

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 3.0

Change Proposal reference
(To be completed by the TP Sec.)

MCCP312

Version No.

A.2

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Provision of customer data to support the Provider of Last Resort process

A.1.b. COMPANY Business Stream

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED
SIGNATURE

NAME

A.1.d. CONTACT NAME

Paul Baker

CONTACT EMAIL;
TEL/MOB.

Paul.baker@business-stream.co.uk
07554 439721

A.1.e. ASSOCIATED
MCCP / OCCP

N/A

A.1.f. ASSOCIATED
DOCS.

Market Code
CSD0003 Provider of Last Resort

A.1.g. PROPOSED
URGENCY

NON-URGENT

A.1.h. REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

The Provider of Last Resort (PoLR) processes exist to protect customers in the event of a Licensed Provider (LP) disorderly exiting the market. In such an event, the exiting LP's customers will be allocated to other eligible LPs through the PoLR process to ensure the continuation of retail services. Through the allocation process, eligible and opted in LPs may receive an allocation of SPIDs from the exiting LP up to a maximum of twice (200% of) their current SPID allocation.

LPs who have less than 20% share of the market (based on R1 Settlement at the end of the preceding financial year) can choose to opt out of the PoLR allocation process on an annual basis; LPs who have more than 20% share of the market are not eligible to opt out.

Out of twenty LPs in Scotland, only one cannot opt out of PoLR allocation due to having more than 20% market share. Of the remaining nineteen LPs, in 2023-24 only one elected not to opt out of the allocation process. This means that a potentially high volume of customers may be allocated to a small number of LPs as a result. In addition, due to the maximum allocation rules (200% of current SPID allocation), this could lead to uneven allocation and the majority of SPIDs being allocated to just one LP in the event of a large LP exit. Knowing that this change has been proposed, there has been an encouraging increase in the number of LPs willing to enter the PoLR allocation in 2024-25 but the change is needed to consolidate this increase and build on it.

The PoLR allocation process works in a similar way to the Gap Site allocation process, whereby LPs receive SPIDs and Service Components via market transactions. There is currently no provision for providing other data required to contact and bill customers (customer names, billing addresses, phone numbers, email addresses etc.).

If customer contact and billing information cannot be obtained from the exiting LP there is a high risk of significant delay before customers receive bills and other retail services from any PoLR LP, resulting in customer dissatisfaction and reputational damage to the market.

LPs are likely to continue to choose to opt out of the PoLR allocation process due to the potential costs and risks involved in not being able to contact customers, send bills and collect payment within a reasonable timeframe.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

This MCCP would introduce obligations on LPs to share customer billing data from their billing systems, to be stored by the CMA and transferred to PoLR LPs where the data relates to the SPIDs that have been allocated to them. The proposed changes are similar to those that have been implemented in England and follow a similar methodology, i.e. sharing data in report/spreadsheet format via secure transfer; rather than via Data Transactions into the Central Systems.

LPs would be required to extract customer data from their billing systems and present this in a standardised report format defined in the Market Code as a Customer Data Report, with specifications of the data fields and format set out in CSD0003 (Provider of Last Resort). The Customer Data Report would be required to be uploaded to the CMA within 10 Business Days of the final day of each calendar month.

The CMA would provide a facility for LPs to upload the Customer Data Report securely, and store the data securely, in accordance with GDPR and standard security protocols. Access to the Customer Data Reports would be controlled by the CMA. The CMA would retain the Customer Data Report for the two most recent months provided by the LP to make sure there is a fallback in case the most recent report has any problems such as data corruption. Any older Customer Data Reports would be deleted by the CMA.

The CMA would use the data within the Customer Data Reports for the following purposes only:

- To carry out monthly checks for parity and quality
- For audit purposes
- In the event of a PoLR SPID allocation, to identify, extract and share the customer data associated with SPIDs that have been allocated to PoLR LP/s with the relevant incoming PoLR LP/s.

The CMA would monitor that Customer Data Reports are received from all LPs in the specified time and format and carry out simple checks for parity and quality of the data. The checks to be carried out by the CMA on a monthly basis would consist of:

- Checks for parity – that the total number of SPIDs in the customer data report matches the number of SPIDs registered to that LP, within a tolerance of 1%.
- Checks for quality – an assessment of the number of null data items, email formats (e.g. contain an '@') and obvious data errors (e.g. phone numbers with continuous or sequential numbers such as '01234...' or '0000...').

If the CMA identify problems with the provision or quality of the Customer Data Reports they would notify the Contract Manager for the respective LP, and may escalate any compliance concerns with the LP or the Commission as necessary. The CMA may choose to include Customer Data Reports in the scope of any audits in accordance with section 6.8 of the Market Code. This may include auditing the Customer Data Reports to ensure that the customer data provided is accurate, up-to-date and contains all the data items requested, as well as comparison of the data between the Customer Data Reports and any equivalent fields that are held within Central Systems (such as Customer Name and vacancy/SPID Vacant).

In the event of the allocation of PoLR Supply Points (in accordance with CSD0003), the CMA would share the customer data associated to SPIDs that have been allocated to PoLR LP(s) with the relevant PoLR LP(s).

The purpose of the MCCP is to enable PoLR LPs to contact customers in a timely manner and using the most appropriate contact details, so that they can provide clarity (e.g. of the LP to whom they are registered and how to contact them) and continuity of service for customers impacted by their LP exiting the market following a Termination Notice. This will also remove barriers – i.e. cost, effort and time associated with identifying, communicating with and billing customers – which currently act to dissuade LPs from opting in to the PoLR allocation process. For the avoidance of doubt, this change alone is not expected to remove all barriers that dissuade LPs from opting-in to PoLR allocation.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	In the absence of the proposed provisions, there is currently a high risk of delay for a new/PoLR LP in identifying and establishing contact with customers, which could have a significant negative impact on customer experience and the reputation of the market. Having these provisions in place will protect customers by reducing the risk of delay and confusion following a disorderly exit by an LP.
Transparency	N	
Simplicity, Cost-effectiveness, and Security	Y	The solution being proposed is relatively low cost compared to alternative solutions (e.g. one that involves the customer data being stored in Central Systems and maintained via Data Transactions), and proportional to the risk.
Non-exclusivity	N	
Barriers to Entry	Y	The proposal is intended to address some of the barriers to LPs opting in to the PoLR allocation process, by removing costs associated with customer transfers in the absence of customer contact information.
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	

MC / OC OBJECTIVES		
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A.2.c. IMPACT Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)		
CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	Y	Market Code – Definitions, 5.3.6
CSDs	Y	CSD0003
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	N	
CMA business processes	Y	New processes required to manage receipt of data, governance of the process (parity and quality checks) and distribution of the data in a PoLR event.
Trading Party systems	N	
Trading party business processes	Y	Process amendments required to produce a standard report on a monthly basis.

A.2.d. DRAFT LEGAL TEXT Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)	
Market Code Schedule 1 – Definitions, Interpretation and Hierarchy Insert the following new definition:	
<u>"Customer Data Report"</u>	<u>the monthly report of Customer data to be provided by Licensed Providers to the CMA as part of the Provider of Last Resort obligations. Details are specified in CSD0003 (Provider of Last Resort). This report may also be used for audit purposes. ;</u>

Section 5.3.6 (v) shall be amended to include an additional sub-section as shown in red below.

(v) Once the CMA has allocated a POLR Supply Point to a Licensed Provider in accordance with Section 5.3.6(i)(c) above:

(i) the CMA shall provide each Incoming Licensed Provider with the entries in the relevant Customer Data Report that relate to the POLR Supply Points allocated to that Licensed Provider; and

(ii) the Licensed Provider must write to that new Customer within 5 Business Days of receiving notification of allocation from the CMA in accordance with Step b of Section 3.1 of CSD 0003 (Provider of Last Resort).

A new Section 5.3.7 shall be inserted into the Market Code as shown below.

5.3.7 (i) Licensed Providers shall submit the Customer Data Report including the data specified in CSD0003 (Provider of Last Resort) to the CMA no later than the tenth Business Day following the end of the month to which the Customer Data Report refers.

(ii) The CMA shall store, control access to and delete the Customer Data Reports as set out in CSD0003 (Provider of Last Resort).

CSD0003 Provider of Last Resort

The first paragraph of Section 1 shall be amended as shown in red below.

This document describes the process that will be applied in the event that a Provider of Last Resort is appointed by the CMA under Section 5.3.6 of the Market Code and describes Licensed Providers' obligations to provide information to the CMA to facilitate the smooth operation of POLR and how the CMA may use that information.

A new Section 4 shall be included as set out in red below:

4. Customer Data Report

4.1 Licensed Providers' Customer Data Report

Following the last Business Day of each month Licensed Providers shall extract data from their billing systems and submit this Customer Data Report to the CMA by the tenth Business Day of the following month.

Licensed Providers shall use reasonable endeavours to ensure that the information provided is accurate, up to date and complete.

4.2 Customer Data Report format

The Customer Data Report shall be a CSV file containing the following data items. Where data items are not held by the Licensed Provider then those fields shall be populated with "NULL"

Data Item	Notes
SPID	
Customer Name	Name of the company or person legally responsible for paying for water and sewerage services
Billing Address Building Name	To be completed where the building has a name, not just a number
Billing Address Line 1	Includes building number
Billing Address Line 2	
Billing Address Post Town	Postal town as recorded by the Royal Mail
Billing Address County	
Billing Address Post Code	
Billing Contact	Primary person or role responsible for responding to billing enquiries
Billing Contact email address	Must be provided where held by the LP
Customer Contact	Primary person or role responsible for any queries in relation to customer service. May be the same person as the Billing Contact.
Customer Contact email address	Must be provided where held by the LP
Customer Contact telephone number	Must be provided where held by the LP
Vacancy Status	Mut be OCCUPIED or VACANT

4.3 Upload and Storage

Licensed Providers shall authorise two users from their organisation to upload and access their own organisation's monthly Customer Data Reports. No other LP User shall be able to access these reports and no user from a different LP shall be able to access the reports.

To store Customer Data Reports, the CMA shall provide LPs with secure file storage that will not form part of the Central Systems. The CMA shall restrict access to these reports to CMA users who need to access them to carry out the CMA's obligations in relation to POLR.

The Customer Data Reports shall be treated as Market Personal Data.

4.4 Data validity checks

Parity

The CMA will check that the total number of SPIDs in the Customer Data Report matches the number of SPIDs registered to that Licensed Provider on the final day of the month in question. The CMA will apply a tolerance of 1% to the number of SPIDs.

Completeness

The CMA will make an assessment the number of null data items and check email addresses and telephone numbers for formatting errors and obvious data errors.

4.5 Data not provided or data quality concerns

Where the Customer Data Report has not been uploaded by a Licensed Provider by the end of the tenth Business Day of the month or where the CMA has concerns about the quality of the data provided, the CMA will raise these issues with the Licensed Provider's Contract Manager.

If the CMA is not satisfied with the response of the Licensed Provider and/or issues are not rectified in a reasonable time frame then the CMA may report its concerns to the Commission.

4.6 Data retention

The CMA shall retain the two most recent Customer Data Reports for each Licensed Provider. Once a third Customer Data Report has been submitted and passed the data validity checks outlined in Section 4.4, the CMA shall delete the oldest Customer Data Report of that Licensed Provider.

4.7 Use of Customer Data Reports

The CMA shall only use the data within the Customer Data Reports:

- to carry out the data validity checks outlined in Section 4.4 of this CSD
- for audit purposes in accordance with Section 6.8 of the Market Code. This may include auditing the Customer Data Reports to ensure the data provided are accurate, up to date and complete as well as comparison of relevant fields against data held in the Central Systems,
- in the event of a PoLR SPID allocation, to identify, extract and share the Customer data associated with SPIDs with the Incoming Licensed Provider to whom the SPIDs have been allocated.

If changes are identified for CSD0301 Data Transaction Catalogue Annex, these will not be provided in this MCCP, but will be provided following the deployment of the associated system updates. This is because the majority of CSD0301 Annex is system generated automatically and can only be updated after associated changes have been incorporated into the relevant system.

A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME

Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.

2025-07-01[DS1]

A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

A.4. ANY OTHER COMMENTS

Indicative User Requirement Specification

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS

B.1.a. ASSESSMENT START DATE	20250220	ASSESSMENT END DATE	20250619
B.1.b. IMPACT ASSESSMENT REQUIREMENT	IA REQUIRED		
B.1.c. CONSULTATION REQUIREMENT	TP CONSULTATION NOT REQUIRED		
B.1.d. ASSOCIATED DOCUMENTS (TO THIS PART B)			

B.2. ASSESSMENT DETAILS

B.2.a. CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)

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B.2.b. CMA INTERNAL SYSTEMS IMPACT

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B.2.c. DRAFT LEGAL TEXT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)

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B.2.d. CUSTOMER IMPACT (TO BE COMPLETED BY LPS)

Customers will benefit from a smooth transition from one LP to another in the event their LP exits the Market.

B.2.e. TP ASSESSMENT
Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)

Impact on Principles and Objectives
(if different from that originally submitted)

Cost Estimate

Benefit Estimate
(L: < 10k, M: £10k to £100k, H: > £100k)

B.3. TP DECISION

TP APPROVED

B.4. FINAL TP VIEWS

Unanimously approved at the April and June 2025 meetings

B.5. PLANNED IMPLEMENTATION DATE

2025-07-01

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2025-06-20
C.2. APPROVAL STATUS	APPROVED CHANGE / REJECTED
C.3. DATE OF APPROVAL STATUS	yyyy-mm-dd
C.4. COMMISSION RESPONSE REFERENCE	

PART D — IMPLEMENTATION

D.1. IMPLEMENTATION DATE	July 2025
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	