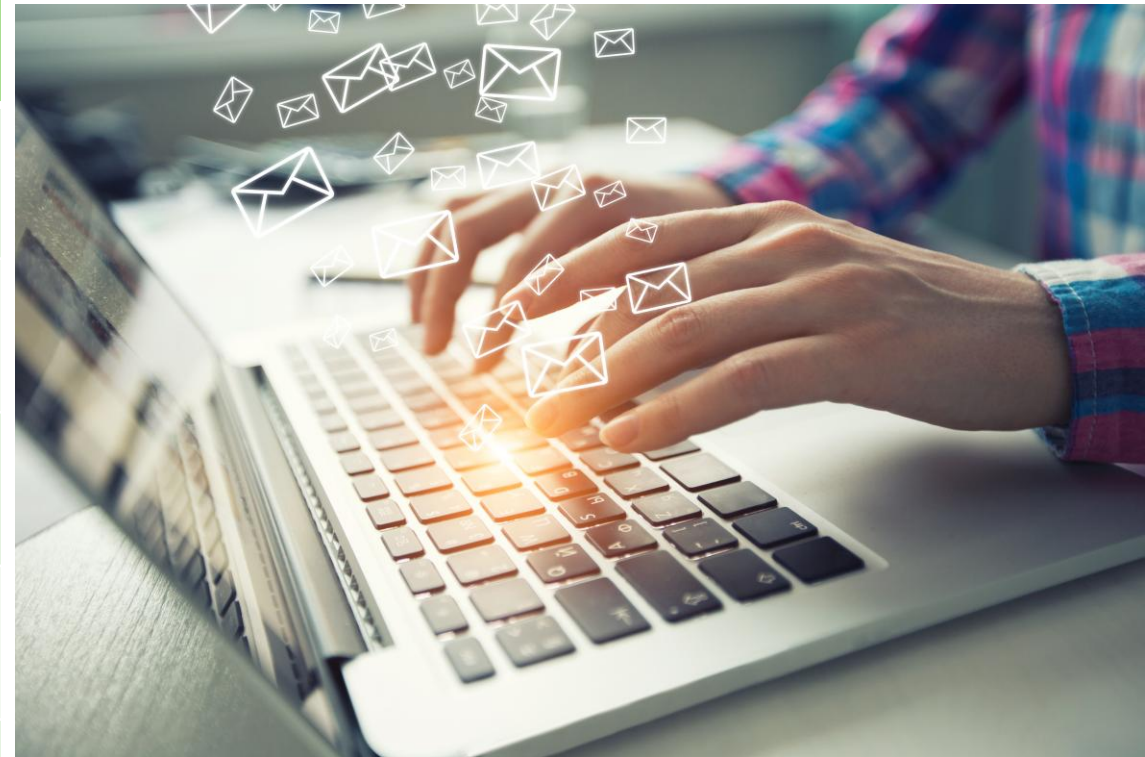


Title	Engagement Type	Date
Data Retention Beyond 7 Years (CPW157)	Consultation	11 March – 15 April
Smart Meter Read Hub - Phase 2 CPM064 & (CPW165)	Consultation	16 March – 3 April**

* As of 11/02/2026 , ** Dates TBC

Awaiting Ofwat Decision* (1/2)

Title	CCC Recommendation	Decision Due	Implementation
Wholesaler MPS Charge Discontinuation (CPM062 & CPW160)	Early Rejection		N/A
Interim Supply: Cost Recovery Mechanism (CPM063 & CPW153)	Unanimous recommendation		4 weeks following Ofwat decision
Interim Supply: Initial Cost Support (CPW154)	Unanimous recommendation		3 weeks following Ofwat decision
Post-RF Customer Refunds (CPW152)	Majority recommendation		6 months following Ofwat decision
Third-party Access to Consumption Data (CPM060 & CPW156)	Majority recommendation		Minimum 12 weeks following Ofwat decision

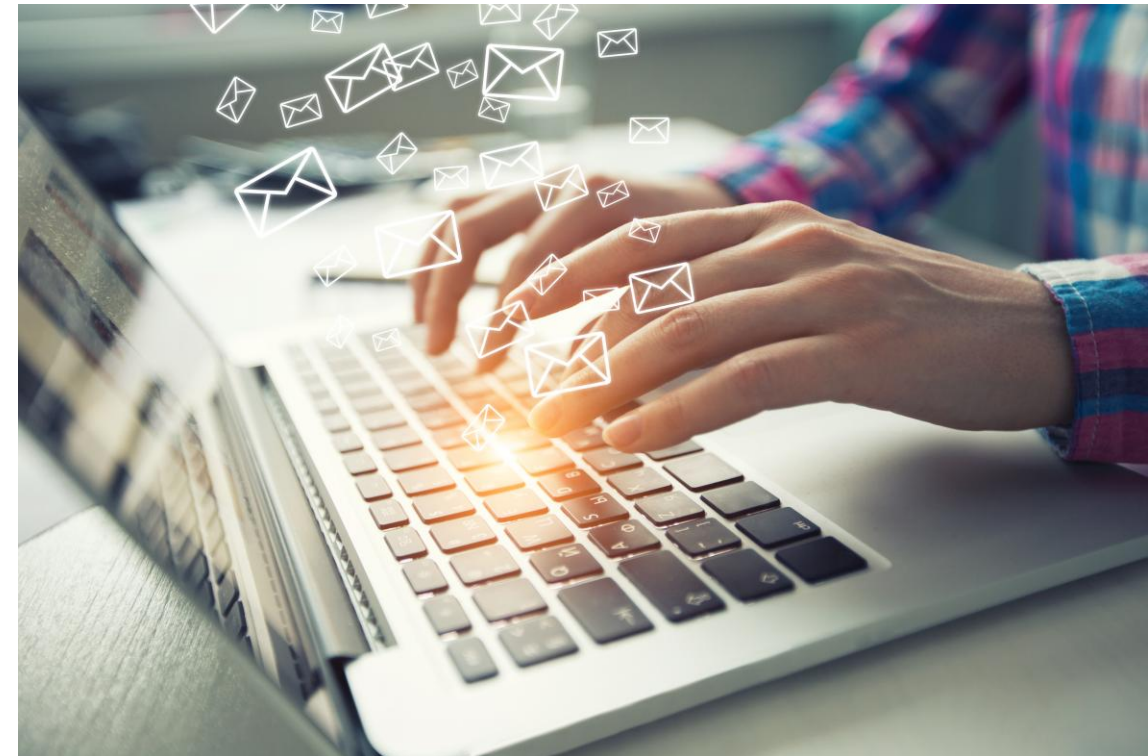


* As of 11/02/2026

Dates for changes with PIP references are estimated

Awaiting Ofwat Decision* (2/2)

Title	CCC Recommendation	Decision Due	Implementation
Third Party Requests to Wholesalers (CPW161)	Unanimous Approval	13 Feb 26	13 March 26
Deductions and Withholdings under formal Dispute Process (CPM054 & CPW145)	Majority Rejection	23 Feb 26	13 March 26
Data/Report requests of the Market Operator (CPM061 & CPW158)	Unanimous recommendation	6 Feb 26	10 April 26
Estimated Transfer Reads (CPW159)	Unanimous recommendation	9 March 26	8 May 26
Data Quality Assurance Flags (CPW155)	Majority recommendation	5 May 26	7 December 26
Cyclic Reads Skip Codes (CPW162)**	Unanimous recommendation	11 June 26	7 December 26



* As of 11/02/2026

**May not have been sent as recommended this month

Implementing*

Title	Central System Impact	Code Release Date
-------	-----------------------	-------------------

* As of 11/02/2026

Implemented in Last Month*

Title	Central System Impact	Date of Release
MO Admin of Authority Funds CPM065	None	5 Jan 26
MO Admin of Ministry Funds CPM066	None	30 Jan 2026

* As of 11/02/2026

MOSL

Any questions?



Providing assurance to the market

User Forum

Axelle Saada
MOSL

18 February 2026



Progress against the plan

- Three market audits fully completed, further two are ongoing
- **On track to complete plan by year-end**

Assurance activity	Delivery update	Status
Assurance statements	Two out of three tranches complete, third tranche launched on time.	On time
Bilateral deferrals audit	Final findings published in August 2025	Completed
Gap sites audit	Final findings published in December 2025	Completed
YVE audit	Final findings published in February 2026	Completed
Quality of bilateral requests resolution audit	Final findings to be published in March 2026	On time
M01 exemptions audit	Statement of work to be published in February 2026, final findings to be published next financial year	On time

Gap sites audit - summary

Why audit gap sites?

- Gap sites pose significant issues, including eligible customers not benefitting from the market and revenue loss for retailers and (when gap sites are not being billed at all) wholesalers.

Key findings

- There are differences in wholesaler processes when validating eligibility of gap sites and classifying SPIDs as new connections, gap sites, and changes of use.
- Incentive schemes could be improved (inconsistent formats and evidence requirements).
- Better collaboration is needed between wholesalers and retailers on assessing eligibility and resolving issues, and between water and sewerage wholesalers for premises served by distinct wholesalers.

Next steps

- Best practice guidance and code change to be developed alongside the Strategic Data Programme.

YVEs audit - summary

Why audit Yearly Volume Estimates (YVEs)?

- YVEs are estimates of annual consumption entered in CMOS by retailers. They provide a basis for estimation in the absence of read history and cap historic estimates if the historic estimates exceed $3 \times \text{YVE}$ value.

Key findings

- At R1, c1% of meters with no read history settle on the YVE value, and 8.6% settle on the YVE Cap (stable figures since last year).
- YVE Caps drive an average underestimation of c36% at R1 compared with actual reads. This effect is largely **temporary**, as the proportion of meters capped by the YVE falls to **0.2%** by the final RF run.
- Retailer practices remain highly variable (0–37% of meters affected by the cap across retailers).

Next steps

- We contacted the retailers with the largest proportions of meters affected by the cap and asked them to revisit their YVE settings. We will monitor progress, with a formal follow-up in one year.

MOSL

Any questions?



Water Reform White Paper

James Higgins

MOSL

18 February 2026



Brief recap

- An Independent Water Commission was [launched in October 2024](#) to undertake the largest review of the water sector since privatisation
- It was chaired by Former Deputy Governor of the Bank of England, Jon Cunliffe, with only renationalisation and the 2024 price review (PR24) explicitly out of [scope](#)
- The Commission published a [final report](#) on 21 July 2025 with 88 recommendations to UK (and Welsh) Governments
- On 20 January 2026, the [Water White Paper](#) was published, setting out which reforms the UK Government plans to take forward
- A Transition Plan will be published in 2026, outlining priorities, sequencing and engagement – ahead of the publication of the Water Reform Bill



Business Retail Market (BRM)

Independent Commission recommendations:

Recommendation 60: The UK Government should conduct a full postimplementation review of the BRM. The Welsh Government may also wish to consider a post-implementation review of the BRM.

Recommendation 61: The government and regulator in England and Wales should explore short-term measures to improve the functioning of the BRM.

White paper proposals:

Recommendation 60:

- Not specifically mentioned

Recommendation 61:

- Not specifically mentioned
- However, the white paper does commit to implementing a **new supplier of last resort mechanism** to ensure continuity of service in the event of unplanned retailer exits. (p28)

Additional points:

- Highlights ensuring BRM is operating effectively to support **economic growth and reduce burdens for businesses** (p28)



Regulation – a new single regulator

Independent Commission recommendations:

Recommendation 16: The UK government should establish a new integrated regulator in England. This should combine the functions of Ofwat, Drinking Water Inspectorate (DWI), and water functions from the Environment Agency and Natural England.

White paper proposals:

Recommendation 16:

- A **single, stronger water regulator** will oversee economic, environmental, drinking water and infrastructure functions (see →)
- An **'MOT' approach** will see regular health checks on water company infrastructure to identify and fix problems before outages or environmental harms
- A new **chief engineer role** will bring technical expertise and ensure oversight
- Dedicated **supervisory teams** for each water company will replace a one-size fits-all oversight model to better understand each company and tailor actions
- A new **Performance Improvement Regime** will give the regulator power to act fast and fix failures and avoid companies falling into a cycle of decline



Strategy and systems planning

Independent Commission recommendations:

Recommendation 1: Bring forward a new, long-term, cross-sectoral, and systems-focused National Water Strategy for England and Wales, respectively.

Recommendation 2: Revise the legal framework for the Strategic Policy Statement and replace this with a new Ministerial Statement of Water Industry Priorities (MSWIP), directing all water industry regulatory and systems planner functions.

Recommendation 3: A comprehensive systems planning framework should be introduced for England and Wales, with responsibility for integrated and holistic water system planning. In England, the systems planners should be regional – or 'regional water authorities'.

White paper proposals:

Recommendation 1:

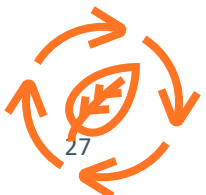
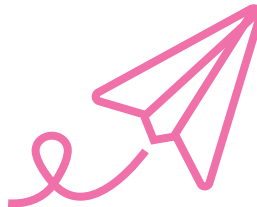
- The white paper is positioned as fulfilling the role of a National Water Strategy

Recommendation 2:

- New **strategic guidance will replace the Strategic Policy Statements (SPS)** to guide the decision making of the new single regulator. It will look ahead 25 years, with the first iteration informing the 2029 price review (PR29).

Recommendation 3:

- An improved water planning model will **consolidate the existing >20 plans into two** core planning frameworks
- An **enhanced, better joined-up regional planning function** will set out investment priorities to meet national water/growth objectives; a Regional Water Planning Steering Group will test new elements of this approach in 2026



Water efficiency

Independent Commission recommendations:

Recommendation 38: Tariff structures should be changed to incentivise water efficiency. This could involve removing falling block tariffs for non-household consumption.

Recommendation 40: The UK and Welsh governments should work with their regulators to develop a new policy and regulatory framework to drive the adoption of water re-use infrastructure in the household and non-household markets.

White paper proposals:

Recommendation 38:

- A **phasing out of falling block tariffs** by March 2030* to ensure fairer pricing structure and more responsible water usage (building on the recent [Ofwat consultation](#))

Recommendation 40:

- Govt will help **drive reuse and rainwater management** uptake for large non-household developments and large water users to support future water needs and growth – this will build on the [water efficiency in building regulations review](#) we responded to
- Govt will bring together a **non-household customer journey group** to understand how the government can support businesses, commercial and public sector buildings to adopt reuse



*Defra issued a correction to the originally proposed April 2026 date on 13 February

Smart metering

Independent Commission recommendations:

Recommendation 39: Standards should be issued for the roll-out of smart meters in the non-household market in England and Wales.

Recommendation 37: The UK and Welsh government should accelerate efforts to reduce household water consumption by introducing compulsory smart metering for a wider range of circumstances.

White paper proposals:

Recommendation 39:

- Not specifically mentioned

Recommendation 37:

- Not specifically mentioned

Related proposals:

- We are committed to unlocking barriers to **accelerate the roll out of smart metering, and expanding customer access to smart meter data**
- Water companies have committed to rolling out smart meters across 50% of homes/businesses by 2030, and government/regulators are **overseeing this via a Smart Meter Delivery Board** to help maximise customer benefits



Customer protection

Independent Commission recommendations:

Recommendation 44: The UK and Welsh governments should consider whether to convert the Consumer Council for Water (CCW) into a new mandatory Water Ombudsman.

Recommendation 45: The government should consider transferring the advocacy functions of CCW to Citizens Advice, providing a stronger voice for customers, that the water regulator is required to respond to.



White paper proposals:

Recommendation 44:

- A **new Water Ombudsman will have legally binding powers** to resolve customer complaints

Recommendation 45:

- A stronger voice for customers will be provided to **build on the Consumer Council for Water's advocacy role** (no clarity if staying with CCW)



Next steps

- A **Transition Plan** will be published later this year to set out the path to a new water system. It will be updated as necessary afterwards (see →)
- A new **Water Reform Bill** will bring forward the legislation needed to enable the system changes to take effect
- An interim **Strategic Policy Statement** from Government to Ofwat will provide direction during the transition
- MOSL and the Panel will **work closely with Defra and other stakeholders** to ensure the reforms help deliver improved outcomes for the market and business customers

The Transition Plan will cover:

- **The new strategic direction for regulators and water companies**
- **Guidance on water resources planning and PR29**
- **Regional planning implementation and interactions with business planning**
- **Interactions with existing regulators on BAU schemes**
- **The timing for primary and secondary legislation**
- **Managing change alongside PR24 delivery**
- **How engagement will shape the transition**
- **The timing and sequencing of reforms**

MIF Project No-one Home



Agenda



- Market Context – Tackling LTV in a Deregulated Market
- Aim & Objectives
- Dataset & Methodology
- Field Activities & Insights
- Challenges
- Recommendations
- Conclusion

Market Context

Tackling LTV in a Deregulated Market



- Market deregulation created shared responsibility for accurate NHH data
- LTV properties distort consumption patterns, billing, and water resource planning
- MIF initiative supports innovation to improve market efficiency
- Piloted an operational approach to tackle LTVs beyond traditional market-data methods.

Aims & Objectives

- Validate true occupancy status across complex LTV datasets
- Deploy technology (Limpets) to capture consumption evidence and occupancy status
- Improve targeting for future operational fieldwork
- Feed insights back into market governance and operational processes

Data Set & Methodology



- 4,500+ SPIDs refined to 1,400 representative sample
- AI-driven desktop tracing supported by analyst validation
- Prioritisation for field visits based on feasibility & data gaps
- Technology deployment where meter type and access allowed

Work Segments	Definition	Value
Zero Consuming	Premise with meter not recording consumption.	547
Registration Vacant	Registered vacant with a SPID created in the market, post market opening and vacant at the point of registration.	383
Vacant with Consumption	Premise is vacant in the market, but meter is showing consumption.	225
Long Term Vacant	Vacant for a long, extended period of time.	187
Residual Vacant	Residual Vacant, would be a SPID placed into the market from market opening and vacant at the time.	58
Grand Total		1400

Field Activities & Insights



- 630 sites progressed to field investigation
- ~200 visits attempted across multiple batches
- 34 Limpet installations achieved (eligibility + access constraints)
- Operational focus on validating meter location, access, and occupancy

Category	%
Access Issue	2%
Asset Issue	3%
Chamber Too Small	5%
Deregistered	2%
Health and Safety	4%
Internal Meter	10%
Meter Not Found	21%
Occupied Premise	51%
Original Meter Replaced	1%
Grand Total	100%

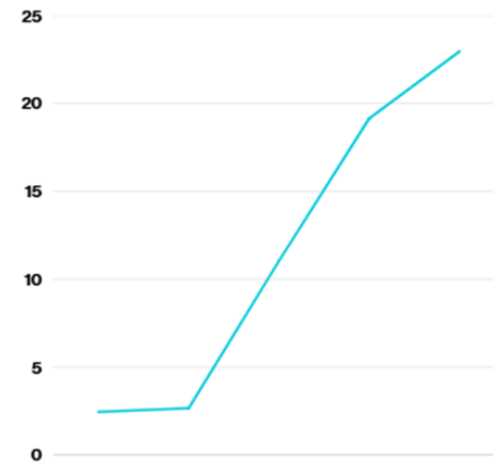
Summary: 51% occupancy; 10% internal meters; 21% meter not found and demolished sites

Field Activities & Insights ctn'd



- Confirmed occupancy changes at several properties using Limpet data
- Leakage patterns identified where consumption increased unexpectedly
- Large proportion of internal meters created operational barriers
- Data discrepancies (address, meter type) drove significant rework

839-841 London Road, SM3 9DR



Vacant Since	Install Date	Type of Property	Cubes Used	First Read	Last Read
N/A	18/02/2025	Shop	20.51	2.45	22.96

Challenges



Challenges Encountered Across Data, Operations & Stakeholder Processes

- **Premises Identification Issues** – Poor or outdated address data, demolished or converted sites, and unresponsive owners resulted in significant attrition and inefficient field deployment.
- **Occupancy Ambiguity** – Intermittent use, recent re-occupancy and faulty meters made true vacancy hard to verify, highlighting the limitations of market data alone.
- **Wholesaler Coordination Barriers** – Approval delays, differing technology preferences, installation refusals and suspected post-installation removal created uncertainty and reduced deployment opportunities.

Challenges ctn'd



- **Technology Constraints** – Limpets were only compatible with certain meter types and pit layouts; internal meters, signal issues, inaccessible chambers and faulty assets further restricted installation success.
- **Impact Across the Project** – These combined challenges limited installation volumes, increased operational effort, and reinforced the need for improved data validation, standardised processes and more flexible technology options.

Recommendations

- **Integrate Vacant & Occupied Workstreams**

Treat LTV activity as a combined strategy – validating vacancy, enabling rapid billing for occupied sites, and using revenue recovery to offset operational costs.

- **Improve Data Quality & Prioritisation**

Standardise addresses, reconcile asset data, deregister obsolete properties, and use indicators such as consumption history and trace outcomes to rank sites by likelihood of success.

- **Optimise Field Triage & Visit Efficiency**

Apply clear Go/No-Go rules, recognise when a visit is still valuable even without installation potential, improve owner/landlord access processes, and capture outcomes consistently (with photos where useful).

Further Recommendations



- **Enhance Wholesaler & Retailer Engagement**

Agree approval processes, turnaround times, and technology acceptance criteria; reduce barriers linked to meter replacement schemes; and jointly manage device integrity and potential removals.

- **Scale Intelligently, Applying Lessons Learned**

Use data-led prioritisation, region/property-type sampling and controlled pilots before scaling to ensure efficiency and predictable results.

- **Leverage Monitoring & Technology Benefits**

Embed monitoring into business-as-usual processes, expand coverage to ambiguous sites, and use insights from Limpet data to support proactive leakage and occupancy interventions.

Conclusion



- LTV properties remain a significant market challenge, affecting compliance, efficiency and water resource planning.
- From an initial 1,400-site sample, extensive cleansing reduced the viable investigation pool to around 630 sites, highlighting the scale of data quality issues.
- Field prioritisation led to 136 scheduled visits, with an additional 96 added late in the project to increase coverage.
- Installation success remained limited due to compounded challenges: internal meters, demolished properties, inaccurate market data, and wholesaler approval barriers.
- Despite this, the project captured high-value insight, including evidence of re-occupancy, leakage patterns and asset discrepancies.

Thank you!
Questions?





MOSL

Roadmap to a Flourishing Market Sandbox

Markus Lloyd
MOSL

18 February 2026

Action 07 - Sandbox

Ofwat to implement provisions in licences and market codes to support sandboxing that allows ringfenced trials of new approaches to better support innovation and subsequent wider change

Example - Energy

A regulatory sandbox allows energy innovators to trial new business models—such as local peer-to-peer electricity trading—in a live but controlled environment, with temporary regulatory flexibility, so regulators can learn what works before changing the rules

Peer-to-Peer Local Electricity Trading in a Regulatory Sandbox



Example - Mobile

Ofcom allowed a few organisations to:

- Run small, local mobile networks
- Use radio spectrum in new, shared ways
- Test this with real equipment, in real places, but on a limited scale

They did this under special, temporary permissions, so:

- Normal rules were slightly relaxed
- Consumers and other networks were protected
- Nothing risky was rolled out nationally

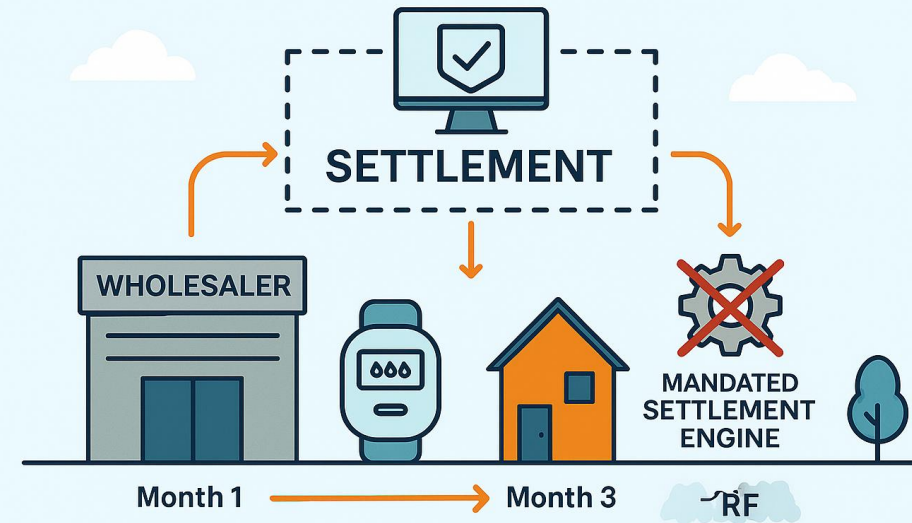
Shared and Local 5G Spectrum Use in a Regulatory Sandbox



Example – NHH Water?

Ofwat wholesalers and retailers to run settlement over a 3 month period (i.e. RF in month 3) for groups of smart meter enabled premises outside the parameters of the mandated settlement engine and its associated codified process

Ofwat Wholesalers and Retailers to Run Settlement Over a 3 Month Period



MOSL

Any questions?



AOB And Close



[Letter to business retail market participants regarding the guaranteed standards scheme in England and market participant questions - Ofwat](#)

Letter to business retail market participants regarding the guaranteed standards scheme in England and market participant questions

54.5 KB - PDF

Download