
Market Arrangements Code Change Proposal – Ref CPM023 and Wholesale Retail Code Change Proposal – Ref CPW090

Modification proposal	<p>Authority Timetabled Change Proposals:</p> <ul style="list-style-type: none"> • Market Arrangements Code Change Proposal – CPM023; and • Wholesale Retail Code Change Proposal – CPW090 <p>Suspension of Market and Operational Performance Charges</p>
Decision	The Authority has decided to approve these Change Proposals
Publication date	23 March 2020
Implementation date	23 March 2020 at 18:00

Background to this Change Proposal

The business retail market in England will inevitably be impacted by the outbreak of Covid-19. We are mindful of the impact this could have on the market, its customers and the trading parties operating within it.

Ofwat is working closely with MOSL and we have identified a number of measures to minimise the disruption on the market, some of which we are progressing as a matter of urgency. As such, we have proposed an Authority Timetabled Change Proposal to the Market Codes to suspend the levy and collection of charges for market performance standards for three months from March 2020¹. This will be subject to continuous monitoring and review of market data by Ofwat and MOSL, to ensure that charges are reintroduced at the appropriate time.

¹ Charges will not be levied but MOSL will continue to monitor and report trading party performance against the market performance framework (MPF) standards.

The background and associated documents relating to these Change Proposals can be found on the [MOSL website](#).

Panel recommendation

The Panel considered this Change Proposal at an urgently convened meeting on Friday 20 March 2020. It recommended, by unanimous decision, that the Authority approve this proposal. This recommendation has been made on the basis of improving the principles of Efficiency, Proportionality, Barriers to Entry, Non-discrimination, Customer Participation and Seamless Markets. The recommended date of implementation is at 17:00 on Monday 23 March 2020.

Our decision

We have concluded that the implementation of CPM023 and CPW090 will better facilitate the principles of the Wholesale Retail Code as detailed in Schedule 1 Part 1 Objectives, Principles and Definitions and is consistent with our statutory duties.

Reasons for our decision

This decision has been made on the basis that as a result of the introduction of widespread social distancing to combat the spread of the Covid-19 pandemic, wholesalers' and retailers' are much less able, for reasons outside their control, to meet the requirements of the market performance framework than they might otherwise. Many 'Business As Usual' activities, such as meter reading, are likely to be significantly affected. Approving these changes will ensure that trading parties are not unfairly penalised for failing to meet market performance standards due to factors outside of their direct control. For this reason we agree that the modification is consistent with the Code principles of Efficiency, Proportionality, Barriers to Entry, Non-discrimination, Customer Participation and Seamless Markets. In line with the Proportionality principle, this is a temporary change to the market codes to reflect the significant impact of the Covid-19 pandemic and MOSL will continue to monitor performance against the market performance framework (MPF) standards.

Our views on the relevant principles that we believe this change will have a positive impact on are set out in the Panel's Final Recommendation Report, available on the [MOSL website](#).

Decision notice

In accordance with paragraphs 6.3.7 and 7.2.8 of the Market Arrangements Code, the Authority approves these Change Proposals.

Georgina Mills

Director, Business Retail Market