



The voice for water consumers
Llais defnyddwyr dŵr

CCW's response to:

**Ofgem Consultation on framework for
consumer standards and policy options to
address priority customer service issues**

Introduction

The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators.

CCW welcomes any action to drive improvement in service delivery and support for people in vulnerable circumstances.

We consider many of the people who are struggling to pay their energy bills, will also be struggling to pay their water bills so we welcome the opportunity to respond to Ofgem's Consultation on framework for consumer standards and policy options to address priority customer service issues.

Our responses to the specific consultation questions

Q1: Do you agree with our assessment on what good looks like for the issues consumers are facing relating to the priority issues of contact ease and identification and support/advice for consumers struggling with their bills? Are there any issues missing?

We consider that in addition to what you propose, it is not just the ability to identify a method of contact to meet their needs, but also the method should be easy to access and use. We'd recommend that this is included in "what good looks like".

Whilst it is encouraging that ease of contact is being addressed, a focus on query resolution of the contact appears to be an omission. For many people they are making contact because they want an issue resolved and therefore effective and timely query resolution should be included in "what good looks like" and in the data collected.

In 2021, CCW undertook an independent [review](https://www.ccw.org.uk/our-work/affordability-and-vulnerability/affordability-review/affordability-review-recommendations/)¹ of water affordability for UK and Welsh Ministers. Although we found that the financial help already available was good, we also identified a number of areas where support - and the awareness of it - could be improved. These included:

- More tailored support to those facing financial difficulties and those already in arrears
- Clear and accessible customer communications
- More work to understand the needs of communities

¹ <https://www.ccw.org.uk/our-work/affordability-and-vulnerability/affordability-review/affordability-review-recommendations/>

- A proactive approach to identifying customers who need support, including the use of data sharing

Since the publication of the report, we've been working with companies and other stakeholders to ensure the recommendations are put into practice. When we published the Affordability Review: One year on report last year, we were able to highlight significant progress in improving support for customers.

Progress has included:

- Water companies have agreed to use common descriptors to describe the support options they offer, helping advisors navigate the help available across the sector
- All water companies have agreed to sign up to either the British Standards Institute (BSI) or the new International Organisation for standardisation (ISO) standard on inclusive services.
- All companies are now sharing details of financial support options with customers who sign up to their priority service registers, recognising that there are significant overlaps between customers facing financial and non-financial vulnerabilities

In addition, we also consider that there should be a consistent suite of debt support available across all energy retailers. This would make it easier for people and their representatives to seek appropriate support.

Finally, we would be interested to hear if there is also an issue that may need addressing with awareness of support available from energy companies. Our [water matters research](#)² shows that over one third (37%) of people surveyed are aware that their water company offers reduced bills to some households, who sometimes struggle to pay their bills because of their financial circumstances.

With low awareness leading to people not self-identifying that they may qualify for support, all utilities should have processes in place to identify who needs the support and to make it easy for customers to access and use the support.

A comprehensive review of good practice for water debt was carried out by Ofwat in 2022³ and the report can be found [here](#).

Q2: Do you have any views on potential options to address priority issues and do you agree with the extra requirements we are proposing? Please supply evidence to support your response?

Whilst the ideas are noble, to determine if these would deliver the best outcome at the best value we would need to see additional information provided on the current level of contact

² <https://www.ccw.org.uk/publication/water-matters-2022/>

³ <https://www.ofwat.gov.uk/publication/paying-fair-guidelines-for-water-companies-in-supporting-residential-customers-pay-their-bill-access-help-and-repay-debts/>

attempted outside of current hours, a feasibility of implementation assessment and the cost impact to customer bills for providing cover for extended hours or 24/7.

We do agree that there should be a minimum consistent service expectation which allows for companies to deliver an enhanced self-funded service should they choose to.

Q3: Do you have any evidence that suggests that we should be considering additional and/or different rules beyond what we have proposed? Please supply evidence to support your response?

No

Q4: Do you agree with our proposed approach of introducing reputational incentives in our priority areas? Please supply evidence to support your response.

We believe that companies should not make a profit out of providing support to people in vulnerable circumstances. Therefore, we don't consider that there should be a financial incentive to performance in this area. Instead, a reputational incentive should be in place, such as what is currently in place in the Water Sector for common vulnerability performance commitments⁴.

Q5: Do you agree with what we have set out in the assessment chapter? Please provide supporting evidence with your views. For evidence regarding additional costs, please provide quantitative data.

See response to Q2.

Q6: Using the list of prospective data items we present in the monitoring chapter as a guide, what other additional data items could we aim to collect and from what data sources? Do you consider there are any challenges you may face when collecting/providing these? If so, please provide any supporting evidence you have

As previously mentioned, data on "satisfaction with the way the query was handled" should be included.

Debt – Under the Social Obligations Reporting, it would appear that numbers of customers in arrears⁵ who are not yet on a debt repayment arrangement is currently collected. It would be helpful to include this in monitoring data as it shows the potential pool of customers who may need advice and support with their bills.

Q7: Do you have any comments on the factors that should be considered in determining whether to use principle-based or rule-based approach to setting standards?

⁴ [Report \(ofwat.gov.uk\)](https://www.ofwat.gov.uk)

⁵ Q4 2022 Social Obligations Reporting (SOR) analysis showed that there were around 3.4m domestic accounts in debt or arrears for over 91 days (6.5% of all accounts),

We support a principle based approach to drive improved outcomes with a caveat that should the desired improvement not be seen using this approach and using reputational incentives then action will be taken by Ofgem to consider if a rules based approach is needed. Ofgem will be aware of Ofwat's consultation on its new [Customer Licence Condition](#).

Q8. Do you agree with our early view of reputational based incentive options for winter 2023 and the potential incentive options for development over the longer-term? Please provide explanations to support your responses.

As per question 4.

Enquiries

Enquiries about this consultation should be addressed to:

Janine Shackleton
Policy Manager
CCW
E-mail: Janine.Shackleton@ccwater.org.uk
Tel: 07887 715107