

Customer Licence Condition research

Prepared for Ofwat and CCW | March 2023 | V2
Hannah Kilshaw | Research Director | hannah.kilshaw@walnutunlimited.com
Drew Still | Associate Director | Drew.still@walnutunlimited.com
Ferdousey Basit | Research Manager | Ferdousey.basit@walnutunlimited.com
Hanah Eltaher | Senior Research Executive | Hanah.Eltaher@walnutunlimited.com
Katie Battersby | Senior Research Executive | Katie.Battersby@walnutunlimited.com

WAL
NUT

Contents

1

Background
and
introduction

2

Key findings

3

Current
consumer
mindset: water
and waste
water services

4

Licence
Condition:
Outcomes and
Principles

5

Licence
Condition:
Guidance

6

Enforcement

Background and
introduction



Background

Ofwat is planning to introduce a new customer focused licence condition for water and wastewater companies. This is to introduce an enforceable obligation relating to the quality of services that companies are expected to provide for customers. It follows a commitment in Ofwat's 2019 strategy to consider the case for new high-level licence obligations to provide binding requirements on how companies treat their customers and the most vulnerable in society. The introduction of a customer focused licence condition was supported by the Consumer Council for Water (CCW) in its independent review of water affordability in 2021. CCW is working closely with Ofwat as it develops the licence condition.

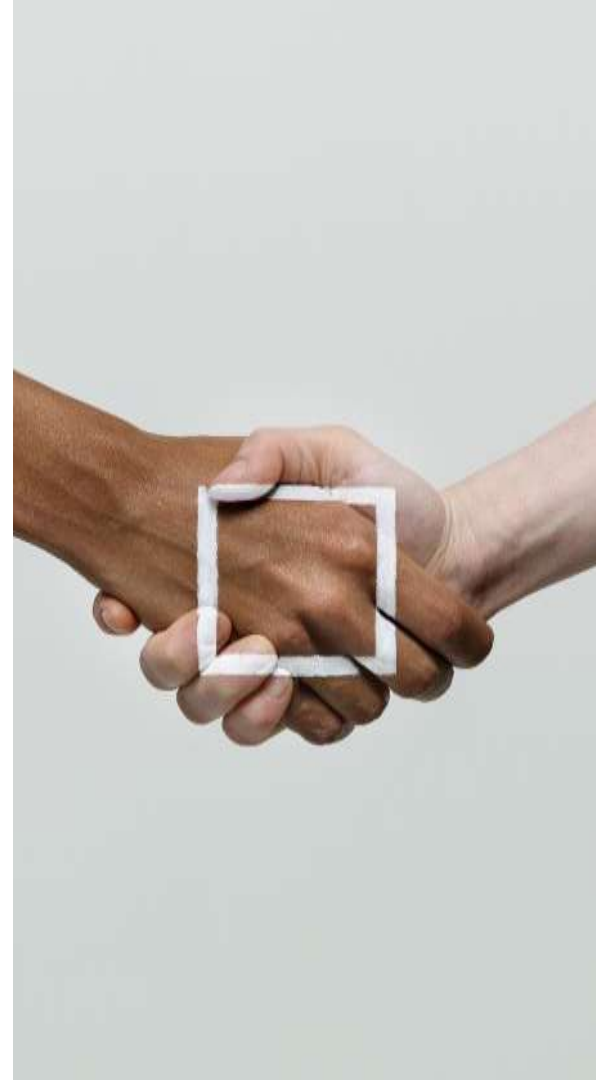
Ofwat and CCW commissioned customer research to ensure that the customer voice is included in the development of this new customer focused licence condition.

RESEARCH OBJECTIVES

The purpose of this research was to understand

- Customers' expectations of water and wastewater companies in relation to specific areas of customer service and support.
- Customer views on what principles the new licence condition should include.
- Customer views on the guidance proposed to support the interpretation of the licence condition.
- The range and diversity of views that customers have in relation to this.

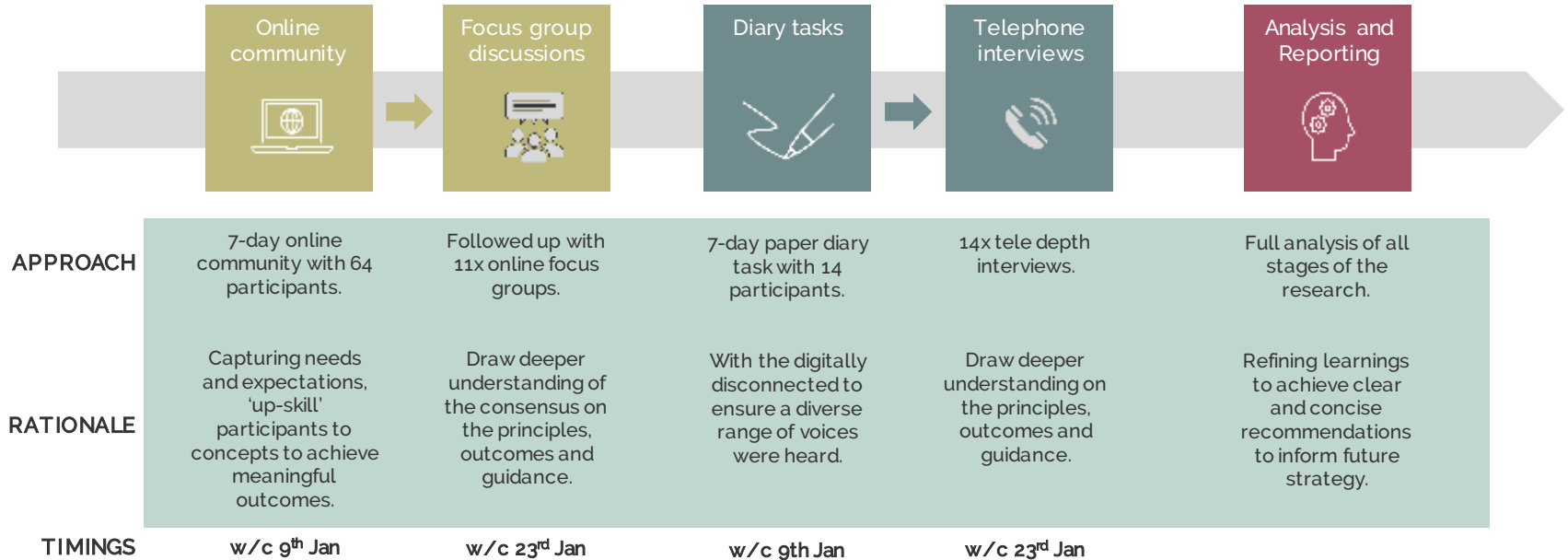
The findings from this research will be considered alongside submissions to a wider engagement and consultation exercise on a new customer focused licence condition.





Our research approach

To familiarise participants to the topic areas and materials, we chose a light deliberative approach to ensure informed views and work towards a consensus on the objectives.



Who we spoke to



We recruited an inclusive mix of participants.

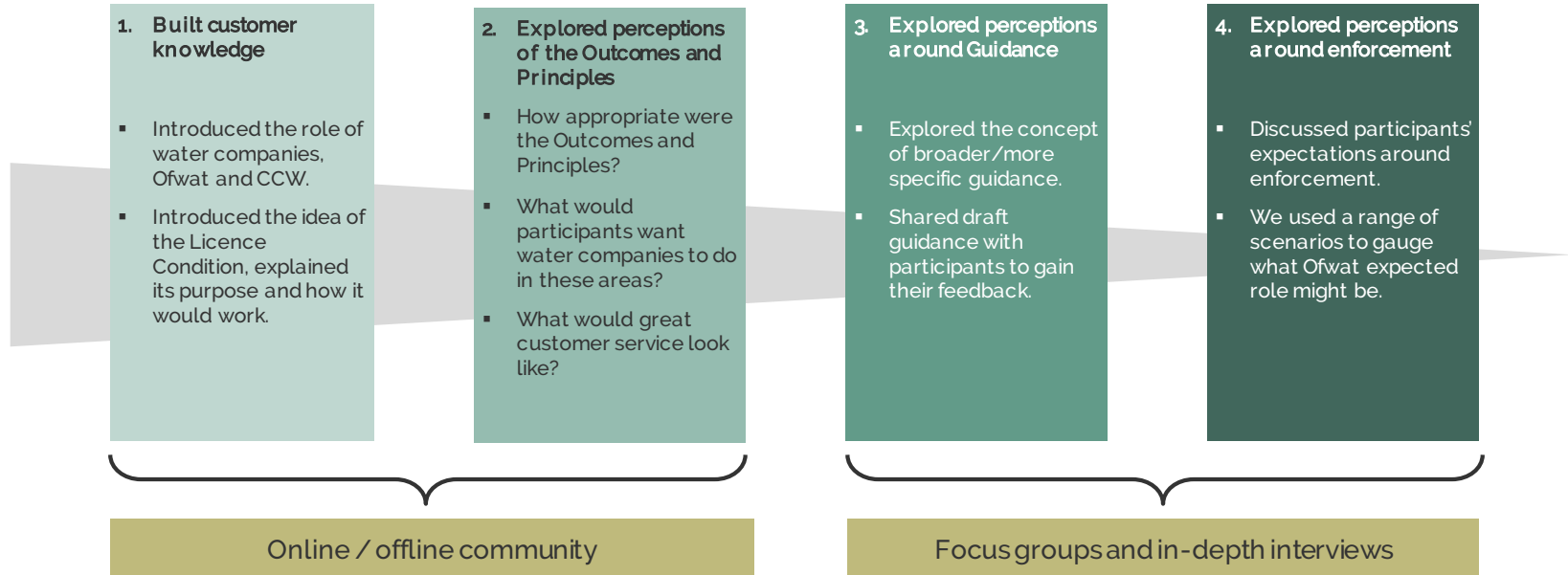
	Main sample: 64 participants		Digitally disconnected: 14 participants
Age	<ul style="list-style-type: none"> • 11x future customers (inc., 18-30, non-billpayers) • 13x 30-39 • 11 x 40-54 • 15 x 55-64 • 14 x 65+ (retired) 	Age	<ul style="list-style-type: none"> • Between 30 – 80 years old
Gender, SEG, ethnicity	<ul style="list-style-type: none"> • Even split across gender, ABC1/C2DE • 44 x White / 20 x PoC 	Gender, SEG, ethnicity	<ul style="list-style-type: none"> • 6 x female / 8 x male • BC1C2DE
Financial vulnerability	<ul style="list-style-type: none"> • 20 x doing fine with bills • 20 x just about keeping up with bills • 20 x falling behind or in arrears with bills 	Digitally disconnected	<ul style="list-style-type: none"> • No access or confidence using internet
Health condition	<ul style="list-style-type: none"> • 14 x mental or physical health condition 	Health condition	<ul style="list-style-type: none"> • 6 x mental or physical health condition
Region	<ul style="list-style-type: none"> • Good representation of customers from water and wastewater companies in England and Wales 	Region	<ul style="list-style-type: none"> • Good representation of customers from water and wastewater companies in England and Wales
Contact with water/wastewater company	<ul style="list-style-type: none"> • 59 x contacted or attempted to contact water company in the last 3 years or who have been directly contacted by water company due to incident in area • 5 x have not been contacted for attempted contact in last 3 years 	Contact with water/wastewater company	<ul style="list-style-type: none"> • All contacted or attempted to contact water company in the last 3 years or who have been directly contacted by water company due to incident in area

The three elements of the licence condition we tested

The licence condition is made up of three elements: an overarching outcome, a principle that supports that outcome, and guidance which gives detail to support the interpretation of the outcome and principle.

O U T C O M E	P R I N C I P L E	G U I D A N C E
<p>1. When something does go wrong, affected customers have confidence their company will put it right</p>	<p>1. The water company provides appropriate support when things go wrong and helps to put things right. 2. The water company learns from past experiences to improve customer service in the future.</p>	<p>Guidance outlining how the outcome and principle could be met by water and waste water companies.</p> <p>We tested guidance for each of the 6 principles. Within each set of guidance we showed participants two versions – one that was broad and one that was more detailed.</p>
<p>2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide</p>	<p>1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents. 2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.</p>	
<p>3. Customers are well informed</p>	<p>1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents. 2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.</p>	

What we covered in each phase of the research



A high-speed photograph of a glass of water with several ice cubes. The water is clear and contains many small bubbles. A black rectangular box is overlaid on the left side of the glass, containing the text "Key findings".

Key findings

Overall summary



- Most participants are relatively disengaged from their water company and simply expect a reliable supply, accurate bills, and issues to be resolved quickly.
- They do not expect to regularly hear from their water company outside of billing or during incidents.
- When there are issues or queries, they want to be able to contact their water company quickly and easily, and have the issues resolved efficiently and professionally.



- Younger participants and future customers are more transactional, prefer digital channels and trust their water company to deliver.
- Older participants need more personal contact and reassurance including being able to speak to someone by telephone.
- Customers in vulnerable circumstances have varied specific needs both during regular service provision as well as incidents. Water companies should proactively identify and meet these needs.



- Nearly all participants are broadly happy that the Outcomes and Principles are appropriate and meet their needs.
- The Outcomes and Principles represented what all participants felt water companies should be doing as a basic function of their customer service operations.
- While some considered them insufficiently detailed on their own, they were reassured with the accompanying guidance.



- Overall there is a preference for guidance to be specific without being restrictive, giving water companies a clear indication of what's expected and how to deliver it.
- Participants expected the guidance to deliver a consistent level of service across water companies, while allowing them to develop bespoke services for their specific customers.
- Water and wastewater companies also need to provide transparency to customers and Ofwat that standards are being met.

Participants want their water company to get the basics right and be easy to deal with

Get the basics right

These will please most customers, most of the time.

1

Reliability of supply

- Ensuring a continuous supply of clean water, and ensure that wastewater is treated to a safe and to a high standard.

2

Accurate bills

- Keep customers up to date with their bills.

3

Fixing things when they go wrong

- Including interruptions to supply/flooding/damage that interrupt the supply of water to properties. This should cause minimal disruptions where possible and keep the customer top of mind.

4

Maintain respect and politeness in all customer interactions

- Customers expect a service where they feel heard and are like a human being - with politeness and patience.

Be easy to deal with

This will make life easier; generally and when things go wrong.

1

Offer a **variety of communications channels** to cater to different preferences

2

Ensure customers **can get through on the phone quickly** if they need to (or offer an effective call-back service in peak times)

3

Make sure **elderly people can deal with the phone systems** (e.g., provide alternatives to menu based phone services such as voice recognition menus)

4

Offer effective communications when **dealing with problems/incidents** including clear, realistic timescales for when problems will be resolved

5

Have consideration for the need of **customers in vulnerable circumstances** including for the delivery of drinking water during extended outages

Outcomes and Principles

Overall participants agreed that the Outcomes and Principles were appropriate and covered the areas of customer service that they would consider acceptable.

EXPECTATIONS FOR EACH AREA OF CUSTOMER SERVICE – THESE ARE THE BASIC STANDARDS EXPECTED



Putting things right

- Promptly deal with incidents, and make provision for alternative water during sustained outages.
- Communicate clearly during incidents via appropriate channels.
- Offer clear and realistic timelines for completion of works.
- Take responsibility when things go wrong and make restitution i.e., compensation or an apology, where appropriate. The form of restitution is dependent on the impact of the incident on the customer.
- Evaluate responses to incidents to learn and implement best practice when responding to future incidents, including seeking customer feedback.



Diverse needs

- Cater to a range of diverse needs including: age, household occupancy (single occupancy, single parent, young children), ethnicity, low income households, disability.
- Identify and support the needs of all customers where possible.
- Tailor communications channels for customers in vulnerable circumstances, potentially including home visits.
- Offer affordable payment plans for financially vulnerable customers.
- Collaborate / signpost to support organisations as needed.



Well informed

- Clear, accurate, regular communications on issues including billing and water efficiency.
- Offer a range of communications channels to meet diverse needs and preferences.
- Make it quick and easy for customers to get in touch, without long delays or wait times.
- Ensure that customers can 'speak to a human' when needed, without repeating their issue to multiple advisors.
- Deliver good customer service, being polite and patient with customers, especially older customers or those needing extra support.

Guidance

Generally there is a universal preference for guidance to be specific without being restrictive, giving water companies a clear indication of what's expected and how to deliver it.

PREFERENCE FOR MORE DETAILED GUIDANCE

The key benefits of having guidance with some degree of specificity were seen as:

- Ensuring a consistent minimum standard across England and Wales so no customer is being offered an unacceptable level of customer services.
- Clarity for water companies on how they should deliver customer service to meet the Outcomes and Principles.
- Greater accountability, with customers and Ofwat being able to see clearly where the guidance was not being met.
- Providing reassurance to customers who may lack trust in their water company to fulfil customers' needs and that this is clearly set out.

Within this, participants were clear that guidance should not be unduly restrictive, still allowing water companies to develop services to meet the needs of their specific customers.

IMPORTANT AREAS FOR SPECIFICITY

Communications channels

- Requirement for water companies to find out about customers' preferred channels and use these accordingly.
- Include a range of channels to suit different audiences including those who prefer/need a telephone service.

Putting things right

- Requirement to respond quickly to incidents, resolve them as soon as possible, and communicate clearly and transparently throughout.
- Learning lessons from past experience, and demonstrating improvements in customer service in future incidents.

Understanding customers' diverse needs

- Proactively finding out about customers' diverse needs, keeping this information up-to-date and using it when designing services.
- Dealing sensitively with customers in vulnerable circumstances including those struggling with their bills.

Role of Ofwat and CCW


There is an opportunity for both organisations to grow awareness and understanding among participants as they provide reassurance.

AWARENESS AND
UNDERSTANDING OF OFWAT
AND CCW ARE VERY LOW

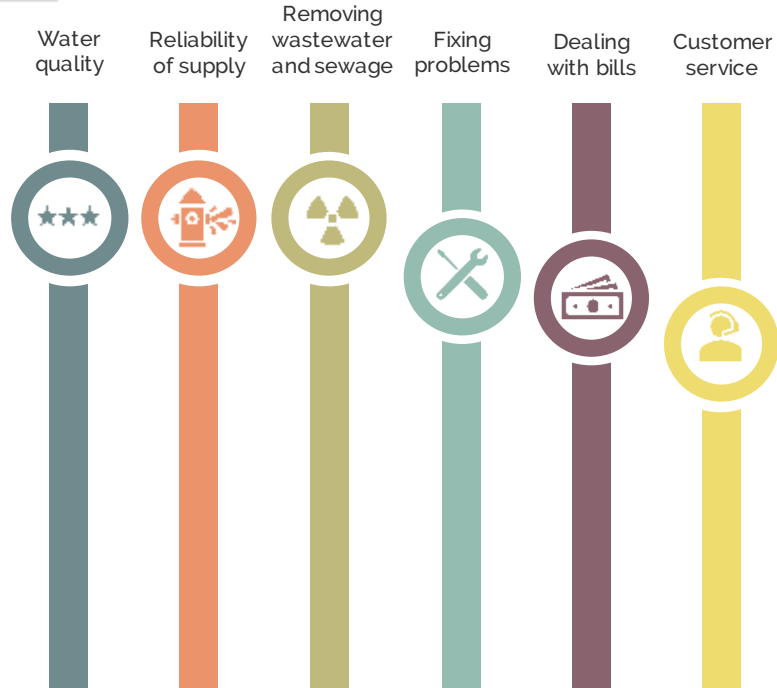
- On learning more about the organisations through the research, participants were reassured that they exist and regulate the industry.
- There is a clear opportunity for Ofwat and CCW to grow awareness and understanding of their roles to develop their relationships with water customers and provide reassurance that water companies are meeting agreed standards.

CUSTOMERS WANT TO KNOW
THAT ACTION WILL BE TAKEN
WHERE THERE ARE BREACHES

- With limited awareness of how enforcement works, participants generally viewed the topic pragmatically, wanting Ofwat to work with water companies in the first instance to address poor performance, before moving on to stronger action if this approach did not produce results.
- They are comfortable with Ofwat responding to systemic failures (rather than getting involved in one-off or minor cases), but seek clarity on when Ofwat would intervene so they have confidence that water companies are being held to account.
- Participants believe there is a place to fine water companies for serious or repeated breaches, however many also feel that compensation is a more appropriate response as it provides restitution to the affected customer. There is a concern with fines that they will simply be passed on to water customers through increased bills.

A circular ring of water droplets is centered in the image, set against a light blue background with scattered water droplets. The ring is composed of many small, overlapping droplets that form a continuous loop. The text is overlaid on the left side of this ring.

Current consumer
mindset: water and
waste water services



Participants generally rate their water companies well in terms of water quality and provision

Participants were prompted to consider their own experiences when rating their water company on a range of activities. It should be noted that participants were less likely to have experienced problems in some areas, which would have impacted their rating. In contrast, most had some experience of customer service. The following slides should be considered in this context.

Generally, participants spend very little time thinking about their water and wastewater services

Water is seen as a 'basic utility', even more so than electricity and gas, as customers do not actively choose their supplier. Therefore the relationship is seen as distant and transactional.



Most participants don't expect much interaction with their water company: in normal times they expect little other than to have a regular supply of safe water, have wastewater dealt with, and to receive accurate, timely bills. There is an underlying expectation that water companies are fulfilling their duties largely 'behind the scenes' - ensuring supply, treating water, maintaining infrastructure etc.

This leads to a 'if it's not broke, don't fix it' mentality in which participants are generally satisfied under normal circumstances where services are delivered without them really noticing. This is particularly true for future customers who don't need to consider the billing side of supply.

"Never had any issues with the water – always had water when i needed it" (Female, 18-30)

Some participants take more interest in their water supply, for example noting the hardness, limescale content or pressure of their water.

"We filter the water for drinking because it's hard." (Female, 40-54)

"It tastes fine, and there's very little limescale in the kettle." (Male, 65+)



Water
quality



Reliability
of supply



Removing
water
waste and
sewage



When problems arise, participants want their water company to fix them quickly and efficiently



Participants are most likely to notice their supply when things go wrong such as outages, interruptions to supply and issues with sewage (experienced by few participants). All see water as a vitally important service, meaning that outages, interruptions to supply and sewer flooding, need to be fixed as soon as possible.

In these circumstances, all want to be able to report issues easily, and see that the work is being carried out quickly and efficiently. Most reported that this was happening and were generally satisfied.

"There was a burst water pipe a few months back but they resolved it urgently." (Male, 30-39)

Dissatisfaction arose when participants felt that it was difficult to report problems (or they had to call more than once), they took too long to resolve, or they were not given clear information throughout repair works.

"The issue took a long time to fix so living without water for this long really did impact our daily life. Obviously we can live without baths/doing washing for a while but my children needed drinking water etc." (Female, 18-30)

"There's a water meter casing sinking into the pavement. I've told them about it for six months, and someone has come out to draw a blue circle around it but nothing else has been done." (Female, 65+)



Fixing problems



With little agency over bills, participants' expectations are limited to them being timely and accurate



In many cases, participants reported that bills were sent regularly and were accurate – as with other areas, the absence of a negative led to an overall positive experience.

- Some appreciated extra information that was provided alongside their bills such as water efficiency tips and information around how their water use compared with similar households.

Some participants experiencing financial difficulties also commented that their water company was understanding of their situation and made efforts to ease the pressure on them.

"I phoned to discuss high bills and they were very helpful."
(Female, 40-54)

"They seem quite flexible with payments for example if I missed a month's bill and paid it a month later, I doubt I would hear from them chasing me. Also any of the bill that is not paid from a previous year is spread out over the next year." (Male, 30-39)

The main complaint was that participants had built up too much credit on their accounts, meaning they had to phone to get a refund – though generally participants were satisfied that they received this quickly.

"My direct debit was too high, but they reduced it when asked."
(Female, 65+)



Dealing with bills



Customer service interactions were largely positive, with telephone contact often flagged as the main issue. This is often due to the time taken to get through



The research recruited participants who had been in contact with their water company in the recent past to ensure a read on customer service. In most cases, this meant that participants had contacted their water company via telephone or online, and generally their experience was a positive one overall, with many reporting they were dealt with politely and competently once they had got through.

"Very good - always polite and friendly, and will follow up where needed." (Male, 40-54)

Participants noted potential improvements in three main areas:

- Being able to get through quickly on the phone (without long waiting times).
- Not wanting to repeat themselves to different advisors.
- Being able to talk to a 'real human' (rather than a web-bot or voice recognition system) – particularly for older participants or those not as confident with technology.

"They should not just fob the customers off or put them back on hold or try to transfer them to someone else." (Male, 40-54)

"You're on hold for too long, and then the staff don't really want to listen to you." (Female, 55-64)

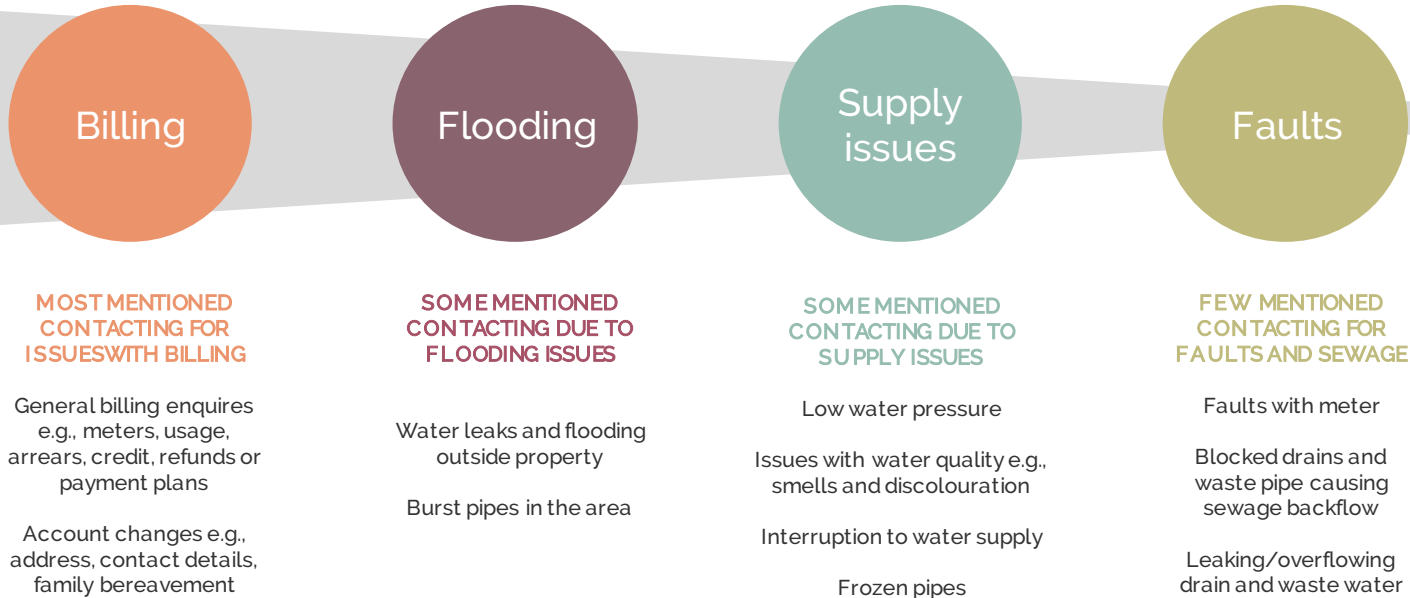
"You need human contact so I can explain the exact issue and the impact it's having on me." (Male, 65+)



Customer
service



Reasons for contacting water company



Experiences with water companies were generally minor, and resolved quickly

Most participants experienced minor issues that were resolved quickly and efficiently



Jill noticed she had been charged twice by her water company. This tipped her account into overdraft!

She contacted them to complain about this and to get an explanation. They let her know that this was a complete accident and that it had happened to all of their customers that month.

The water company acted quickly and professionally to fix the billing issue and everything happened smoothly.

They also offered Jill £10 in compensation for the inconvenience it had caused her.

Some participants experienced moderate issues like this with meters, interruptions to supply and billing



Jenny suspected a faulty water meter after being notified by a third party company that her water usage was unusually high.

She booked for a company to check her home for any leaks or other issues with the water system and found no internal faults. Jenny then contacted her water company to request a meter change - they were really not helpful!

This process took many phone calls as Jenny was passed from different people and departments. She was really frustrated with the arguments in convincing the water company to do anything at all.

Eventually the water company reluctantly changed the meter.

A small minority of participants shared major incidents like this one



William experienced a supply outage that affected his whole street which included about 10 houses.

The water company contacted the customer prior to let them know that it was going to happen and that it would last for 2 days. Then a big surprise came to say that the outage was going to last for a week!

William was furious and contacted customer service right away. The staff were friendly and expressed sympathy which made William feel less angry.

The water company offered no bottled water or compensation leaving William overall furious and unhappy with the service.

Key differences across the age segments

All expect customer service interactions to offer basic principle of treating customers with respect.

Type & level of contact



- Like to be informed efficiently.
- Generally like text message notifications.
- More transactional but expect respectful customer service.



Multiple touch points – including online - reassurance and efficiency of information are based on experience or incidence severity.



- Need more support and reassurance.
- Prefer talking via telephone.
- More personal style of contact.

18-30

- Typically future bill payers.
- Little or no interaction with water company /experience with supply disruptions.

30-39

- Potential first time homeowners, busy households.
- Less experience with water company.
- Talk about vulnerable grandparents.

40-54

- Many have dealt with moving homes and changes in utility providers.
- Experiences with elderly parents.

55-64

- Experienced with utility providers.
- Some competent with online interactions.
- Experiences with elderly parents.

65+

- Have more time to speak with someone.
- More sceptical and wary of scams.
- Low online compatibility.
- Time needed in understanding billing/issues.

EMOTIONAL DRIVERS

- Less engaged with service provision.
- More resilient when things go wrong.
- Feel more confident in adapting to change.
- Can be sceptical / lack trust in all types of companies (including water companies).

- Less patient, with higher levels of frustration.
- Emotionally-charged responses to issues: stress, concern, worry.
- Sense of security and understanding important - feel less confident when things go wrong.
- Most likely to be sceptical and lack trust in water companies as they are most likely to have experienced issues.

Bringing to life the key differences across the age segments

Quotes to validate the profiling of age segments

18-30

"I would like to get contacted by emails or texts. I don't like being contacted via phone calls because I don't like them!" F, 18-30

"Emails would be a good way to communicate with the residents, I would want to know what's going on and any plans they have for the future" F, 18-30

30-39

"I'd prefer to receive a text or email. For larger pieces of information would be happy to receive that by email or on an online portal." M, 30-39

"Email or text only but it can be the same communication for all issues I wouldn't have a preference which I would prefer but calling would be my last resort" F, 30-39

40-54

"Have never spoken directly to a person, automated services are reasonable in web design and UI." – M, 40-54

"They need to have an online chat and a call centre available." – M, 40-54

55-64

"They need to make the phoning process efficient and painless, and listen carefully without interrupting." – F, 55-64

"Last summer, when some company's were bringing in hose pipe bans, I had emails with tips, reminders on how to be prudent with my water usage." – M, 55-64

65+

"I want to be able to contact someone by phone quickly, it's helpful to know your place in the queue, and get a call back if it's busy." – F, 65+

"[It should be] easy to get through on the phone without having to press loads of different options." – F, 65+

Customers in vulnerable circumstances have different and more specific needs, thus require an added layer of support

"My water went off without a warning so we had no time to save any for essential things, my wife and I were both ill with COVID and were isolating. [WATER COMPANY] promised at 8.30 am to fetch us some bottled water round because of the situation and at 8pm the same day we were still without."

- Male, 65+

In this research we included customers in vulnerable circumstances including those with physical and mental health conditions, carers of terminally ill family members, parents of severely disabled children and single, elderly people suffering recent bereavement. They had additional needs from their water companies, including:

- ↳ Less able to deal with incidents themselves (e.g. minor interruptions to supply), and more **prone to worry** if issues aren't being resolved.
- ↳ In the case of **supply outages** they were less able to get out to pick up water, so needed this to be delivered.
- ↳ Potentially **less confident** dealing with their bills if this was a new responsibility, and could be coupled with lower digital capability (need to speak to a person, not just for technical ability reasons but also familiarity and reassurance).
- ↳ More **susceptible to scammers**, so need to have the confidence that water companies are doing right by them.
- ↳ Could be **reticent about coming forward** for help due to pride, wanting to be self-sufficient etc.

Awareness and understanding of Ofwat and CCW were low

Participants were presented with information about Ofwat and CCW as an introduction to the role they play in the licence condition.

Most participants thought they had heard of Ofwat, but knew very little about its role.

- Some, however, had heard of the organisation in relation to the issue of sewage discharge into waterways, or when imposing fines on water companies.

Similarly, very few participants were aware of CCW and its role.

- Just one participant reported having contact with CCW in the past.

For some it was not a surprise that the organisations existed, and many found it reassuring to know that there were bodies responsible for maintaining standards.

Awareness of Licence Conditions in general was also very low, though some assumed that a form of contract would be in operation for water companies to trade.

Thus there is an opportunity for Ofwat and CCW to communicate their role in the Licence Condition – both to raise awareness of the Licence Condition but also to provide reassurance that this is something being monitored within the water sector.

"I was completely unaware of the bodies regulating water. I have a rough idea of customer obligation as it tends to be relatable across other services, but this is all new to me when it comes to water."

(Male, 30-39)

"Not aware of CCW. I knew (that) Ofwat existed and assumed it was like Ofsted for education."

(Male, 65+)

"Knew of Ofwat but not of CCW. It's good to know there is an organisation that supports the voice of the consumer!"

(Female, 40-54)

"I had heard about them from recent news regarding water companies dumping sewage onto beaches and rivers."

(Male, 18-30)

"I had to refer my issue re my bill to CCW as I was unable to resolve it with [WATER COMPANY] myself. Ofwat was another option I was considering however, CCW was able to negotiate an amicable resolution to the issue."

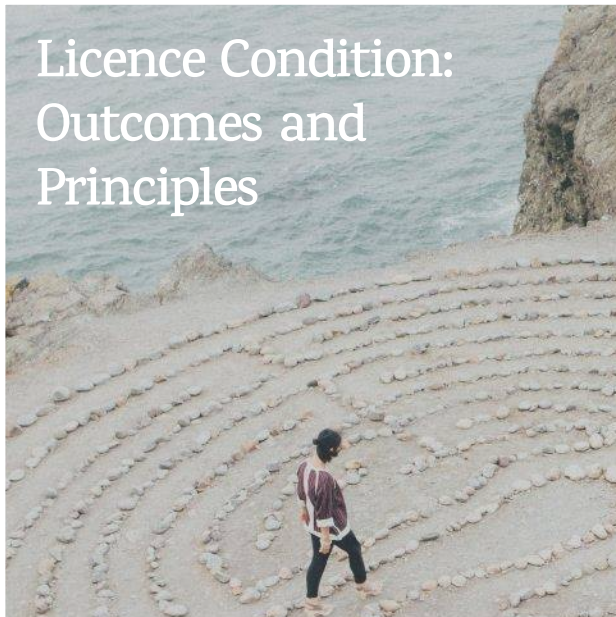
(Female, 55-64)

Ofwat

CCW

The voice for water consumers
Llais defnyddwyr dŵr

Licence Condition:
Outcomes and
Principles



Outcomes and Principles were positively viewed

O U T C O M E

P R I N C I P L E

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.
2. The water company learns from past experiences to improve customer service in the future.

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.
2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.

3. Customers are well informed

1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents.
2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.

- All participants felt that the Outcomes and Principles were appropriate and covered the areas they would expect in receiving good customer service from their water company.
 - In some cases they were seen as lacking detail e.g. what does 'appropriate support' mean or what does 'helps to put things right' entail?
 - Few felt there were gaps or potential omissions. When this was mentioned they tended to include more specific requirements (e.g. to remove road works as quickly as possible after works) or more information for customers (e.g. a specific requirement to provide guidance on water efficiency).
- Most found it hard to prioritise them – they were felt to be interlinked and equally important in their own rights.
- Overall, participants agreed that if water companies delivered on the Outcomes and Principles, this would constitute good customer service that they would be happy to receive.

Putting things right: participants felt this was a reasonable and suitable expectation

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.
2. The water company learns from past experiences to improve customer service in the future.

"Appropriate support to me sounds like they are following the procedure just to make the customer is happy, but I think it should be more than that so that future problems don't occur." – (Male, 30-39)

- All felt that the Outcome was appropriate, as this met their expectation that water companies should put things right quickly when they go wrong.
 - This reflects both the vital importance that participants attach to water, and the somewhat detached relationship they have with their water company.
 - While there was an expectation for problems to be resolved quickly, there was general acceptance that certain issues would take longer to put right than others, and a preference for 'permanent fixes' rather than temporary ones, even though this could take longer.
- Similarly, the Principles were felt by participants to be appropriate and broadly supported.
 - '*Appropriate support*' was interpreted in different ways, including: helping with affordability, making sure that alternative water sources were available if needed, catering to the needs of customers in vulnerable circumstances during issues, and providing regular, transparent communications during repairs.
 - '*Learning from past experience to improve customer service*' was felt to encompass: analysing how issues have been resolved so they can be done quicker/more efficiently in the future; listening to customers to ensure that their views and needs were taken into account; for some, water companies informing customers about their performance during issues and how they would handle them better in the future.
- For some, the Outcome and Principles lacked clarity and specificity: 'appropriate support' could be interpreted in different ways, and it was unclear how water companies' performance would be monitored against these measures.
- Apart from where participants had experienced poor performance on resolving issues, participants felt that their water company was doing a reasonable job at fixing problems, and many reported receiving good communication in the past.

Customers' diverse needs: it is important for water companies to consider diverse needs

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide.

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.
2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.

"Having utility companies understand this more and more is only going to be a positive experience for many households."
– (Female, 18-30)

- The Outcome was seen as significant by most; it's not something that all participants had considered fully before but an important element to cover.
 - participants considered a wide range of factors to be in scope for inclusion in this Outcome, including demographic characteristics including age and disability; household composition including young families, single parents, elderly people living alone; and financial factors such as low-income households and benefits recipients.
 - Some participants were already registered with the Priority Services Register, generally appreciating that this gave them access to additional services including alternative water during outages, and so contributing to what was specified here.
- Few had considered these types of principles before.
 - There was an expectation that 'providing support for customers who are struggling to pay' meant offering affordable payment plans and support.
 - Apart from those already receiving support, there was low awareness of how well participants' water companies were performing in this area currently – though in the focus groups it appeared that some people who were eligible for support were not aware of it.
 - Participants felt that it was incumbent on water companies to make customers aware of the support available to them in these areas, and to maintain up-to-date records of the support requirements of their customers (a minority view was that customer themselves were responsible for alerting water companies to their particular needs).
- For some, 'appropriate support' wasn't clear enough, particularly around how this would be evaluated and/or measured to ensure good performance for these groups of people.
- While most participants supported this Outcome and Principles, a small minority felt that it was water companies' responsibility to deliver a consistent service to all, without making special provision to people in vulnerable circumstances.

Customers are well informed: participants want clear, honest communications at the right times

3. Customers are well informed

1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents.
2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.

"Great positive statements, very clear and straight to the point. Makes me feel happy and at ease that they would be willing to help as much as they can and will be easy to get hold of." – (Female, 30-39)

- The Outcome was felt by all to be vital to ensure that customers were aware of any issues affecting them and that they could have confidence in their water company– particularly so given that customers can't choose their provider.
 - This is especially important during incidents, repairs and maintenance – anything other than 'business as usual', when participants expect less communication and just regular good service.
- Again, the Principles were felt to give clarity and increased confidence by all we spoke to.
 - 'Being proactive' meant that water companies would contact them via preferred channels prior to incidents, give clear regular updates when works were taking place and informing them of the completion of works.
 - As seen earlier there are clear demographic differences between channel preferences, meaning participants expected water companies to provide a range of accessible options.
 - 'Make it easy to contact' meant having appropriate preferred channels available, minimal waiting times and the staff trained to respond to requests for assistance.
 - There was acknowledgement that, at peak periods, it may be difficult for water companies to provide the same level of quick response as during quieter times, but there was an expectation that water companies would instigate a call-back service (which genuinely worked) to account for this.
 - Participants also emphasised the importance of transparent and honest communications, giving them confidence that their water company was operating properly in a sector they didn't fully understand.

Customer Licence
Condition: Guidance



Participants could see pros and cons for different levels of specificity, but overall preferred more detailed guidance

Participants were generally unfamiliar with the idea of regulatory guidance and found it hard to conceptualise.

Before seeing examples of the guidance, participants were concerned that 'specific guidance' may be 'too much', preventing water companies from delivering against their specific customers' needs.

Seeing examples of both largely allayed that fear: the 'broader guidance' examples were more specific than anticipated, and the 'more specific' guidance still offered water companies considerable scope to deliver in their own way.

While they were generally satisfied that the broad examples covered their main areas of interest, issues covered in the more specific examples highlighted areas that they had not necessarily considered (e.g. signposting to a complaints procedure) which they valued having in the guidance.

This led to a general preference for the more specific forms of the guidance.

BROAD GUIDANCE

- ✓ Avoids water companies being 'caught up in red tape', constantly needing to demonstrate compliance with detailed guidance.
- ✓ Specific guidance may not always be appropriate to each water company due to regional differences.
- ✓ Water companies should be allowed to meet their customers' needs in their own way.
- ✓ Some sense that it may be better 'future-proofed'.

"Thinking along the lines of say you're comparing two different regions where you have droughts in summer versus other regions suffering from floods for e.g., you may want to have the broadness there just to make up all the different requirements." (Female, 30-39)

DETAILED GUIDANCE

- ✓ Would lead to a consistent 'minimum standard' of customer service across regions and avoid the 'postcode lottery' (particularly for most wanted features such as a phone number, different comms channels, and updates during incidents).
- ✓ Would be easier for Ofwat to see when there were breaches and easier for customers to know what to expect.
- ✓ Some distrust of water companies' willingness to go beyond the 'bare minimum' of provision without specifics.

"I think the broader it is, the more chance it gives that companies can wriggle out of its responsibilities. So, that's not really a benefit of the customer at all." (Male, 55-64)



Outcome 1, Principle 1: what was tested

O U T C O M E & P R I N C I P L E

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.

PROVIDES APPROPRIATE SUPPORT: BROAD GUIDANCE

Companies should proactively resolve issues as quickly as they can, considering the seriousness of the incident, how many customers are affected and in what ways they are affected.

Companies should limit the impact of incidents on customers as appropriate (for example through providing alternative water during sustained outages).

During incidents, companies should provide regular updates to customers via appropriate channels during and following incidents.

PROVIDES APPROPRIATE SUPPORT: DETAILED GUIDANCE

This should include:

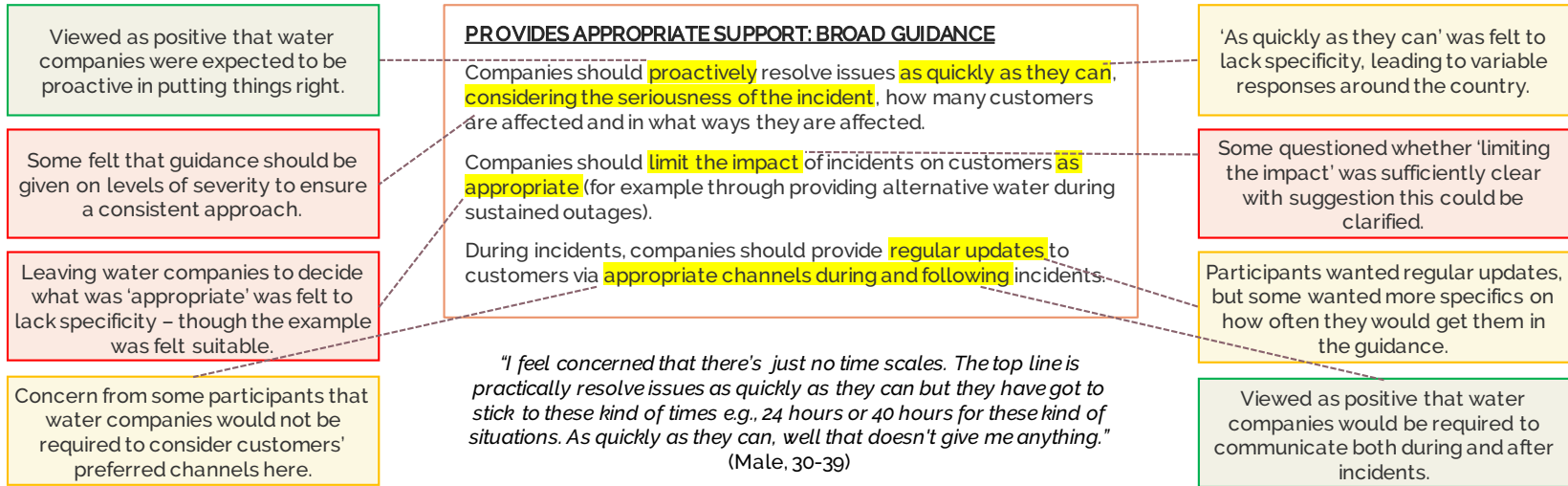
1. Providing notification to customers ahead of planned works.
2. Giving updates to customers every [xx] hours (during the day) during incidents via appropriate channels (including but not limited to information on the website, SMS and email).
3. Informing customers when an incident or planned works are completed.
4. Informing customers clearly and transparently of their rights, including to complaints and compensation.
5. Where appropriate, setting up a dedicated communications channel to respond to customer requests for information.
6. Tailoring support to customers to ensure that vulnerable customers receive extra support when needed during incidents.
7. Having a complaints process that is easy to access and engage with.

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.

Putting things right: broader guidance covered right areas but lack detail to provide confidence

Most participants felt that, if water companies followed this broad guidance on outcome 1, principle 1, they would be providing good customer service in this area. However, there were concerns that the guidance was not sufficiently specific in key areas and left many issues open to interpretation from water companies, which may lead to variable standards and difficulties in measuring performance.



The more specific guidance gave participants greater confidence in their water company



On seeing the more specific guidance for outcome 1, principle 1, most participants generally preferred it and felt it gave them more confidence in their water company's performance. They liked:

- Specifying advance notice for planned works.
- Clarity on frequency of updates.
- Many participants liked the specificity of timescales and various channels used for communication.
- Notifications are critical in managing customer expectations during planned works.
- Informing customers of their rights increases confidence and transparency building trust between the customer and the water company.
- Tailoring support is vital for meeting the individual needs of diverse customers.
- Seen as being 'easier for water companies' as it's clearer how to comply.

PROVIDES APPROPRIATE SUPPORT: DETAILED GUIDANCE

This should include:

1. Providing notification to customers ahead of planned works.
2. Giving updates to customers every [xx] hours (during the day) during incidents via appropriate channels (including but not limited to information on the website, SMS and email).
3. Informing customers when an incident or planned works are completed.
4. Informing customers clearly and transparently of their rights, including to complaints and compensation.
5. Where appropriate, setting up a dedicated communications channel to respond to customer requests for information.
6. Tailoring support to customers to ensure that vulnerable customers receive extra support when needed during incidents.
7. Having a complaints process that is easy to access and engage with.



Considerations

- While timescales do offer customers greater confidence, they risk scrutiny if/when they are unmet. Most participants are reasonable and want issues to be resolved properly, even if it takes longer.
- Customers need to know who to contact during individual issues – not clear on the guidance.
- If updates are regularly made online, tech-savvy customers may like to opt-out of regular SMS updates.
- Interpretations of a dedicated channel varied (see next slide), but the common requirement was to be able to access information on works easily and when needed.
- Having a complaints process is great, but water companies must act and follow through.



Participants generally expect water companies to start fixing problems as soon as they arise



ACKNOWLEDGING PROBLEMS QUICKLY

All participants wanted water companies to acknowledge issues as soon as they were reported, or inform customers of them as soon as they became aware.

- This could be by text, email, and through website updates, depending on how many people were affected and in what ways.

They understood that issues would take time to resolve, but expected alternative water to be available within a few hours if there was going to be a lengthy interruption to supply (more than half a day).

"If there was damage happening to my property, I'd expect the water company to be there within three hours." (Female, 65+)



EXPECTATION FOR RAPID ACTION

In cases where there is a interruptions to supply or damage, participants on the whole expected water companies to start work as soon as practical – often within a few hours.

- Accepting they had limited knowledge of how these things work, most wanted interruptions to supply to be fixed either on the same day or within 24-48 hours depending on the severity of the fix.
- Most felt that issues should be prioritised in terms of numbers affected and severity, with problems affecting a small number of customers taking lower priority of those affecting more people.
- Issues involving sewage in homes were considered a special case, and should be prioritised even for a single household and dealt with immediately.



CLEAR COMMUNICATION THROUGHOUT

Most participants understood that different problems take different amounts of time to resolve.

- They could accept this as long as they could see that water companies were being proactive.
- An important part of this was communicating well about problems – giving realistic timelines for completion of works, and regular updates throughout.
- Most would expect an update to be available every few hours, or when there were major changes.

"The more people who are affected, the quicker it should be fixed, because there's more chance that someone will be vulnerable living there." (Male, 30-39)



Outcome 1, Principle 2: what was tested

O U T C O M E & P R I N C I P L E

1. When something does go wrong, affected customers have confidence their company will put it right

2. The water company learns from past experiences to improve customer service in the future.

LEARNS FROM PAST EXPERIENCE: BROAD GUIDANCE

Following incidents, water companies should evaluate their response to the incident, identify areas of best practice and lessons to be learned for future incidents.

Water companies should use these evaluations to update their response plans to incidents, including working with relevant partners (such as the local authority, large users and emergency services).

LEARNS FROM EXPERIENCE: DETAILED GUIDANCE

This should include:

1. Evaluating the response against agreed measures of good performance (covering, for example, response times, communications, providing alternative water etc.).
2. Proactively consulting customers on how lessons can be learned to improve customer service (e.g. through market research or talking to customers affected by an incident).
3. Publishing the findings of the evaluation in formats accessible to all customers including those with vulnerabilities.
4. Taking responsibility for issues or disruptions where the water company is at fault.
5. Clearly acknowledging where the water company could improve its response to future incidents.

1. When something does go wrong, affected customers have confidence their company will put it right

2. The water company learns from past experiences to improve customer service in the future.

Learning from experience: broader guidance was seen as acceptable at top-level, but raised questions

The majority of participants agreed that water companies should evaluate and learn from past experience, but had little understanding of what this would look like in practice. Importantly they wanted evaluations to have some independent element (e.g. a review by Ofwat) to ensure best practice was adopted. While they viewed this broader guidance for outcome 1, principle 2, as acceptable, it also raised questions around how it would work in practice, some of which were allayed by the more specific guidance.

For many participants, asking water companies to evaluate their performance during incidents and repairs was a key element of guidance, to ensure that services improved over time.

Linked with questions around transparency, some questioned whether these response plans – which are good in principle – would be independently monitored and evaluated (e.g. by Ofwat).

LEARNS FROM PAST EXPERIENCE: BROAD GUIDANCE

Following incidents, water companies should evaluate their response to the incident; identify areas of best practice and lessons to be learned for future incidents.

Water companies should use these evaluations to update their response plans to incidents, including working with relevant partners (such as the local authority, large users and emergency services).

"Ideally this is a great idea, but whether they do anything with that data... does anyone hold them into account, that's something else I guess." (Male, 18-30)

While participants felt it was important to identify best practice and lessons learned, some questioned whether water companies would be 'marking their own homework' and be less than transparent about their shortcomings.

Participants felt it made sense for water companies to work with relevant partners, some felt this wording lacked specifics around how they would be expected to work together and on what.

Again, there is increased confidence and preference for the more specific guidance



The more specific guidance for outcome 1, principle 2, raised issues some participants may not otherwise have considered, such as KPIs for performance, a requirement to publish findings, and the need to engage with customers to improve service.

- Almost all agreed that this offered clear, well-rounded guidance that kept water companies on track.
- Publishing finding in the public domain increases reassurances that water companies cannot wriggle out of commitments to improvements.
- Taking responsibility was also vital for most participants to increase trust that their water company was acting transparently.

While the majority of participants approved of this guidance, for a small minority it felt too arduous, with the assumption that water companies already knew how to fix problems, and they would seek better future solutions through self-interest to save on costs.

LEARNS FROM EXPERIENCE: DETAILED GUIDANCE

This should include:

1. Evaluating the response against agreed measures of good performance (covering, for example, response times, communications, providing alternative water etc.).
2. Proactively consulting customers on how lessons can be learned to improve customer service (e.g. through market research or talking to customers affected by an incident).
3. Publishing the findings of the evaluation in formats accessible to all customers including those with vulnerabilities.
4. Taking responsibility for issues or disruptions where the water company is at fault.
5. Clearly acknowledging where the water company could improve its response to future incidents.

"You can hold them to account, let's say every year or how often they decide to publish findings. You can go through the records to see if they're doing that. Maybe that's fine, but still think if we're aiming for specificity is quite weak" (Male, 40-54)



Considerations

- As with the broader guidance, some participants were concerned that internal evaluations would not be scrutinised by independent experts. An independent review would give customers more confidence.
- Even with external oversight some found the guidance too vague – for example around how customers should be consulted, what measures should be assessed, and how water companies should 'take responsibility'.
- While many participants said they wanted water companies to publish reports of evaluations, few thought they would read them, seeing this more as a deterrent than something they would actively engage with.



Case studies: positive examples of water companies when putting things right.

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.
2. The water company learns from past experiences to improve customer service in the future.



Prompt action following reported foul smell

"During the summer, I noticed a foul smell coming from the bathroom when the toilet hadn't been used. This continued for several days and then one of my neighbours noticed the same but outside in the rear garden. I had checked my drains and could not find a cause, so I contacted [WATER COMPANY] by telephone.

The Advisor was helpful and courteous and listened fully to the reason for my call. After his initial assessment he advised that arrangements would be made for a technician to visit the property and I would be advised later. I received confirmation of the visit the same day.."

(Male., 65+)



Frozen pipe issue during cold weather efficiently resolved

"I contacted them as the pipe froze when we had really cold weather. They [WATER COMPANY] came out straight away and they were very efficient in fixing the issue. I found them very reliable, and the customer service was really very good as well."

(Female, 18-30)



High priority customer being informed of a burst pipe

"[WATER COMPANY] contacted us to warn us of low pressure or no water. That was very polite and told us where we could get water or if we couldn't get there that would deliver it at some point in the day."

(Male, 40-54)



Case studies: negative examples of water companies when putting things right.

1. When something does go wrong, affected customers have confidence their company will put it right

1. The water company provides appropriate support when things go wrong and helps to put things right.
2. The water company learns from past experiences to improve customer service in the future.



Burst pipe causing loss of water to an apartment block

"Our apartment lost water completely. This was concerning as it was the height of summer and I had returned home with a newborn baby just a couple of weeks prior so absolutely needed water! I contacted the water company to let them know our situation as I was aware we would be a priority case. They offered to have water sent out to us should the supply not return by the following day. Though our water supply returned that night, we never did receive the water promised to us nor did we get a follow up call which I would've expected."

(Female, 40-54)



Ongoing sewage issues for many years without an explanation

"I have a lot of issues with my sewage system. I've had times where it's overflowed in my bathroom or all out my back garden. I contacted [WATER COMPANY] many times due to the ongoing issue I have where the drains block up and when I flush my toilet it won't go down and the man-hole is full and not free flowing..

They were very understanding, and someone came to my property that very day and sorted this issue. I flagged up that this had happened many times and they put that every 3 months they will come and check my drainage for any blockage and clean it appropriately.

The only thing I get frustrated about with this issue is that it's been going on for the 7 years I've lived here we've had issue after issue, which they've investigated and done work to my property but there is no definitive answer to why this is happening? There's no real answer."

(Female, 30-39)



Outcome 2, Principle 1: what was tested

O U T C O M E & P R I N C I P L E

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.

UNDERSTANDING DIVERSE NEEDS: BROAD GUIDANCE

Companies should collect and record information on the needs of individual customers in vulnerable circumstances, and use this information to tailor communications and services for these customers.

Staff who have direct contact with the public should be suitably trained to be sensitive to the needs of vulnerable customers.

Companies should ensure that customers are informed about the support that the company provides to vulnerable customers and how to access this, including accessing the Priority Service Register.

UNDERSTANDING DIVERSE NEEDS: DETAILED GUIDANCE

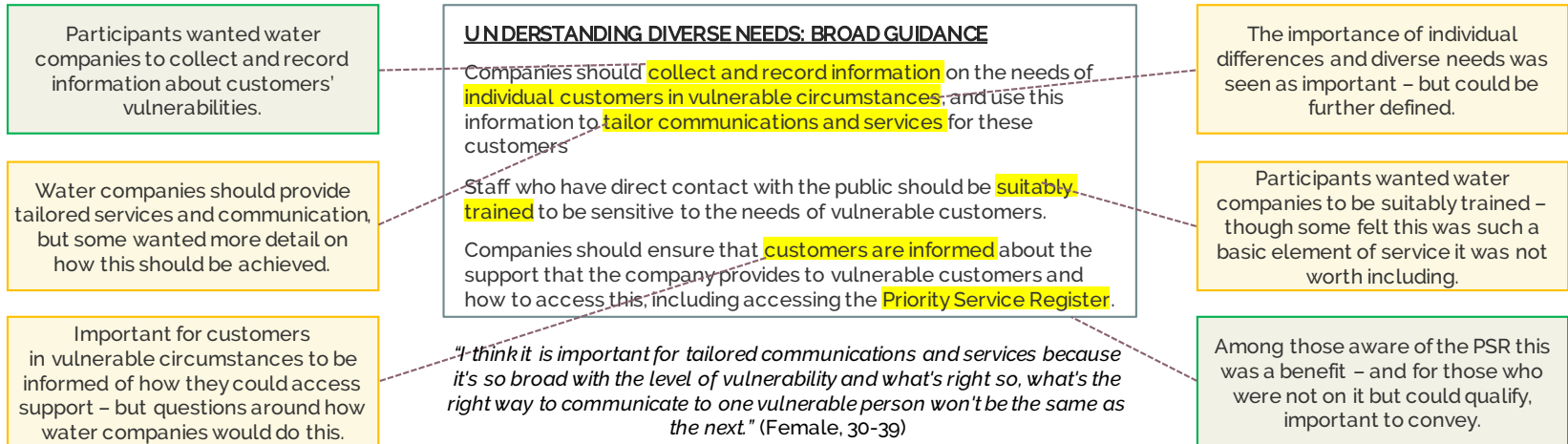
1. Proactively contacting customers to collect vulnerability information and informing customers of services available and how to access these.
2. Making the most of day to day interactions (such as billing, or change of address) to understand the needs of customers, particularly if vulnerable.
3. Taking into account a wide range of vulnerable circumstances including disability, long-term physical or mental health problems, elderly customers, customers with young children and customers on low incomes or in low-income households.
4. Ensuring that customers in vulnerable circumstances are treated with empathy, respect and patience.
5. Helping customers understand how data on their specific needs will be stored, used and shared.
6. Working with other organisations (e.g. other utility providers, councils, charities) to help identify customers who might need extra support, including through data sharing.

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.

Understanding diverse needs: broader guidance covers main areas but was felt to lack sufficient detail

Many participants felt that the broad guidance for outcome 2, principle 1, covered the main areas they found important, but questioned whether sufficient detail was provided to ensure consistent service across water companies – for example through defining vulnerability and relevant communications channels. This was contested, however, with some believing that too much detail risked restricting water companies' efforts to the groups listed, at the expense of other potentially important groups.



2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.

The more specific guidance was felt to provide clearer advice on meeting the diverse needs of participants



Given the importance that nearly all attached to catering for customers in vulnerable circumstances, all appreciated the detail provided in the more specific guidance for outcome 2, principle 1.

Listing the types of vulnerability was generally found useful, particularly when used with 'including' to indicate other groups could also be in scope.

Participants liked that water companies would need to proactively update customer information and provide details for how to access services unknown to many – some would like more clarity on how this would be achieved.

Most welcomed the idea of water companies working with other organisations (e.g. utilities) to offer rounded services, though for others this represented overkill, and there were concerns around the consents required for data sharing (e.g., for personal/financial/medical data).

UNDERSTANDING DIVERSE NEEDS: DETAILED GUIDANCE

1. Proactively contacting customers to collect vulnerability information and informing customers of services available and how to access these.
2. Making the most of day to day interactions (such as billing, or change of address) to understand the needs of customers, particularly if vulnerable.
3. Taking into account a wide range of vulnerable circumstances including disability, long-term physical or mental health problems, elderly customers, customers with young children and customers on low incomes or in low-income households.
4. Ensuring that customers in vulnerable circumstances are treated with empathy, respect and patience.
5. Helping customers understand how data on their specific needs will be stored, used and shared.
6. Working with other organisations (e.g. other utility providers, councils, charities) to help identify customers who might need extra support, including through data sharing.



Considerations

- Should include increased awareness for customers to reach out to water companies about their needs (some participants felt it was the customer's responsibility).
- Proactivity could include sending out quarterly survey and emails for change of circumstance forms to maintain accurate records (e.g. with bills).
- Some suggestions to diversify customer service for customers with English not their first language e.g., multilingual call centre staff.
- Concerns over how water companies would demonstrate empathy/respect.
- Concerns about consent when sharing data with other organisations, this must be agreed with upfront with the customer.



Outcome 2, Principle 2: what was tested

O U T C O M E & P R I N C I P L E

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.

FINANCIALLY STRUGGLING CUSTOMERS: BROAD GUIDANCE

Water companies should provide a range of options and payment plans for customers struggling with their bills which are appropriate and affordable to the customer, taking into account their specific circumstances.

FINANCIALLY STRUGGLING CUSTOMERS: DETAILED GUIDANCE

This should include:

1. Having processes in place to identify people who are falling behind with their accounts as soon as possible.
2. Taking specific steps to ensure customers are aware of support available and can easily access this support.
3. Proactively contacting customers who are falling behind on their accounts as soon as possible through whatever channel is most appropriate, including home visits if customers do not respond to other channels.
4. Ensuring that customers whose accounts are managed by local authorities, housing associations or other billing agents receive the same level of service as other customers wherever practical.
5. Signposting or working with other partners (e.g. the local authority, Citizens Advice) to support customers who are struggling financially.

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.

Financially struggling: the basic points were covered, but lacking detail on how to meet them

Overall the majority of participants felt that the guidance for outcome 2, principle2, offered in the broader version was appropriate in its aims, but lacked specific detail they had suggested during the online community on ensuring that water companies proactively identified customers struggling with their bills and set out to help them with an empathetic and tailored approach. Further details on what affordable plans could look like was also seen as lacking.

Participants wanted water companies to offer a range of payment plans for customers, but felt there could be more detail here on the types of plans being proposed.

Important to offer payment plans which are 'affordable', but some comments that more detail in this area could clarify the guidance.

FINANCIALLY STRUGGLING CUSTOMERS: BROAD GUIDANCE

Water companies should provide a **range of options and payment plans** for customers struggling with their bills which are appropriate and **affordable** to the customer, taking into account their **specific circumstances**.

As in other areas of broad guidance, the focus on individual circumstances was seen as important.

"I think I'd want more than this. I think it may result in the company providing more support to their customers and in some places than other places. And I think that that's just unfair. So, I think more examples and what these options are." (Female, 18-30)

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.

Financially struggling: the more specific guidance felt customer centric and sufficiently detailed for this group



Almost all participants agreed the specific guidance for outcome 2, principle 2 was sufficiently detailed, and put the customer at the forefront of service from their water company.

There was support for the guidance including measures for water companies to proactively identify and contact customers who may be struggling (though not always clear how water companies could do this).

Having processes in place to increase awareness of support was felt important to demonstrate a caring approach.

Most supported home visits as a last resort, on the proviso they were carefully handled.

Signposting to other partners was welcomed and commended by most participants.

"Quite like it. Overall I quite like the fact that there's quite definitive steps here." (Male, 40-54)

FINANCIALLY STRUGGLING CUSTOMERS: DETAILED GUIDANCE

This should include:

1. Having processes in place to identify people who are falling behind with their accounts as soon as possible.
2. Taking specific steps to ensure customers are aware of support available and can easily access this support.
3. Proactively contacting customers who are falling behind on their accounts as soon as possible through whatever channel is most appropriate, including home visits if customers do not respond to other channels.
4. Ensuring that customers whose accounts are managed by local authorities, housing associations or other billing agents receive the same level of service as other customers wherever practical.
5. Signposting or working with other partners (e.g. the local authority, Citizens Advice) to support customers who are struggling financially.



Considerations

- Steps to ensure customers are aware of support shouldn't only be in bills that these customers are less likely to open. Suggestions to consider leaflets, posters at CA, adverts etc.
- What constitutes 'specific steps' could be better defined (e.g. through examples).
- Views on home visits were mixed – if not done sympathetically they may cause distress, and some felt they did not belong in the guidance on this basis.
- Participants agreed with points 4 and 5 but emphasised that data sharing must be with the customer's consent.
- Some participants placed more onus on the customer to contact their water company if in difficulties.



Case Studies: Positive examples of water companies in meeting customers diverse needs

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.
2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.



Changing account details following a family bereavement

"I was very pleasantly surprised with how the member of staff responded to me following my bereavement compared to the other companies I had contacted. The member of staff was very friendly and empathetic, and the information was relayed to me efficiently on how to change the account details which was streamline. I was also pleased with how quick I got through to the company as some companies can keep you on hold for 1 hour or more in my experience."

(Female, 55-64)



Requesting money that was held in an account with credit

"I wanted to pay for my actual usage and not to pay for an estimated usage which meant I my account was in credit with money that I wanted to use to cover other bills. They agreed to refund me the credit on my account which enabled me to us the money for other bills."

(Male, 40-54)



Helpful and understanding towards cost of living

"I contacted [WATER COMPANY] to get a water card to spread my bill. The agent was very good and didn't dispute any of my concerns with regards to money and the cost of living. They listened to my concerns and helped me accordingly with no judgement."

(Female, 40-54)



Case Studies: Negative examples of water companies in meeting customers diverse needs

2. The full diversity of customers' needs are identified, understood, and met by water companies in the services and extra help they provide

1. The water company understands the needs of its customers and provides appropriate support (including/especially customers in vulnerable circumstances), including during and following incidents.
2. As part of the above, the water company provides support for customers who are struggling to pay or in debt.



Complications changing details when move home

"I called them to notify them of our moving date and gave them our details of when and where we were moving to. Unfortunately, this did not get noted correctly and we ended up with a number of different letters from the supplier with conflicting information.

I then had to call them back and explain the error to be sent a further updated letter with again incorrect information. Which again resulted in another call to be told that its the system, well I am sorry, but someone has to put the information into the system to enable it to be generated. Finally, after several calls and explanations, we finally received the correct information to enable us to make the necessary direct debit payments."

(Female, 55-64)



Steep increase in water bills was unexplained

"I contacted them about the high bills as it's gone up by nearly 30% and I was struggling to pay it. Although they agreed to reduce the direct debit, I felt the high rates was due to something else. They agreed to investigate but nothing came of it."

(Male, 40-54)



Outcome 3, Principle 1: what was tested

OUTCOME & PRINCIPLE

3. Customers are well informed

1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents.

PROACTIVELY COMMUNICATES: BROAD GUIDANCE

Companies should proactively communicate with customers about issues that are relevant to them, using appropriate channels tailored to the customer and the specific issue or incident.

Companies should regularly communicate about relevant issues including billing, water efficiency, access to financial support.

Companies should also inform customers quickly and efficiently during incidents, including providing realistic timelines on when the problem will be fixed.

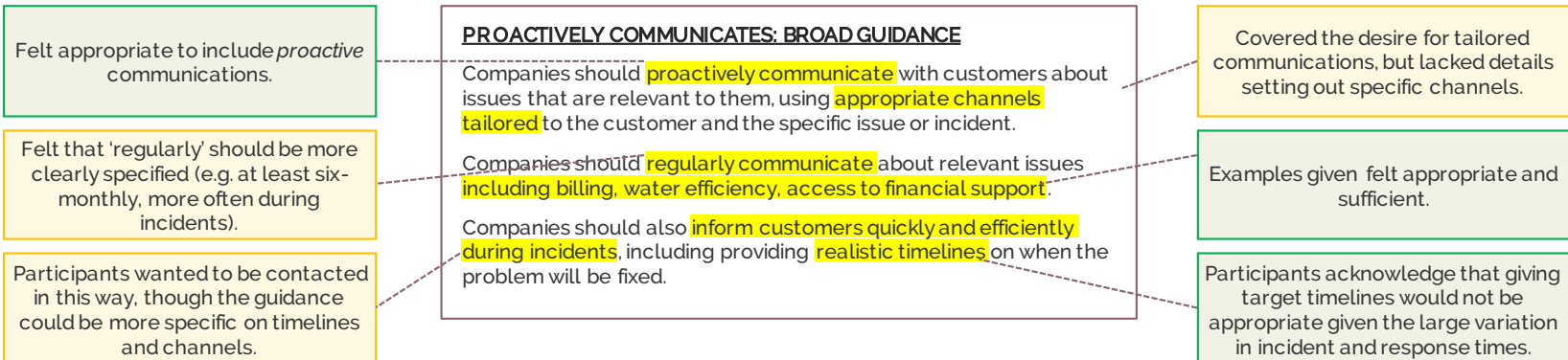
PROACTIVELY COMMUNICATES: DETAILED GUIDANCE

This should include:

1. Companies keeping up-to-date records of customers' communication preferences and using these to contact customers wherever appropriate, and relevant to a specific situation.
2. Providing information in a variety of formats and through different channels to account for the diverse needs of customers including via post, email, SMS, telephone and digitally (website/app) as appropriate. In specific instances this could include face-to-face visits.
3. Informing customers of ways that they can help keep their water and sewerage services running smoothly e.g. using less water, avoiding flushing wet wipes, etc.
4. Evaluating and, where appropriate, adopting new forms of communication with customers.

Proactive communication: broader guidance largely captures what's important to participants

Viewed alone, most customers felt the broader guidance for outcome 3, principle 1, covered the main areas they considered important, including proactive, tailored communications, information about relevant matters, and timeframes for completing works. Some areas were felt to lack specificity, including particular channels.



"I want to know quickly so it should be as soon as the incident is logged down as an incident that people are going to be affected. They should be notified that there's an incident or whatever situations going on. We've got it in hand you'll be notified of updates. X. Y. Z." (Male, 30-39)

With the more specific guidance, participants appreciated the greater detail and inclusion of channel examples



Items in the more specific guidance for outcome 3, principle 1, that many participants particularly wanted to see included were:

- The need for water companies to keep accurate up-to-date records of customers contact details – a regular form alongside bills was suggested as a means to achieve this.
- Guidance on tailoring communications to the customers and to the situation (important to many) – felt to cover the need for more urgent communications during incidents.
- Specificity on channels – though important to say 'including' to allow for future forms of communication.

PROACTIVELY COMMUNICATES: DETAILED GUIDANCE

This should include:

1. Companies keeping up-to-date records of customers' communication preferences and using these to contact customers wherever appropriate, and relevant to a specific situation.
2. Providing information in a variety of formats and through different channels to account for the diverse needs of customers including via post, email, SMS, telephone and digitally (website/app) as appropriate. In specific instances this could include face-to-face visits.
3. Informing customers of ways that they can help keep their water and sewerage services running smoothly e.g. using less water, avoiding flushing wet wipes, etc.
4. Evaluating and, where appropriate, adopting new forms of communication with customers.



Considerations

- Some examples of different situations and communications needs could be useful (e.g. use more urgent forms during incidents such as flooding).
- Again home visits were questioned on the basis they may not be needed or appropriate, felt better to leave to water companies to decide.
- Some felt that they did not need information on water efficiency – could there be an option to opt-out?
- Guidance around 'new forms of communication' was not immediately clear to all participants.



Outcome 3, Principle 2: what was tested

O U T C O M E & P R I N C I P L E

3. Customers are well informed

2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.

EASY TO CONTACT: BROAD GUIDANCE

Companies should offer a range of ways for their customers to contact them.

These should reflect the range of preferences that people have for contacting service providers, recognising that preferences are different between different people, and that technology changes over time.

EASY TO CONTACT: DETAILED GUIDANCE

This should include:

1. Making it easy for customers to find the company's contact details online via its website and via post (e.g. with bills).
2. Offering channels including phone, email, SMS, webchat, and self-serve options.
3. Ensuring reasonable waiting time for customers by phone, for example by offering a call back service during busy periods.
4. Providing a dedicated or extra communications service during major incidents so that customers can quickly contact the water company during these incidents.

Easy to contact: broader guidance for Outcome 3, Principle 2, reflected participant needs but felt to lack detail

Reflected participants want for multi-channel comms but lacked detail and could lead to variable service (e.g. no phone number).

Guidance should reflect customers' channel preferences, but unclear from the guidance how these would be ascertained.

Participants welcomed the guidance recognising individual preferences on communications but this was felt to lack specificity on channels.

EASY TO CONTACT: BROAD GUIDANCE

Companies should offer a **range of ways** for their **customers to contact them**.

These should **reflect the range of preferences** that people have for contacting service providers, recognising that preferences are **different between different people**, and that **technology changes** over time.

Notable lack of specificity on waiting times in phone queues – while participants didn't want an exact time, a commitment to limiting waits was felt a good addition.

While participants appreciate that technology is changing, this reference made some nervous that they would need to deal with a chat-bot.

"You could be more strict with that, because, you know, a range of ways to contact... there's not a lot of ways you can really contact the company anyway. So, could be more detailed and say right, they have to be accessible by phone or they have to be accessible by email." (Male, 30-39)

"Instead of saying companies should offer a range or these should reflect the range of preferences. Maybe it should say companies will, it's more definite." (Female, 40-54)

The specific guidance is appreciated for its clarity and detail, particularly accessing contact details



Within the more specific guidance for outcome 3, principle 2, most participants valued:

- Requirement to make the contact details easily available including specificity re: website and with bills.
- Specifying that a phone line should be included, feeling this meets the needs of less digitally connected customers.
- Inclusion of 'reasonable waiting time', though some felt this should be more prescriptive to avoid lengthy queues.
- Inclusion of call-back service welcomed, provided it is genuinely effective (some reports of not being called back in the past from other services).

EASY TO CONTACT: DETAILED GUIDANCE

This should include:

1. Making it easy for customers to find the company's contact details online via its website and via post (e.g. with bills).
2. Offering channels including phone, email, SMS, webchat, and self-serve options.
3. Ensuring reasonable waiting time for customers by phone, for example by offering a call back service during busy periods.
4. Providing a dedicated or extra communications service during major incidents so that customers can quickly contact the water company during these incidents.



Considerations

- Could include further popular channels such as WhatsApp (though this could become redundant if other services become more popular).
 - Some also wanted the guidance to specify the provision of a functioning app with at least basic self-serve options.
- Some wanted more specificity on waiting times (10-20 mins regarded as the maximum) and details of the call-back service (e.g. 'within one hour').

"I think that sort of covers for people who are quite good on online technology. Plus it includes things for, like, I've got an elderly neighbour and she only uses the house phone"
(Female, 30-39)

"I think number four is quite a good one. Have a dedicated or extra communication service for major incidents. Yeah I think that would also assist number three because if you know if I have a major incident and I'm calling dedicated line that should free up the other line for less important lines"(Male, 40-54)



Case Studies: Positive examples of water companies keeping customers well informed

3. Customers are well informed

1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents.
2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.



Persistent water pressure issue at property

"I wasn't sure if this was a supply issue outside the property, so I wanted [WATER COMPANY] to check it. I was able to get through easily to report the problem and see if a visit was possible. The appointment was booked easily, and I was happy with the timestot. The visit from the engineer happened when it was supposed to, and he carried out some tests and explained to me what might be the problem which wasn't to do with external supply."

(Female, 55-64)



Catering to customer with different forms of communication

"I have not had to contact our water company in the last few months although they have contacted us via e-mail and recorded messages about burst mains, possible dirty water and low pressure. We did contact them about having a water meter fitted a few years ago. I have found this system quite good. Their response to our request for a water meter was dealt with promptly and professionally."

(Male, 55-64)



Case Studies: Negative examples of water companies keeping customers well informed

3. Customers are well informed

1. The water company is proactive in its communications so that customers receive the right information at the right time, including during incidents.
2. The water company makes it easy for customers to contact them and provide easy-to-access contact information.



Failure to notify customer about water leak

"I haven't contacted the water company directly but did use their website to check about a water leak. I could find the information easily on their website and it provided updates of what they were doing to repair the leak.

But it would have been much better for them to inform us directly rather than me trying to find the info from them."

(Female, 18-30)



Mains water leak running down the street

"I tried calling to get [WATER COMPANY] to send out engineers to stop wasting of water. It took many, many attempts to finally get in contact with them. They said that this fault had already been reported by someone and that they will send out engineers to sort this out. Nothing (went well), I had to call multiple times, I even tried messaging via twitter. Hold times were over 30mins and I didn't get a response."

(Male, 18-30)

Enforcement action



When breaches occur, participants' first thoughts are on fixing problems and preventing recurrence

Unprompted, most customers have little awareness of what enforcement actions could be.

In focus groups participants were informed that Ofwat would only take action on systemic issues/breaches. For most this seemed reasonable, though some would like further clarity on what that meant in principle, and reassurance that their individual complaints would be addressed.

With participants having limited awareness and understanding of Ofwat's role, there is an opportunity to:

- Explain the respective roles of Ofwat and CCW, particularly in relation to enforcement and complaint handling/escalation.
- Make clear when Ofwat will take action and what actions can be taken.
- Convey Ofwat's role in monitoring and evaluating water companies' performance including responding to breaches to ensure longer-term compliance.

Participants assumed a sliding scale of enforcement activity depending on the severity of the breach, the number of customers affected, the nature of the breach and number of similar breaches.

- In the first instance participants would expect Ofwat to have discussions with the water company to establish a plan to put things right (then monitor this to ensure it happens).
- Then *require* water companies to make changes/restitution, rather than simply a conversation.
- Then potentially require water companies to pay compensation, or as a last resort a fine.

COMPENSATION

- Many participants spontaneously felt that compensation was more appropriate than fines in many incidences. They felt that if they were personally affected by a breach, it would be more valuable to them as restitution to receive money off their bill than for the water company to pay a fine.

FINES

- Participants had two concerns with fines: firstly that water companies may be more inclined to pay a fine (if relatively small) than fix a problem (which could be more costly); and secondly that the fines would simply be added to customers' bills, leaving them effectively paying for water companies' poor performance.
- However, in more serious incidents, a fine was deemed appropriate if accompanied by a requirement to fix the problem – for example for repeated serious breaches.

Participants differentiated between different levels or types of breach (examples shown in focus groups)

Tested in most groups

One customer has sewage in their home on multiple occasions for three months due to a fault caused by the water company.

Though only one customer was affected, the nature of the issue (sewage) and repeated failure meant participants felt strong action should be taken including an order to fix the problem immediately and compensation for the affected customer.

There is an unplanned incident meaning 1,000 customers don't have water for 24 hours. During this time, 10 disabled customers are not able to access alternative water supplies.

Participants were frustrated that the disabled customers in this example were overlooked, and suggested that compensation would be appropriate, along with action to learn lessons and prevent a similar failure in the future.

Tested in half the groups

A water company fails to update contact details for customers for one year. Because of this, during an incident it can't contact 2,000 customers by email or text (but it does post information on its website and social media).

This issue was seen as a systemic failure to maintain accurate personal data, and while efforts to publicise the incident response were welcomed, Participants believed Ofwat should work with the water company to identify the cause of the issue and develop an action plan (which would be monitored over time) to address the failure.

A water company fails to take annual meter readings, meaning that 10,000 customers in one region receive a bill that is £100 higher than expected.

Though the bills were correct, participants viewed this as a failure to carry out proper duties, with some calling for a fine, or requiring water companies to forgive the additional cost.

Tested 3 times

Heavy rainfall causes sewage flooding in 300 homes.

To some extent this was viewed as beyond the water company's immediate control, and customer thought Ofwat should work with the company to improve resilience.

an **UNLIMITED** agency



Thank you.



All work is carried out in compliance with ISO 27001 and ISO 20252