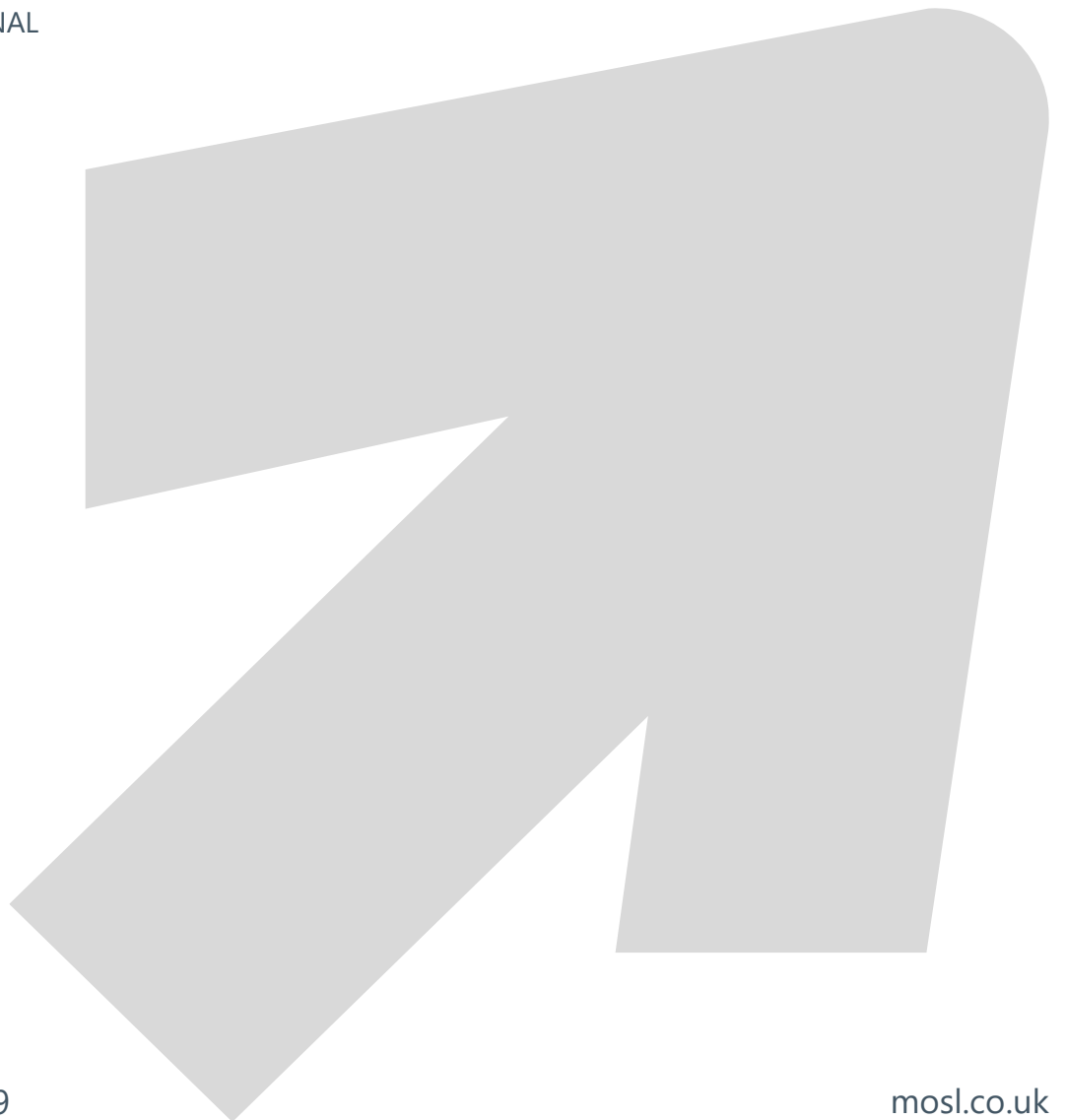


# Performance Advisory Group (PAG) 36

**Location:** MS Teams

**Date and time:** 1 May 2024, 1000 - 1200

**Status of minutes:** FINAL



# Meeting Minutes

## Market attendees

Name	(Initial)	Role/Organisation	Name	(Initial)	Role/Organisation
Adam Boyns	AB	CCW (O)	Peter Strain	PS	Castle (R)
Claire Hastie	CH	Business Stream (R)	Paul Walmsley	PW	Yorkshire (W)
Clare Garland	CG	UU (W)	Pam Nash	PN	C&C (O)
David Morris	DM	Waterplus (R)	Rebecca Gale	RG	Waterscan (R)
Daniel Proctor	DP	Waterplus (R)	Robbie Smith	RS	Pennon (R)
Emily Jerrome	EJ	Water2Business (R)	Shakima Fagan	SF	Everflow (R)
Harriet Eames	HE	Yorkshire (W)	Sian Forward	SFo	Northumbrian (W)
Gerard Lyden	GL	Thames (W)	Syndiso Bango-Dube	SBD	Waterscan (R)
Gillian Bladen	GB	South West (W)	Shaun Kent	SK	Ofwat (O)
Jamie Davies	JD	Castle (R)	Trevor Nelson	TN	Business Stream (R)
Lucinda Denvers	LD	Yorkshire (W)	Tim Brewer	TB	Wessex (W)
Mark Doherty	MD	Business Stream (R)			
Mike Rathbone	MR	Severn Trent (W)			

## MOSL Attendees

Name	(Initial)	Role	Name	(Initial)	Role
Chris Dawson	CD	Chair	Janet Judge	JJ	Observer
Jak Davidson	JDa	Presenter	John Gilbert	JG	Observer
Evan Joanette	EJo	Programme Lead	Luke Coyle	LC	Observer
Lisa-Ann Lott	LAL	Notes	Lisa Connell	LCo	Observer
Abby Jackson	AJ	Observer	Oli Robins	OR	Observer
Adam Richardson	AR	Observer	Simon Bennett	SB	Observer
Flo Monea	FM	Observer	Sam Webb	SW	Observer
Huw Comerford	HC	Observer			

1.	<b>Welcome &amp; update</b>
	<p>CD welcomed all members to the meeting, confirmed the agenda and the workshop format of the meeting including how the detailed design approval reaches sign off.</p> <p>CD reminded attendees minutes and slides are all published on the MOSL website for review and comment via mpfreform@mosl.co.uk.</p> <p>CD ran through the high-level programme plan.</p>
2.	<b>M04 Proportion of transfer meter reads performed within SLA</b>
	<p>JDa provided an overview of the design journey for metrics overall.</p> <p>JDa noted high-level overview of transfer reads provided at previous PAG detailing how each of the four metrics are interlinked.</p> <p>JDa highlighted when discussing tools relating to a metric at this stage it would relate to which type of tools should apply not any specific level of penalty/reward/compensation.</p> <p>JDa noted for metric design need to understand from PAG if the metric will measure and track the right activities, what is being influenced and whether the metric promotes the best outcomes for customers.</p> <p>JDa highlighted why transfer reads are important noting it is an activity which happens in an open market and needs to be seamless for customers when they switch from one supplier to another.</p> <p>JDa confirmed the behaviours the metrics are trying to influence include the swift submission of transfer reads and where possible for this to be actual reads taken near the transfer date. This enables the customer to receive and accurate and timely bill from their outgoing retailer.</p> <p>JDa noted following previous feedback at PAG on the number of metrics relating to transfer reads these have now been reduced by merging M04 and M05 into one single, simple metric.</p> <p>MD enquired if a trading party meets the old M04 requirement however missed date to submit would this still fail.</p> <p>MD noted if already operating under new way of working trading parties with good data who had however failed to meet submission SLA would not be worth submitting. May be worth continuing with the two metrics separately as this would incentivise both submitting and submitting on time.</p>

MD noted difficult to meet M05 and linking together takes away the urgency to submit.

JDa highlighted metric M06 would incentivise the submission as this reviews level of lateness and continues to accrue until submitted.

TN noted combining metrics does not make it simpler just less metrics and could become more difficult and less transparent. Combining may also make it more difficult to understand why a fail has occurred.

JDa enquired if for M04 a trading party were to pass on getting a transfer read would it matter at what point they submit it to make it a useful transfer read.

TN noted getting a read and being able to issue an accurate bill is always paramount as this affects the customer and where the two items are monitored independently this isolates where a retailer is underperforming i.e. are they failing to get reads or are they failing to enter the reads into CMOS in a timely fashion.

SW noted the focus is on a successful transfer read which is one that is both taken and submitted on time.

SW highlighted M06 which looks at lateness incentivises the retailer to submit on time.

TN noted if late submitting the read will be charged twice; fail on M04 and M06 for lateness.

SW confirmed will not have double jeopardy in terms of charges e.g. may fail on M04 and only be charged for failure against M06.

TN noted this adds complexity.

JDa asked attendees to consider if they prefer metrics to remain separate to ensure transparency and understanding of where any failures exist.

RS noted the two metrics combined do make up a successful transfer read and if the data was available to view between M04 and M05 would be beneficial to combine.

JDa ran through an overview of the metric as a combined metric noting current MPF provides an understanding of them separately.

JDa ran through the success criteria for M04 and the proposed SLAs noting these are as per the codes at present and there is no intention to change these.

JDa noted no performance concerns at present and thus not proposing to change the SLAs.

TN noted from the consultation it was indicated transfer read metrics could potentially attract a financial penalty should the submission of the read be late and enquired if the intention is to raise the bar on transfer reads to take into account the timeliness of submitting the read, hence combining the metrics.

JDa noted this could be the case however will be agreed with PAG and may therefore be different to the detail put out in the consultation.

TN noted not going out to consultation again and thus would not be collectively gaining market agreement and combining the two metrics could lead to a financial penalty where there had not been one previously.

JDa noted by combining metrics definitely raising the bar.

EJo noted TN's feedback should changes be made with financial implications may require further industry engagement.

AB keen to understand what is being done to encourage actual reads as high number of transfer reads currently estimates and how does this work with the SLAs will these need to be changed if greater focus on actual reads.

JDa noted may require a wider window to allow retailers to enter actual reads as opposed to estimate readings.

JDa highlighted code mandates to take an actual read where possible or a customer read and where neither have been obtained can use an estimated reading.

JDa noted current performance results include a large number of transfer reads which are estimates.

AB noted consultation explicit that incoming retailers should take actual reads and enter those and CCW keen to understand what is being done to encourage more actuals and what role the customers has to play in the onboarding process to take a read.

GL highlighted risk of a read submitted which is used for a final bill which then is removed as it was estimated and inaccurate this would cause significant customer issues and issues for the outgoing retailer in respect of debt risk etc, thus if the timescales need to flex on M04 to encourage actual reads this would be worth considering.

JDa noted the scenario GL described can exist with an estimate read however the codes encourage actual reads and the market requires re-education as to when estimated reads are permissible.

MD noted cannot delay a transfer, customers have the right to choose their retailer.

MD enquired if unable to take a read within the 'read window' by BD seven can an estimated read be submitted within the further eight-day submission window.

JDa confirmed an estimated read can be submitted in that scenario.

TN noted need to review current code arrangements to ensure working in best interests of customers and taking buying cycle into account.

TN highlighted customer may provide an accurate read at the point of discussing the switch however the switch may not take place for a number of weeks which would be outside the allowed time window.

GB noted preference for transfer reads to be customer reads until there is a fully working smart infrastructure as there is an environmental impact for taking ad hoc meter readings whilst the customer can provide the read without impact.

JDa enquired if the window should be extended only for customer reads or should it be extended for all read types and for M09 should consideration be given to an allowance if a customer read has been taken earlier and entered into CMOS.

TN noted would be useful to have more understanding in relation to customer reads noting most transfer reads have a degree of estimation as few are on the day of transfer.

JDa noted potential to extend the window for entering a read which would allow flexibility to add customer reads at the point of transfer.

TN noted this enables customers to take ownership of their transfers by providing meter reads and with traditional dumb meters diminishing will become more reliant on customers reads for those remaining.

EJo highlighted during last change to transfer reads there was not a large change in behaviours and need to be cautious in making assumptions.

**MOSL to review transfer reads to establish how many currently are obtained from customers.**

JDa noted not able to establish which estimated reads may be based upon an actual customer read which was taken before the read window.

SF noted the environmental impact of obtaining the transfer reads and the cost of those reads to the customer and thus customers prefer to take the reads themselves.

SF further noted would be useful to understand from the audit what the reasons are for estimated reads across the market.

**JDa to share audit findings with PAG.**

MD noted as opposed to reviewing how many customer reads are provided as estimates should review the downsides of an earlier window for all read types.

JDa provided an overview based on the current rules as to how the two SLAs work together noting transfer date is business day zero, the read window is minus two, plus seven and with the two SLAs combined this is minus two to plus 15 business days from transfer date.

JDa noted the metric would review transaction T108 and T105 for reporting.

JDa ran through scenarios for M04 noting fail scenario four would be a combination of fail scenarios two and three and should a trading party fail on either part of the combined metric this would fail as a successful transfer.

JDa provided an overview of what is expected for M04 and ran through the pass and fail scenarios detailed in the slide pack.

TN enquired if the metric is combined can you fail twice e.g. for not taking a read and not submitting on time.

JDa noted this would be a single fail whether it is because a read has not been taken or not submitted on time.

TN enquired if already failed where the incentive is to enter the read into the market.

JDa noted M06 which tracks lateness would provide the incentive to enter the read as soon as possible.

TN enquired if M06 is likely to attract a financial penalty.

JDa noted at consultation M04 was proposed as chargeable however M05 was not and M06 was proposed as chargeable to incentivise rectifying the failure at M04.

TN enquired if M06 would be based on even an estimated read being submitted late.

JDa noted this will be covered in discussions on M06 in due course.

GB noted not covered reporting timescales for the MPF and enquired on reporting timescales as potentially if a transfer occurs on the last day of the month with 15 business days the earliest reporting can occur is at day 16.

JDa noted cannot say something has failed until the opportunity window has elapsed and thus effects the reporting window.

GL recommended T +15 to enter a qualifying read for simplicity given currently can take T read in plus seven and then it's a further plus eight to submit.

CD enquired if the read window was extended would PAG be more comfortable in combining the metrics.

MD noted would prefer metrics to remain separate with a reviewed read window.

JDa noted if the metrics were separated this could cause a further delay in reporting due to the windows for reading and entering.

JDa highlighted this metric would be pass or fail and the performance target is likely to be set high given estimated reads are permitted.

JDa enquired if PAG agree on expected performance target being high and whether the metric should be chargeable and should a reward or any compensation be paid to the outgoing retailer or reward/compensation to the incoming retailer if they are impacted by poor performance.

TN highlighted if asking an incoming retailer to identify the meter, get the correct meter and read it except where there is a customer read need to take into account the data in the market and long unread meters when considering the performance level and acceptable tolerance of estimated versus actual reads.

JDa noted may encourage estimated reads and will need to consider acceptable tolerance of estimated versus actual reads in M09.

TN noted need to continue reviewing M04 combined with M09 to establish if driving the right behaviours and there are no unintended consequences.

TN further noted need to consider how retailers interact with their customers given this is designed to improve customer experience.

JDa asked PAG for feedback on the proposal.



	<p>EJ noted difficult to consider the concept of reward and compensation as ultimately it is the customer that is impacted if they do not receive an accurate bill.</p> <p>TN noted would not want to reward poor transfer reads being entered into the market in order to succeed or outperform MO4 and need to consider what behaviours the metric is looking to incentivise.</p> <p>JDa noted difficult to reward when there are still failures in the market as this means customers are still being failed.</p> <p>JDa highlighted how performance is being looked at for these metrics may not apply for all.</p> <p>JDa clarified if metric were to be combined this would be monitored at meter level as per the current MPS and is proposed to maintain the same frequency of monthly with the responsible party being the incoming retailer.</p> <p>TN noted post April 2025 with a substantial smart meter rollout will the responsibility for a transfer read on an activated smart meter remain with the retailer.</p> <p>JJ noted with code change submitted to Ofwat for approval the transfer read will remain the responsibility of the retailer however should a smart meter be fitted the retailer can utilise that data.</p> <p>TN noted if there is a central location for the reads from the smart meters retailers could capture the read from there.</p> <p>JJ noted there are discussions on granular data sharing and mechanisms for that.</p> <p>HC confirmed the responsibility will not change and the metering committee are reviewing the transfer of granular data once more smart meters are fitted.</p> <p>JDa thanked attendees for feedback received thus far and encouraged PAG to provide further feedback via email.</p>
<p><b>3.</b></p>	<p><b>M06 Lateness of overdue transfer meter reads</b></p>
	<p>JDa provided a brief overview of M06 noting it relates to the lateness of missing transfer reads i.e. those from the three fail scenarios against M04.</p> <p>JDa requested PAG provide feedback on the scenarios presented of how to encourage a read to be submitted where no read has been received alternatively look at the other two fail scenarios to create a comprehensive view of lateness.</p>

	<p>CD enquired if the lateness would only be tracked within the reporting period and therefore never be older than the current reporting period.</p> <p>JDa confirmed the missing ones would still fall into future months until a read comes in.</p> <p>JDa noted need to establish how late is late and should all lateness be treated equally.</p> <p>SF noted the first option is the most targeted however the second option provides an additional layer of information in regard to the magnitude of the lateness.</p> <p>SF further noted need to ensure fairness with any penalty or reward to ensure proportional to the failure which is being addressed.</p> <p>JDa noted scenario one is really impactful and stopping final bills going out.</p> <p>AB enquired if there could be multiple levels of failings and whether they could be judged differently noting this is not double jeopardy as the first is a failure to act and the second relates to how quickly this is rectified.</p> <p>JDa noted M04 is the most impactful failure and M06 relates to how late it is entered.</p> <p>TN highlighted there are three parties involved in the transfer, customer, outgoing retailer and incoming retailer and the outgoing retailer has a requirement under the code of practice to close down the account and send the invoice within a set time thus if the retailer is dependent on the transfer read to action that there is a consequence.</p> <p>JDa enquired how do we encourage a read to be entered before the end of the six-week period.</p>
<p><b>4.</b></p>	<p><b>Upcoming PAG workshop(s) &amp; AOB</b></p>
	<p>JDa enquired if PAG would prefer meetings scheduled and then cancelled if not required or short notice additional meetings.</p> <p>PAG generally agreed preference for meetings to be scheduled and cancelled if not required.</p> <p>JDa enquired if members prefer longer meetings with breaks or additional meetings.</p> <p>TN requested papers in advance and noted this may lessen the time required in the meetings in particular when something is being discussed for a second time.</p> <p>CD noted attempting to provide papers in advance for second review however more context required for first review.</p>

	<p>GL noted where more than one metric which speaks to the same work would be useful to review together.</p>
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