



## Retail choices for business customers: FAQs

On 1 April 2008 the retail market for water and sewerage services in Scotland was opened up to competition. This information note provides answers to some of the questions you might have about the opportunities now available to business customers and public bodies.



## FAQs: General

### **What are the benefits of non-household competition?**

*The Water Industry Commission for Scotland expects competition to benefit customers by providing a choice of supplier where none existed before. We would encourage customers to discuss their needs with each of the licensed providers and to choose the price and service most attractive to them. This covers not only new connections, but also the ongoing supply of water and sewerage services. Over time, competition will improve prices and services and foster innovation in the industry, to the benefit of all customers.*

### **How many customers have switched?**

*We do not collect this information. Only individual licensed providers know how many customers have signed agreements with them. However, we estimate that since April 2008 around 40% of Scotland's businesses and public bodies have either renegotiated with their existing supplier or switched suppliers altogether.*

### **When will household competition be introduced?**

*The legislation covering competition in Scotland ([the Water Services etc. \(Scotland\) Act 2005](#)) only allows for retail competition in the non-household sector. Household competition was specifically excluded and will remain so until such time as the Scottish Government decides that a change is required.*

### **Business Stream was the only supplier before 1 April 2008, and continues to have a large proportion of the market. How does it intend to compete with the other licensed providers? What competitive advantages will the other licensees provide?**

*We have taken a number of steps to ensure a level playing field for competition between the licensed providers. In recognition of Business Stream's position as the incumbent provider, its licence imposes special obligations including publishing details of all of its charges and ensuring that its retail charges are cost-reflective. We have also created ring-fencing arrangements to make sure that Scottish Water deals with Business Stream on the same terms as all other licensed providers.*



**Does the Commission have a view about when it expects the market to mature (is it likely to be months, years or decades)?**

*The market is already benefiting customers by providing choice where none existed before. We expect that the market will evolve over time as competing suppliers develop new services and tariff structures to meet the needs of their customers. We will continue to monitor the market's progress to ensure that opportunities for growth and innovation continue to be available.*

## **FAQs: Prospective licensed providers**

**How do I become a licensed provider?**

*There are currently three types of licence – general licences, self-supply licences and specialist licences. To become a licensed provider your application must first display sufficient information for us to determine whether or not your company meets the criteria we have set. You must then comply with the processes required to become fully operational within the market. You can find out more about the criteria, the application process and what's involved in being a licensed provider in the 'New Suppliers' section of our website ([www.watercommission.co.uk](http://www.watercommission.co.uk)).*

*We recommend that you explore the website and our published documents to gain an understanding of the market. If you have any questions after that we will be happy to help.*

**How long does it take for new suppliers to become licensed?**

*The shortest time that the process can take – from initial application to becoming licensed – is around 6-7 weeks. This includes the time we need to consider and consult on the application. In considering applications, we must follow a statutory timeline.*

**How long is it likely to take between being awarded licensed status and having the infrastructure operational?**

*A new provider can now start trading two weeks after being granted a licence. However, they must have completed several other tasks, including signing a wholesale services agreement with Scottish Water and undertaking market testing with the Central Market Agency. They can progress these tasks in parallel with the licence assessment process.*



## FAQs: Customers

### **I need a licensed provider, what do I do?**

*There are currently four licensed providers in Scotland that are able to provide customer-facing retail services. None of these organisations are limited in terms of the area or the industry/customer type that they can serve.*

*You can find contact details for these companies on [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk).*

*As we award the licences we are unable to recommend a single organisation. You should therefore contact each of the licensed providers to find out which of them is able to offer you the best deal.*

### **My business/organisation is in the north/the south/the east/the west. Can you tell me who is the licensed provider?**

*Licensed providers serve all Scottish business customers. There are no geographical restrictions on this.*

*We do not hold information about which customer is registered with which supplier. However, you can find this information out in two ways.*

*The first is to look at one of your business/organisation's water bills. This will clearly state who supplies your water. The other is to find out if your business/organisation has switched supplier since the market opened on 1 April 2008. If there has been no switch then, by default, you will be a customer of the incumbent supplier, Business Stream.*

*If neither of these approaches is possible, you may have to contact each of the licensed providers to ask if you are a customer with them. All of their contact details can be found on [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk)*

### **How do I know if I am a customer of Scottish Water?**

*If you pay council tax, then you are a household customer and are therefore a customer of Scottish Water. If you receive a separate water bill then you are a customer of the company that issues the bill, not Scottish Water.*

### **Can you provide me with a quote for how much my water and wastewater would cost if I sign up with a licensed provider?**

*Unfortunately we are not in a position to arrange or supply quotes for water and sewerage services. You will need to contact the licensed providers as detailed on [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk) in order to obtain the required quotes.*



### **I need a new connection, what should I do?**

*You should approach a licensed provider first, although Scottish Water will still undertake most of the physical work involved in connecting the property. An operational code defines the respective roles of Scottish Water and the licensed provider.*

*Please also visit [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk) where you will find contact details of all licensed providers.*

### **My licensed provider has lost my new connection application, what should I do?**

*Any complaints regarding new connections should be made, in the first instance, to the licensed provider. If a complaint is not resolved at that level then you should make contact with WaterWatch Scotland, the water industry second tier complaints body in Scotland. You can contact them on:*

*Waterwatch Scotland, Forrester Lodge, Inglewood, Alloa FK10 2HU*

*Local Rate: 0845 850 3344*

*Office: 01259 725335*

*Fax: 01259 214218*

*E-mail: [info@waterwatchscotland.org](mailto:info@waterwatchscotland.org)*

### **Scottish Water has told me that I need to appoint a contractor to carry out the work required before it can connect my business to the water supply. Can you provide me with a list of contractors?**

*As the economic regulator of the Scottish water and sewerage industry we are unable to provide contact details of licensed contractors (i.e. plumbers/builders) who would be able to assist you. However you may find it helpful to speak to your licensed provider.*

### **I need building water, what should I do?**

*Please go to [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk) and follow the links to your licensed provider's website. You should find the information you require on there or by contacting the licensed provider.*

### **Why am I still paying a ratable value-based charge when Scottish Water has installed a meter at my premises?**

*The Scottish Government directed Scottish Water to install meters for free at all unmetered non-household premises in a programme called the **Full Business Metering Programme**.*



*Under the Government's policy, wholesale water and foul sewerage charges in relation to these customers have been phased from an unmeasured basis (determined by rateable value) to a measured basis as follows:*

- In the financial year 2008-09, 100% of the charge was on the unmeasured basis.*
- In the financial year 2009-10, 67% of the charge was on the unmeasured basis and 33% on the measured basis.*
- In the financial year 2010-11, 33% of the charge is on the unmeasured basis and 67% on the measured basis.*
- In the financial year 2011-12 (and in all subsequent years), the charge will be on a measured basis.*

*If you are in the full business metering programme you cannot opt out of the phasing schedule.*

*However, if you have not yet had a meter installed under the full business metering programme you can choose to ask for a meter to be installed. In this case, you have to pay for the installation of the meter (installation would be free under the full business metering programme) and your water and foul sewerage charge switches immediately to the measured basis.*

**Would any of the current licensed providers be interested and/be able to supply my public sector organisation, which is geographically diverse, with water and wastewater services?**

All of the licensed providers would have the ability to supply you. In addition, all licensed providers are required to offer the default tariffs and service standards to any customer who requests them. This default package represents the services and prices that would have been applicable had competition not been introduced. However, you can negotiate with licensed providers for better deals.

You may also wish to consider the possibility of self-supply, whereby you can apply to us for a licence, purchase wholesale services direct from Scottish Water and take on the responsibility of a retailer to your organisation. You can find out more information about this on our website.

**How do I apply for a trade effluent consent in the new retail market?**

Scottish Water is still responsible for trade effluent consents under statute, but you will need to contact one of the new licensed providers in order to apply for a new consent. You can find contact details for the licensed providers on [www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk)



### **Do I have to have a licensed provider or can I use a private water supply taken from a spring?**

*If you decide to use a private water supply (spring) then you will have to ensure that it is registered with the local authority where the supply is located. Private water supplies are regulated under the Private Water Supplies (Scotland) Regulations 2006.*

*There is a [website](#) that specifically deals with the regulation of private water supplies. This website also contains useful advice and guidance about private water supplies that are used by food businesses. You may also find it helpful to speak to your local environmental health officer about any aspects relating to private water supplies.*

*The Drinking Water Quality Regulator (DWQR) also publishes information about private water supplies on its website: [www.dwqr.org.uk](http://www.dwqr.org.uk)*

### **Can my company buy water and sewerage services direct from Scottish Water?**

*Yes. It is possible to apply for what is known as a self-supply licence. This licenses a company to purchase water and sewerage services wholesale, directly from Scottish Water. A company with a self-supply licence would be responsible for putting in place its own emergency and maintenance measures and be capable of dealing with wholesale billing direct from Scottish Water. (Licensed providers, including self-supply customers, must pay their wholesale charges to Scottish Water in advance.) On the other hand, there are savings to be made for companies that decide to go down this road. You can find out more about self-supply from the 'New Suppliers' section of our website.*

### **Can the Commission help me obtain a discharge licence?**

*Our remit covers economic regulation of the water and sewerage industry in Scotland. The relevant regulator for discharge licences is the Scottish Environment Protection Agency (SEPA). Its contact details are as follows:*

*SEPA Corporate Office, Erskine Court, Castle Business Park, Stirling FK9 4TR*

*Tel: 01786 457700*

*Fax: 01786 446885*

*[www.sepa.org.uk](http://www.sepa.org.uk)*

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#### **Water Industry Commission for Scotland**

Ochil House, Springkerse Business Park, Stirling FK7 7XE.

**T** 01786 430200 **F** 01786 462018

**E** [enquiries@watercommission.co.uk](mailto:enquiries@watercommission.co.uk)

[www.watercommission.co.uk](http://www.watercommission.co.uk)

