Note of the Consumer Council for Water Meeting for Business Customers 25 October 2018

Agenda Item	Discussion topic
1	<u>**WELCOME - Evan Joanette**</u> • Attendee list is attached at Annex 1. • We continue to support customers who have issues with their individual retailers. The complaints we receive and research we do helps tell us how the market is performing and where retailers may be letting customers down. • Specific complaints should be sent to our dedicated business customer e-mail address at business@ccwater.org.uk <u>**Plans for this morning**</u> We have Nicci Russell from Waterwise. This business customer group has a particular interest in saving customers money through efficiency savings. Nicci and Waterwise want to see the market delivering that very benefit. Nicci will help us explore that further and hopefully you can make linkages with Waterwise. ------------- We've talked about poor data quality. We've heard previously from representatives of the market operator (MOSL) that retailers and wholesalers are responsible for the quality of data. Poor data is a barrier for customers as it can interfere with switching and billing. We know that supporting systems overseen by MOSL play a role in identifying and fixing data. Liz D'Arcy from MOSL will be talking about where MOSL is supporting water companies. ---------------- Shaun Kent is from Ofwat's Market outcomes and Enforcement team and has been looking into customer research and market performance. Shaun is going to share findings of Ofwat's latest research 'Open for Business' and what this tells us about the market, and if there are changes that the regulator is considering. ----------------
2.	**Evan Joanette - CCWater** **Latest pieces of research can be found here:** https://www.ccwater.org.uk/research/customers-experiences-of-the-retail-water-market-in-england/ https://www.ccwater.org.uk/blog/2018/09/18/static-water-market-awareness-is-selling-small-businesses-short/ **Our complaints report is here:** https://www.ccwater.org.uk/blog/2018/07/04/some-water-retailers-risking-customer-backlash-on-complaints/ Our report shows how well all the retailers performed in 2017-18 when measured by complaint volume and normalised by size of customer base.

	Comments • GF: if there's been any improvements to price transparency/quotations this will have come via efforts of third party intermediaries (TPIs). • DC: On price transparency, why no advertising of average or headline prices for SMEs?
• • 3.	• **Nicci Russell - Waterwise** • Opportunities to be Waterwise every day. • Raise profile of resilience as a whole (e.g. there is going to be more severe and frequent droughts). • Research shows that a saving of about 30% could be made by most NHH customers - there is no cap on how much could be saved. • Analysis of retailer websites a year ago showed that a third offered leak detection services and fewer than 20% offered water saving advice for customers and employees. Picture is better now but lots still to do.NHH customers want water efficiency advice as per CCWater's research. • Water efficiency leadership group is gaining traction among the industry. • Wholesalers are offering incentives to developers. • Brokering relationship between wholesale and retailers will improve customer engagement and potential water savings • Missing a PR charm-offensive where they could focu on public sector bill savings (e.g. schools) • Waterwise driving check marks for building efficiency. • More advice needed to help customer behaviour change. • Water retrofit should become more standard offering. • Waterwise developed questions for customers should ask retailers; • Do you provide water efficiency as standard? • What percentage water, energy, carbon and cost savings can you offer me through water efficiency? • Can you offer me leakage detection and fixing; smart metering; on-site water audits and a water strategy; water efficiency technology; rainwater, greywater and blackwater reuse; supply chain/staff/customer engagement advice? • Will you charge me extra for these services….? • What is the payback for these services, and the year on year reductions in water, energy and carbon use? • How can you help me deliver my CSR and sustainability commitments through water efficiency? • Do you really want me as your customer? • **Comments** • DC: Mandatory building certification may create cynicism if customers know that water companies are still wasting water. • RC: 20% saving can be expected from efficiency. Water efficiency is a social value.: Water efficiency should be considered social value
4.	**Liz D'Arcy - MOSL** • Critical dependence of data in the market.

	• From April, failure to meet market performance standards (MPS) have attracted charges. • Many targets are around getting data into CMOS in timely manner. If not done SLA's • Operational Performance Standards which focus on wholesalers coming next, retailers flagging service inconsistences • MOSL supporting work on developing a bi-lateral solution for retailers/wholesalers – business plan for the coming year. • MPOP (Market Performance operation plan) objectives cover next 2 years. To focus on settlement and efficient switching - Insuring customer access to the market. • Need to find a way of linking SPIDS to number of customers • 175,00 SPIDS switched – equal to 4.5% • Southern and South East have the highest number of switchers. • New entrant retailers now seeing more switching activity than some larger retailers. • Figures don't include those who have re-negotiated. • Figures include those who may be second switchers • 43 Retailers in the market, 26 National and 12 Regional. **Comments** - EJ: MPS incentives driving behaviours change, but not always customer service or good governance
5.	**Shaun Kent - Ofwat** **'Open for Business' Ofwat's latest research.** • Can be found here https://www.ofwat.gov.uk/wp-content/uploads/2018/07/State-of-the-market-report-2017-18-FINAL.pdf • Around 10% of business customers had meaningful market engagement in the first year of the market. • Identified average saving of around 3% • Ofwat's research suggests there is considerable customer interest in value added services though take up hasn't always matched this. • Some of the basics in the market are not always working well, particularly billing and customer service which for example remain the chief sources of dissatisfaction for the (minority of) customers who say they are dissatisfied. • Larger customers tend to be more engaged and active than smaller ones. • There are a number market frictions that are likely impeding better competitive and customer outcomes. All parties have a role to play in addressing these, for example: -Wholesalers and Retailers who are performing poorly against industry standards need to improve their performance, and wholesalers and retailers need to coordinate better with each other in ways which support better market functioning -MOSL- is committed to undertaking work on data quality and other aspects of market improvement -Ofwat- continued role in oversight of market, particularly customer protection. Ofwat is presently looking at for example its Retail Margin Review, which will look at margins and price caps (Retail Exit Codes (REC)), as well as the question of Wholesalers' incentives to support the market better. • Retail market is not part of PR19 but Retail exit code consultation will look at margins and price caps. • There has been a take-off of self-supply as a business model in the retail market.

6.	**Attendee feedback in group discussion:** **Joanne Rollason - Canal and River Trust** • No longer getting leak notices from wholesalers. Wonders who is watching consumption now? • Retailers telling her that no leak allowances available (which is not true). • Accessing data logger? Don't know who to ask? • Readings are being taken less frequently • Why aren't these part of added-value service offerings? **Paul Hammett - NFU** • Billing in advance for metered usage is unprecedented and impossible to manage on a farm where water use is highly variable. • Farmers more interested in value-added services than very modest bill savings • Contingencies against supply interruption are most important **Gavin Farrand - Stark** • Access to meters, either through technology or cost barriers mean the market is not making best use of consumption data and therefore not delivering on efficiency promise • Could matter be taken up by WRG? • Tackle at workshop with retailers/wholesaler present?
7.	**Close Session** • Next meeting **28 March 2019**. If the group would like another session or workshop, let Lucy know. • Suggestion from meeting could be workshop on meter/meter data access.