

7th February 2019

Retail Exit Code
Ofwat
Centre City Tower 7
Hill Street
Birmingham
B5 4UA

To Whom It May Concern

ACS Response – Price and Non-Price Protections

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to Ofwat's consultations. This letter serves as our response to the consultation on non-price protections as well as the consultation on price protections beyond March 2020. ACS represents 33,500 local shops across the country including One Stop, Spar, Costcutter and thousands of independent retailers.

We welcome Ofwat's proposals to introduce a new 'no worse off' principle into the Retail Exit Code to strengthen protection for customers on deemed contracts against non-voluntary changes in their non-price terms. We welcome the consistency a new principle would bring among water suppliers and the further protection it would provide customers. While we understand that water suppliers may take voluntary action to be transparent about any proposed change in their non-price terms, this may not be robust. We would welcome active involvement from the regulator to ensure that water suppliers adhere to the new principle.

In response to Ofwat's proposals for future price protections, we do not support removing the distinction between SMEs and non-SMEs in the Retail Exit Code. As set out in the consultation, Ofwat has an explicit objective to promote an enhanced focus by water suppliers on the needs of small business customers. By removing this distinction, it is unclear how Ofwat would be able to measure its delivery of this objective. Moreover, we have concerns that splitting the current 0-5MI band into 0-0.5MI and 0.5-5MI may also impact smaller businesses. Figure 6 suggests that there are over 30% of small businesses that could be affected by the proposed changes and over 10% of microbusiness. While there may be a correlation between water usage and the size of the business, high usage SMEs may still incur the same challenges as low usage SMEs and should receive the same protections.

For more information, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk.

Yours sincerely

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