

Market Operator Services Ltd

2020/21 and beyond - Approach to market performance

Evan Joanette, MOSL

Who is MOSL?

- ◆ Non-Household Retail Market Operator for England and Wales
- ◆ Custodian of central market data
- ◆ Work closely with trading parties (retailers and wholesalers) to:
 - ◆ drive improvements in the market through the Market Performance Framework (MPF)
 - ◆ provide insight into the root causes of market frictions
- ◆ Oversee governance and provision of secretariat services for
 - ◆ Market codes and any changes
 - ◆ Market Panel and Committees

2020/21 Business Plan

- ◆ Since market opening (April 2017), number of retailers grown by over 20%
- ◆ Number of transactions being processed each month through central system has increased by over 25%
- ◆ ‘Easier to do Business’ is central to 2020/21 [business plan](#) with five key themes

Our five key themes

- 1 Service Excellence:** We will place a relentless focus on providing transparent, measurable and value for money core and additional services, supported by improvements in how we engage and interact with trading parties.
- 2 Market Assurance:** We will use a range of tools to measure, understand and provide evidence-based assurance of the performance of the market, including MOSL's own performance, and we will take action where necessary to address both individual trading party and overall market issues and risks.
- 3 Market Improvement:** We will work proactively with trading parties, governance groups, Ofwat and other stakeholders to identify solutions and make improvements that contribute towards a simpler, better functioning market that works in the interests of participants and customers.
- 4 Governance:** We will provide support and, where appropriate, evidence-based input and challenge to the market governance groups to facilitate and promote an effective and value for money model of governance for the market.
- 5 Building Capability:** We will build MOSL's people, data insight and technology capabilities, seeking to foster a culture of learning, collaboration and innovation across the market to help to move the dial in all areas of market operation and improvement.

MOSL's Performance priorities in 2020/21 and ongoing

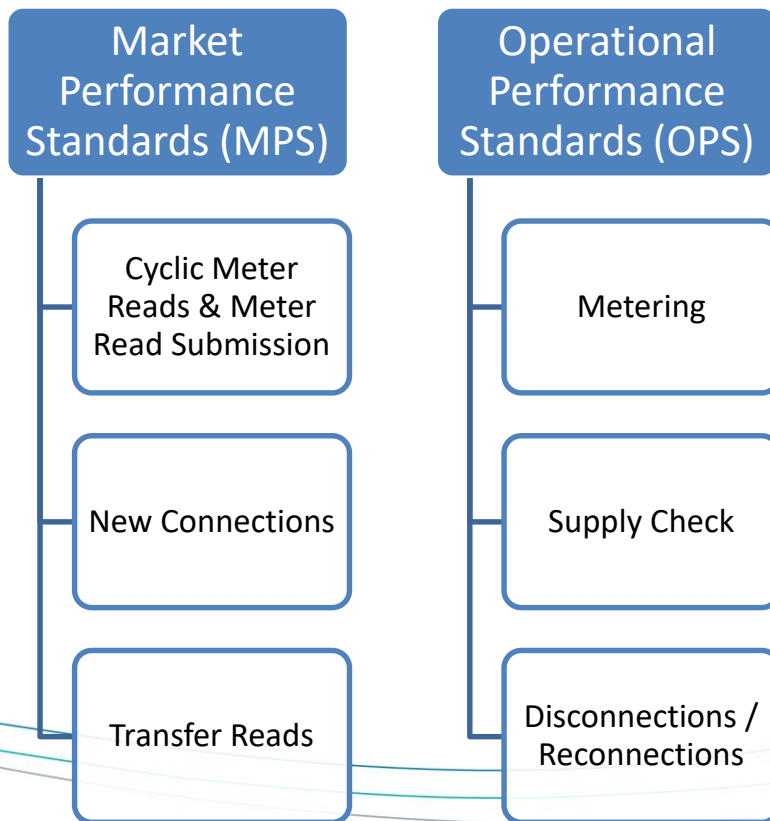
- ◆ More accountable market performance framework with better links to customer and market outcomes
- ◆ Targeted audit activity to monitor and address retailer and wholesaler compliance
- ◆ Open data:
 - ◆ more accessible to retailers and wholesalers
 - ◆ assess how access to data could be extended to **wider stakeholders** to give them key market data and insights (water efficiency is hot topic!)
- ◆ Promote joint working and knowledge sharing between retailers, wholesalers, Ofwat and Consumer Council for Water (CCW)

Performance Monitoring

Chris Chiorean, MOSL



In practice, what are the main things MOSL looks at?



Where we report it

- ◆ Reporting based on these measures will feed into many parts of the industry, e.g.:
 - ◆ League Tables (pictured)
 - ◆ The Annual Market Performance Report
 - ◆ The MOSL Business Plan
 - ◆ Ofwat/CCWater publications
 - ◆ Market governance bodies
- ◆ Links in the notes section

MPS Performance - Retailers with 5,000 + SPIDs								
Retailer	Apr - Sep 2019			Financial Year 2018-19		Performance Trend Indicator	MPS Charges	Tasks per 1k SPIDs
	Rank	Performance	Total Tasks	Performance	FY Rank			
Yorkshire Water Business Services	1	92.7%	284,771	91.1%	1	-	£25,825.00	1202
Affinity for Business	2	88.3%	120,590	87.7%	3	-	£47,041.63	1605
Water 2 Business	3	86.9%	190,302	88.4%	2	-	£88,518.00	1344
Pennon Water Services	4	84.4%	237,846	77.3%	4	↑	£124,390.83	1486
SES Business Water	5	80.7%	38,839	54.9%	11	↑	£30,367.36	964
Clear Business Water	6	80.5%	17,776	76.4%	5	↑	£6,072.95	1118
Water Plus	7	80.2%	660,109	72.9%	8	↑	£493,487.42	821
Everflow	8	79.3%	58,796	76.0%	6	↑	£28,714.94	1153
Business Stream	9	75.3%	167,874	66.8%	9	↑	£152,102.76	985
Wave	10	75.2%	435,729	75.2%	7	-	£311,426.70	1029
Castle Water	11	66.9%	496,622	59.5%	10	↑	£272,876.48	963
Market-Wide Performance		79.2%	2,709,254	74.9%			£1,580,824.06	

*Performance Trend Indicator shows change greater than +/-2% between April 2019 and September 2019.

What happens when tasks are late

- ◆ Failing to complete MPS or OPS processes within the agreed timeframe attracts charges, which are collected monthly by MOSL from underperforming Trading Parties
 - ◆ By default charges are redistributed to Trading Parties at the end of the year, based on their performance. Trading Parties cannot recover their own charges.
 - ◆ A new change to the market codes added a provision for our Panel to use either a percentage or the entirety of the charges to fund projects which could enhance market functioning and/or benefit business customers.

What happens when many tasks are late



Other Initiatives

- ◆ We are also proactive in tackling key market issues:
- ◆ Vacancy
 - ◆ As of April 2019, 17.3% of all premises in the market were marked as ‘vacant’
 - ◆ We have identified many premises which should be reviewed, such as where there has been no occupancy for 10+ years, or where there is consumption
- ◆ Long Unread Meters (LUMs)
 - ◆ As of April 19, 14.4% of all meters had not been read in 12 months – it is at 13.1% as of Jan 20
 - ◆ We are focusing on the meters where the lack of actual reads can cause the biggest inaccuracies

More Information

- ◆ If you have any questions or would like more information about Market Processes and Market Governance, please visit www.mosl.co.uk
- ◆ CCW can help with any individual complaints/issues about service providers