

Response to Call for evidence – Independent review of affordability support for financially vulnerable water consumers in England and Wales

Question 2

In what ways could the approach to supporting vulnerable households in the water sector be improved?

We believe that data sharing about vulnerable individuals and vulnerable households should be extended across the water sector but equally more broadly, across other sectors. There is an increasing appetite amongst service providers to have a single-view of a vulnerable customer. This supports the customer by reducing the need for them to repeatedly communicate their need to for support while limiting the difficulties, and resultant stress, of navigating complicated organisational structure by flagging their circumstances to the right department.

Vulnerability is not typically limited to one sector. If an individual is impacted by a life event, a physical health or mental capacity issue or severe financial difficulties, this will permeate through many aspects of their everyday life – utilities, banking, telecoms, housing, health, benefits, council tax etc. It seems logical therefore, for organisations to share high-level information and not develop different systems or processes for each sector. Sharing information about vulnerability removes the challenge of identifying it and consequently treating people appropriately.

Each sector may have some individual definitions of vulnerability, many definitions will overlap across utilities and others will be relevant to all sectors. A combination of a central hub allowing organisations to be alerted to vulnerability, working alongside closed-user groups would cater for this scenario – it would provide each sector with the level of detail it requires while ensuring vulnerable consumers can highlight their high-level circumstances through one mechanism to their service providers.

Question 6

How could the sectors approach to promoting and delivering support (rather than the mechanisms they use) be improved? How could households' awareness of assistance options be raised, including hard to reach households? How could the process for households to apply for financial support schemes be improved to make access easier?

Identifying ways of communicating with consumers regarding how they can obtain support should be made as easily accessible as possible. There is an option to pool resources across many sectors and try to centralise where an individual needs to go for help. Each sector is complex for somebody trying to obtain advice, each website has its own intricacies. Broad non-sector specific collaboration regarding consumer advice would be beneficial – clear signposting for individuals about where to go under what circumstance.

Question 7

Are there any particular lessons from other fields or sectors, which may be transferrable, that the water sector should take account of in shaping its future approach?

The experience in developing VRS would be that all sectors are currently struggling with the same challenges in dealing with vulnerable customers. There are a significant number of working groups and initiatives trying to achieve the right outcome for customers. There are opportunities for much more collaboration and pooling of resource to meet common goals and the to translate results into processes that are tailored to a specific sector.

Background on the Vulnerability Registration Service (VRS)

The Vulnerability Registration Service (VRS) is a not-for-profit organisation hosting a central, independent database of vulnerable individuals. The database does not seek to validate vulnerability but alert companies, irrespective of sector, to the fact that vulnerability exists and that the individual's circumstances should be taken into consideration in any interaction with them.

The directors established VRS to start to address the issue of vulnerability by developing a tangible means for companies to determine that a customer, or prospective customer, is vulnerable at the earliest opportunity. VRS is designed to work as a central hub, relevant to organisations in any sector, to provide information about vulnerable people avoiding the necessity for them to repeatedly alert numerous contacts on a case-by-case basis.

Our directors have drawn on their collective experience to develop VRS which includes a background in financial services, collections, credit referencing, compliance, fraud

prevention and detection, consumer relations and technology. We also have the benefit of an Advisory Board whose members bring a wealth of relevant expertise.

VRS is designed to help meet the expectations of regulators and best practice standards, the various needs of different sectors, to offer a robust layer of support to vulnerable consumers without significantly impacting efficiency or commercial goals – rather streamlining the process of handling vulnerability while achieving the desired outcomes.

We believe the VRS is relevant in all areas of consumers lives and it is applicable to financial services, insurance, utilities, collections and debt management, telecoms, marketing, central and local government, estate management, housing, health and education and investment. The VRS enables charities and debt advice companies to signpost people to a service to alert companies they deal with to their situation while avoiding any detriment to the individual as a result of registration.

Our objectives

The objectives of VRS are to:

- Provide a central or single-point for consumers to register vulnerability and therefore communicate their situation to multiple service providers when appropriate
- To provide companies with access to a central hub to identify vulnerability enabling a consistent and informed approach and to communicate with them in the most effective way
- To offer a tangible solution to some of the challenges in dealing with vulnerability and to realise the expectations of regulators and meet the needs of businesses and consumers
- To give an additional layer of protection against fraud and financial abuse when vulnerable people are significantly more likely to fall victim to identity theft, scams or coercion
- To help businesses to tailor service and product offerings for mutual benefit
- To provide a further tool to address financial exclusion when consumers are not in a position to benefit from the best deals, to switch providers or to position themselves on the credit ladder
- To decrease the need for vulnerable individuals to navigate through the complexities of lending decisioning or service provision

- To give carers additional assurance where they are responsible for the management of the affairs for those they care for
- To provide a trigger or alert for organisations where individuals are at risk in relation to housing or extreme financial difficulty

The VRS concept and database

The VRS has been operational for four years and we have worked to raise awareness across numerous sectors and integrated the thinking and conclusions of businesses, trade associations and regulators into our service. We have not encountered any significant challenges or opposition to the VRS concept and rather there is a general recognition of the need and appetite for single view of vulnerability.

The data VRS holds is consensually sourced directly from vulnerable individuals or those who have the appropriate authority to act on their behalf. Court of Protection Orders, Power of Attorney and Appointeeships are consequently a critical source of data. VRS recently took over the provision of the Protecting the Vulnerable (PtV) service from Cifas, the UK's largest cross-sector fraud sharing organisation, whereby, typically, local authorities, solicitors and estate management companies provide data.

VRS is a simple flag-based solution which we developed to take into consideration the views of industry bodies, stakeholders, regulators and end-users together with the needs of registrants. However, we have been mindful that definitions of vulnerability are not finite and that a central database is not necessarily the repository to hold highly sensitive and detailed information about people which may only be relevant on a case-by-case basis. VRS therefore provides sufficient details to alert organisations to a person's vulnerability without prescribing exactly how a person should be dealt with or their exact needs which will differ between sectors and organisations within those sectors.

VRS provides end-users with high-level details about the individual and shows if that person should no longer be extended finance or if their circumstances should be taken into consideration in any dealing with them. While financial circumstances are a significant driver in relation to vulnerability, sometimes this is not a factor and this is reflected in the way VRS is modelled.

We have recognised that there is sometimes a need to have a more granular view of why somebody is vulnerable and introduced a series of optional sub-flags to give end-users more direction – this information is provided with explicit consent. The detail is shown in the table below. We do not believe a database of this kind can specifically categorise a person's circumstances. VRS highlights where vulnerability exists.

We have recognised that different sectors may have different needs and different definitions of vulnerability that may be specific to them or that there may be some areas of overlap. Consequently, VRS allows access to the full database but can also accommodate closed user groups where certain vulnerability definitions are sector-specific and irrelevant to the wider VRS audience. An example would be the Priority Service Register (PSR) codes utilised by specifically by utilities and VRS has already built the functionality for this to operate.

Vulnerability sub-flags:

Vulnerability flag	Explanation	Examples include
Physical disability	A physical condition that affects a person's mobility, physical capacity, stamina or dexterity.	<ul style="list-style-type: none"> • Spinal cord injuries • Multiple sclerosis • Cerebral palsy • Respiratory disorders • Epilepsy • Hearing and visual impairments • Wheelchair users and more
Mental health	Someone who suffers from a condition causing serious disorder in a person's behaviour or thinking	<ul style="list-style-type: none"> • Bipolar • Schizophrenia • Post-traumatic stress disorder • Personality disorders • Self-harm • Suicidal feelings • Depression
Physical health	Someone who suffers from a condition that causes serious and life-limiting physical health issues	<ul style="list-style-type: none"> • Cancer, stroke, heart attack • Diabetes, asthma • Chronic fatigue syndrome • Cardiovascular disease • Multiple Sclerosis • Arthritis
Cognitive disorder	Someone who suffers from disorders that affect cognitive abilities, including learning, memory, perception and problem solving	<ul style="list-style-type: none"> • Down Syndrome • Huntington disease • Mild cognitive impairment • Progressive supranuclear palsy • Dementia • Parkinson's disease
Lifecycle event	Life events that impact on decision making	<ul style="list-style-type: none"> • Relationship breakdown • Addiction • Bereavement, Unemployment • Criminal conviction • Financially abuse • Domestic abuse • Transitioning • Victim of fraud
Gambling addiction	Gambling addiction	<ul style="list-style-type: none"> • Gambling addiction, compulsive gambling, gambling disorder
Deceased	A third party can notify when an individual is deceased	<ul style="list-style-type: none"> • A death certificate is required to load this flag
Financial difficulty	Someone who, due to their financial situation, is not sufficiently resilient to manage financial shock	<ul style="list-style-type: none"> • Low or negative net disposable Income • High level of debt • Heavily reliant on the social system • Insolvency

Financial capacity	Someone who lacks the knowledge, skill to make appropriate decisions about their finances.	<ul style="list-style-type: none"> • Power of Attorney • Court Protection Orders • Appointeeships • English is not a first language • Low literacy or numeracy levels • Age-related impact (elderly or young)
Accessibility	Someone who has difficulty accessing goods and services or communicating with suppliers	<ul style="list-style-type: none"> • Limited access to internet • digital services • reliance upon on-line shopping • difficulty physically visiting branches • reliance on carers / third parties
Coronavirus	Someone who has suffered directly as a result of the coronavirus pandemic	<ul style="list-style-type: none"> • Job loss • reduced pay • payment holidays • furlough • self-isolation / quarantine