

Review of the non-household retail market – Notice of the Commission’s Decision on its Interim Approach to Licensing

July 2019

The Commission has published in September 2018 its notice to undertake a review of the water and sewerage non-household retail market (the Review) to ensure it keeps on working well for customers and market participants.

As the Review has progressed the Commission identified matters relating to the generalist licences where material change may be required. In light of these issues the Commission proposed that, pending the outcome of the Review, it should suspend any consideration of any new or existing applications for general licensed providers for the remainder of the Review.

The Commission invited stakeholders to comment on the proposed approach to licensing and received responses from three Licensed Providers, Citizens Advice Scotland and one party who has applied for a general water and sewerage licence. We would like to thank all stakeholders for their comments. Most respondents have expressed their support for the Commission’s interim approach to licensing. The licence applicant has expressed its support for the Commission’s Review but disappointment about the proposed suspension of general licence applications. One licensed provider commented that an indefinite suspension would be disruptive to new entrants and has asked that the Commission to publish an updated timeline for the Review.

Having carefully considered all representations made by stakeholders and in views of its functions and duties, the Commission has decided that it will not accept new applications for general licences and it will suspend its consideration for the duration of the remainder of the Review, until all the relevant changes to the Commission’s licence application policy have been implemented. As regards general licences, the Commission recognises the disappointment felt by the applicant at the impact of the interim approach. However, given the material proposed changes in relation to the application policy for general licences, outlined in a separate consultation document, the Commission believes that deferring any consideration and processing of general licence applications is consistent with its duty to ensure an orderly functioning of the market.

The Commission will take into account the views and questions raised by stakeholders on the issues set out as part of the Review. The Commission has published a consultation document setting out the issues and proposed changes to the Commission’s licence application policy. This document also sets out a revised timeline for, and the opportunities for stakeholders to contribute to, the Review. This document can be found on the Commission’s website at:

<https://www.watercommission.co.uk/UserFiles/documents/Consultation%20on%20the%20Retail%20Market%20Review.pdf>

This document has been sent to Scottish Government, the Central Market Agency Limited, Scottish Water, Citizens Advice Scotland, all Licensed Providers participating in the Scottish water market, licence applicants and all parties who responded to the consultation. It is also on the Commission’s website at: www.watercommission.co.uk