

Market Performance Framework (MPF) Reform consultation 2: guidance on how to respond

Context

Responding to the valuable feedback received ahead of and during the 13 March [webinar](#) on the second Market Performance Framework (MPF) Reform [consultation](#), MOSL has extended the deadline for responses until 6pm on Friday 21 April (previously 31 March). Please email responses to mpfreform@mosl.co.uk.

MOSL has also issued this updated guidance document and will hold a drop-in session 10.00-12.00 on 29 March to answer any questions prior to stakeholders submitting their responses. You can sign up to the drop-in session [here](#). Please send any questions you'd like covered by email to mpfreform@mosl.co.uk.

A reminder of the consultation questions

Question 1: Are there any metrics for a given activity that have not been shortlisted that should apply? Please explain your answer.

Question 2: Do you have any comments on any of the metrics? Please explain your answer (this could be in terms of cost, accountability etc).

Question 3: Are there any intervention tools for a given activity that have not been shortlisted that should apply? Please explain your answer.

Question 4: Do you have any comments on any of the tools? Please consider the potential impact on trading party behaviour, customer outcomes or any unintended consequences.

Question 5: Do you have any comments on the governance proposed? Please consider the governance layers involved in your answer.

Please quote the metric or tool reference for any metrics or intervention tools you refer to in your answers.

Guidance on how to respond

This guidance is intended to help respondents answer questions 1 to 4 on intervention tools and metrics.

We are not expecting every stakeholder to answer every question. We are also not expecting every stakeholder to comment on every single metric or intervention tool in their answers. Please focus on the metrics or intervention tools you strongly believe should or should not be in the future MPF.

When you write your responses, please ensure that it is clear which tool reference ID, which metric reference ID and which activity (if applicable) you are providing comments on. If you want to use one of the spreadsheets provided as supporting documents for your answers, please put your comments in a dedicated column and make sure it is clear which consultation question you are responding to with your comments.

Supporting documents to reference

- ◆ **Candidate metrics – key information:** [MPF metrics consolidated spreadsheet](#) - this document provides a list of all the candidate metrics and definitions to measure delivery/performance for top-tier activities
- ◆ **Candidate tools**
 - **Key information:** A high-level description of the intervention tools can be found on pages 19-22 of the [consultation document](#).
 - **Further information:** The [one-page overviews of intervention tools](#) covering the different aspects of each tool can be used as reference documents (optional read)
- ◆ **Optional detail on tools and metrics:** [Activity-metric-tool matrix](#) - This matrix shows, for each intervention tool, which market activities it could be used to incentivise and which metrics it would be based on. The first tab contains guidance on how to use it to answer the consultation questions. As this spreadsheet supports responses to Q3, responses to this question are welcomed but not required.

Example responses to consultation questions 1-4:

Q1: Are there any metrics for a given activity that have not been shortlisted that should apply? Please explain your answer.

Illustrative answer: GS.9 - we believe metric M014 should not only be applied to activity CV.6 but also to GS.9. We also believe GS.9 is lacking a metric around backdated bills.

Q2: Do you have any comments on any of the metrics? Please explain your answer (this could be in terms of cost, accountability etc).

Illustrative answer: We support/do not support metric M020A, M079B against activities CV.2, UWE4. We believe/ do not believe it would be practical / we believe it would be too expensive / we do not believe it would deliver improved outcomes for customers.

Q3: Are there any intervention tools for a given activity that have not been shortlisted that should apply? Please explain your answer.

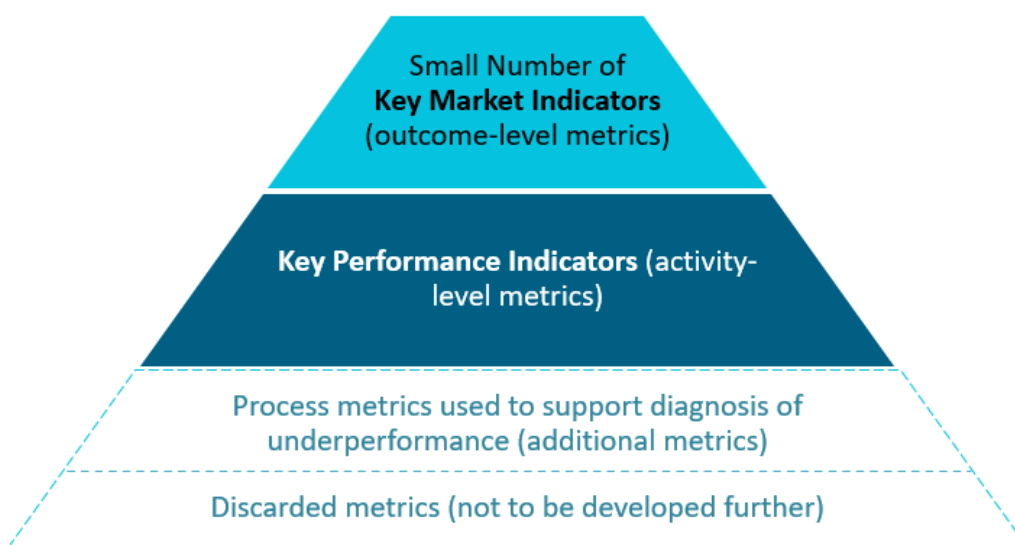
Illustrative answer: We believe intervention tool S1-1 should apply to activity CV.3 given the potential impact on retailer's revenue of poor CMOS wholesaler-owned data.

Q4: Do you have any comments on any of the tools? Please consider the potential impact on trading party behaviour, customer outcomes or any unintended consequences.

Illustrative answer: We believe that S2-2 is not an appropriate tool given that it would impact retailers differently depending on whether they have a guarantee or they need a letter of credit.

Next steps - illustrative example of an MPF metrics framework

In this section we have tried to highlight how metrics could be streamlined in the new MPF following this consultation.



Of the candidate metrics provided in the consultation only a fraction of these will end up being performance indicators in the reformed MPF.

The framework will consist of:

A small number of **market indicators** (outcome-level metrics) that would measure the delivery of outcomes and could be used to assess the overall success of the MPF in improving market outcomes.

A small number of **key performance indicators** (KPIs) that would be the focus of standard interventions (e.g. peer comparison/charges) and discretionary interventions as appropriate (e.g. rectification action/sanctions).

Some **additional metrics** (taken from the remaining shortlisted metrics) could be called on or monitored in the background if further detail is needed to manage underperformance in relation to the KPIs. These would not be looked at regularly and may already be being reported on as standard e.g. as part of dashboards.

Some shortlisted metrics would be discarded.

The candidate intervention tools listed in the consultation will also be streamlined. Only a subset will be standard tools of the reformed MPF.