Retail Exit Code - draft for consultation issued by the Water Services Regulation Authority pursuant to Regulation 28 of The Water and Sewerage Undertakers (Exit from Non-household Retail Market) Regulations 2016
1 Introduction

The Consumer Council for Water (CCWater) is the statutory consumer organisation representing the interests of customers of water and sewerage companies in England and Wales. CCWater has four regional committees in England and a committee for Wales.

In October 2015, CCWater responded to Defra's consultation on the draft Water and Sewerage Undertakers (Exit from Non-household Retail Market) Regulations.

Pursuant to Regulation 28 of these draft regulations, Ofwat has now produced a draft Retail Exit Code. We welcome the opportunity to comment on the proposed text.

2 CCWater Feedback

Overall, CCWater believes that Ofwat’s proposed Retail Exit Code adequately sets out how licensees should lay out their Retail Exit Schemes. However, we have some observations and suggested changes which could make the code clearer.

Section 1.1: Defined terms

The body of the proposed code references “the Authority” but this term is not defined.

The proposed code references the “Wholesale Retail Code”, but the defined term is hyphenated as “Wholesale-Retail Code”.

In previous documents, Ofwat has referred to “Non-price terms” with a hyphen. However, this term usually appears non-hyphenated in the proposed code.

The term SME only appears as an acronym. We recommend that the definition explains that it stands for “small and medium enterprise”.

Section 3

Relating to Section 3.2.2(a), we would welcome clarity from Ofwat about the basis upon which it determined that a three month notice period before disconnection was appropriate for transferred customers.

Ofwat should clarify whether 3.2.2(a) and 3.2.2(b) are AND or OR conditions.
Section 5

The reference in Section 5.1.1 to “reasonable” charges could be interpreted differently by different licensees. Ofwat should clarify what it means by “reasonable”.

Section 5.1.2 could be misconstrued to mean that terms must not show undue preference AND discrimination, i.e. that one or the other by itself may be acceptable. We suggest this wording instead:

“5.1.2 there is no undue preference shown to nor undue discrimination shown against any Eligible Exit Area Customer compared with the Licensee’s other Non-Household Customers of the same class as the Eligible Exit Area Customer.”

Section 6

We are pleased that Section 6.1.1 states that an acquiring licensee should, within two months, inform its customers they can switch supplier. This was a recommendation that we made to Defra when it consulted on the exit regulations.

The reference in Section 6.1.2 to a “reasonable period of time” could be interpreted differently by different licensees. Ofwat should clarify what it means by “reasonable”. CCWater expects that a customer’s request to a licensee for alternative terms and conditions should take no more than ten working days to prompt a reply. This is the same timeframe water companies currently use to respond to written queries (i.e. in line with the Guaranteed Standards Scheme).

3 Enquiries

If you have any questions about CCWater’s response to this consultation, please contact:

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