

A woman with long dark hair, wearing a pink shirt and denim overalls, is looking down at a laptop in a shop. The background is blurred, showing shelves with various items. A large, stylized, light blue graphic of the letters 'CCW' is overlaid on the image, with the 'C' on the left and the 'W' on the right, both partially cut off by the edges of the frame.

CCW

The voice for water consumers
Llais defnyddwyr dŵr



ccwater.org.uk

'Credit where it's due'
Communication Toolkit



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1. Introduction

In April 2022, we launched our 'Credit where it's due' campaign to ensure business customers' credit is better protected. We want businesses to be more aware of, and have access to, the credit on their account to reduce the risk of this being lost if their retailer were to exit the market.

We also know that being able to get their money back will be important to many business customers in the current cost of living crisis. A key part of our 'Credit where it's due' campaign is for business customers to have a greater understanding of the amount of credit on their account, along with the risks of paying in advance and the alternative payment options that may be available to them.

We welcomed the changes Ofwat made to the Customer Protection Code of Practice (CPCoP) in January 2022 to promote greater understanding of customer credit levels, which became a requirement for retailers from April 2022.

We support these changes, particularly as they require retailers to inform business customers of the risks to paying in advance and the amount of credit on their account, on a regular basis. However, what is also important is that this information is communicated in a way that will ensure business customers of all sizes have read and understood the key messages being delivered by retailers. When done effectively, this will lead to more awareness of the risks of building up too much credit, and allow business customers the option of taking steps to address this. Reducing the risk

of credit being lost in the event of a retailer going out of business is the key driver of our campaign, along with putting money back in business customers' pockets, to help alleviate the financial impact many are experiencing during the current cost of living crisis.

To help ensure that these key messages are getting through to business customers in a way that captures their attention, CCW has taken steps to both assess the different ways retailers are communicating with their customers and how effective that communication has been so far by obtaining direct customer views through a research project carried out by Yonder on behalf of CCW. It is mainly the latter evidence that has informed our [recommendations](#).

We encourage retailers to adopt the best practice and recommendations outlined in this toolkit. We want to work with retailers to help deliver clear and effective messages to business customers. Ultimately, we believe that customers will benefit from having access to more information on the subject of advance payments and credit, but these best practice principles can also shape communication in other areas too.

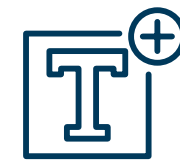
2. Recommendations - communication best practice

To understand the recommendations we are making in this toolkit, it is important to recognise some of the insights obtained into customer communication preferences, explored as part of our research project. These can be viewed in the Yonder research report [here](#).

It is clear from the evidence that we've gathered (see appendix 1 and 2) that there is not a 'one-size-fits-all' approach to a communication strategy and messages need to be clearly understood, be tailored based on the type of communication and by the size of business. We expect retailers to assess their current communication plans against the best practice principles and recommendations outlined below, and make changes where necessary. It is important that approaches to communication are aligned with what customers understand and view as important, given that the messages are aimed at them.

How to provide the most impactful communication to business customers

Evidence from our research, conducted by Yonder, has shown that the best way to ensure that the intended messages are capturing the attention of business customers is for them to be clear, headline grabbing and in colour. The first column shows how to make a message 'good' whilst the other columns show the 'better' and 'best' way to communicate with business customers. We recommend the best approach is taken for the greatest reach.



Good

Clear and grabbing headline

Personal greeting with information about relevance

Retailer logo in black and white

Black and white text with easy to read font

Chunked paragraphs

Link to further information on company website

Better

Clear and grabbing headline

Information about relevance and customer details

Retailer logo in colour

Colour text with easy to read font and negative space

Paragraphs with headings to chunk information

Link to further information on company website

Best

Clear and grabbing headline in colour

Information about relevance and customer details

Retailer logo in colour



Colour text with easy to read font and negative space

Boxes, visuals and call outs to chunk information

Link to further information on company website, text to direct customers

Using different communication channels in an effective and impactful way

Different methods of communication have different requirements when it comes to communicating in an effective and impactful way to customers. We urge retailers to apply this evidence within their communication strategy.

	Good	Better	Best
BILLS  <ul style="list-style-type: none"> Not ideal format but could go alongside other formats To be effective call out adjacent to credit metrics mandatory e.g. 'Important information about credit status' + link 			<ul style="list-style-type: none"> Text alert to webpage/customer service number if bill only format
LETTER/EMAIL  <ul style="list-style-type: none"> Compelling headline Personalised greeting Black and white branding Warm and friendly tone Black and white text, modern typeface Chunked information with more available on link 	<ul style="list-style-type: none"> Coloured branding Headlined chunks e.g. 'Benefits of Advanced Payment', 'For more information' 	<ul style="list-style-type: none"> Coloured branding Coloured text Visual icons to facilitate chunking to bring increased cognitive ease Text alert to webpage/customer service number 	
WEB  <ul style="list-style-type: none"> As per letter/email minus personal greeting Link on homepage - important information about... 		<ul style="list-style-type: none"> Text alert to webpage/customer service number 	

Communicating with different business sizes

Different sizes of businesses respond differently to different communication types. For example a small business with fewer people employed, no specialist utility knowledge and a smaller water bill will look at communications differently to a large business that may have a specific business manager with experience in dealing with large utility bills.

Retailers should use this information to ensure that communication in all methods (including email, online, telephone and letters) are improved to customers.

MICRO AND SMALL BUSINESSES

Time-poor, most risk-averse, led by individual preference, potentially lowest subject matter knowledge

- Simple information
- Personalisation
- Reassurance
- Need to grab attention but not interrupt

Letter/email
Text
Update on platform

MEDIUM BUSINESSES

More time, more established, information may pass through multiple hands

- Need to grab attention
- Multiple channels needed
- More detailed information available

Letter/email
Website page
Update on platform

LARGE BUSINESSES

More room for negotiation, more subject matter knowledge and decision maker likely to be very informed, awareness of due diligence

- Less need to stand out
- Multiple channels needed
- More detailed information available

Letter/email
Website page
Update on platform




3. Next steps

This toolkit sets out the work that CCW and Yonder research have carried out to establish how retailers are reaching out to their customers, whether customers understand the messages and how retailers could improve their communication with their customers.

We have used a number of sources to understand the current ways in which retailers provide contact both by billing information as well as direct contact. We've also used research to look at where there were gaps of awareness and knowledge by business customers.

We want to see retailers follow best practice, and we will be working collaboratively with retailers to achieve this. Regular company liaison meetings, CCW's Business Retail Market forum, and using insight from CCW's complaints and research data, will all provide opportunities to both monitor progress, and identify any key learnings.

For you as the retailer we want to see;

-  A review of your current communication strategy – where could improvements be made to achieve best practice, in line with the communication toolkit?
-  The improved communication strategy shared and discussed with CCW
-  Any subsequent feedback you receive from customers on the methods of communication used, and also whether this has led to an increase in contact (e.g. request for credit refunds, or alternative payment option enquiries).

As the voice of the customer, CCW wants to be assured that communication of this change and the improvement of customer knowledge is being felt. It is vital that business customers understand the risks of making advance payments, know the levels of credit they are accruing and the alternative payments available to them. Clear communication is key so business customers 'know their rights'.

Appendix 1

Current retailer communication with customers about their credit levels and the payment options available to them

Following the changes made to the Customer Protection Code of Practice (CPCoP) by Ofwat, CCW wrote to retailers to understand how they were and planned to communicate with their customers about the risks of paying in advance, their credit levels and the payment options available to them.

The aim was for CCW to have a better understanding of each retailers' communication plans and processes.

Retailers were asked to respond to four key questions:

1. Please provide details of your communication plan, setting out the timeline and ways in which you will reach out to your customers. For example, a message on bills, email, your website, or online accounts. Where it is a combination, please tell us how this will be split across your customers.
2. What are the messages you will be communicating? Again, where it is a combination, please send us a copy of each.
3. What is your current process for credit reimbursement, including any plans you might have to amend this?
4. What is your proposed plan for credit reimbursement, if you do not already have one?

A total of 13 retailers responded to this request, and the responses were analysed by CCW against the below criteria:

Criteria	Analysis
Retailer size	Small/Medium/Large
Advance payment option in place	Yes/No
Information on bills only	Yes/No
Proactively contact customers to make them aware of credit/ the risk of advance payment? Letter/email	Yes/No
Dedicated webpage in place	Yes/No
FAQs in place	Yes/No
Refund form in place	Yes/No
Record if the refund has been sent within 60 days	Yes/No
CCW identification of an example of good practice	Details noted

Appendix 2

Yonder Research – Our objectives & how this was organised.

Seeing how retailers have been communicating the CPCoP requirements on advance payment, credit accruals and alternative payment options to their customers was the first step in assessing what has been done so far, and what appeared to be effective. In order for us to know whether or not retailers' communication has engaged customers, the next step was to test this more widely. CCW wants to ensure that retailers use clear and effective communication channels so that business customers are aware of their payment options, their credit level, and how to go about claiming a reimbursement of credit.

We commissioned research company, Yonder, to carry out a project which aimed to understand customers' awareness of the changes, gather their feedback on what is working well and what could be improved, and to explore best practice in this area. The full report has been published on our website, here.

A sample of 24 business customers, across different sizes and retailers, participated in the research. As a pre-task they were asked to find and review communications from a range of utility providers to help identify good and bad practice. In groups of three, participants were then asked to review these in more detail, and also provide their opinion on some examples of retailers' communication around the change, where retailers had agreed for us to share their messages as part of the research.

As well as obtaining feedback from business customers, Yonder also spoke to experts in behavioural change and telecommunications to help identify best practice and key learnings.

The following key insights were identified by Yonder from the discussions with participants:

NO AWARENESS OF CHANGE

1

No customers in this sample could recall seeing prior communications about advance payment/credit information, and most were not particularly concerned about it before they were provided information.

REGULATION FAR FROM BUSINESSES

2

Regulatory information is largely seen as unlikely to impact their business, especially where water costs are relatively low. Although larger businesses who are more engaged and with a 'social value agenda' are more attentive.

REGULATORY COMMS ARE LOW PRIORITY

3

Best practice needs to harness ways of overcoming customers' tendency to deprioritise these types of communication.

BEST PRACTICE LEARNINGS

4

Best practice needs to align with the following behavioural science principles:

- a strong headline or call to action;
- 'chunking' of information;
- a warm/inviting tone, so the communication does not feel cold and regulator driven.

CUSTOMERS NEED SIMPLICITY

5

Our communications expert championed the need for simplicity of messaging before giving customers the opportunity to find out more information in their own time, ideally through a link to website.

INFORMATION ON THE CHANGE IS CURRENTLY LOST

6

Water retailer examples showed that the information on the changes were 'lost', particularly in billing examples. In addition, website examples relied on traction to get customers to page, whilst letters/emails can easily be deprioritized if they do not follow best practice.

NEED TO KNOW IN REAL TIME

7

Most customers want information in 'real-time' i.e. their credit status to be clear on the bill, and the risks and benefits of advance payment to be highlighted when agreeing a contract.

Yonder identified that communication with business customers of this nature tends to fall into three main categories – billing, marketing, and regulatory. They also established that the size of business customer is relevant to whether or not a particular type of communication is effective. This is explored more in the table below, with a particular attention drawn to the regulatory column:

Both the above insights, and the feedback gained from participants on specific communication examples, helped Yonder identify the type(s) of communication, and the key components, that would most likely be read and understood by business customers. For our purposes, this focused on how to ensure that a regulatory change is communicated effectively.



BILLING



MARKETING



REGULATORY

	BILLING	MARKETING	REGULATORY
MICRO AND SMALL BUSINESSES	Pay most attention to billing because it's essential to keep the business running	Will review if eye-catching but it's low priority	Likely to deprioritise because they feel it's unlikely to affect them directly
MEDIUM BUSINESSES	Most attentive to billing	Will review, if it's specific to their job role, especially if it's eye catching	May review but regulatory messages need to be communicated in a way that grabs their attention
LARGE BUSINESSES	Decision makers are unlikely to be reading bills directly - but will be involved in selecting suppliers and negotiation	Will review, if specific to mandate of job role, especially if eye-catching	Most likely to review as it's more probable that due diligence is being undertaken

Contact us

0300 034 2222 in England
0300 034 3333 in Wales

CCW
 23 Stephenson Street
 Birmingham
 B2 4BH

For enquiries about this communication toolkit please email: businessretailmarket@ccwater.org.uk