

By Email

Sarah Thomas
CCW

Our Ref: SAG
23 October 2023

Dear Sarah

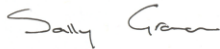
The Guaranteed Standards Scheme: Call for Evidence

Attached is our response to your call for evidence in relation to the Guaranteed Standards Scheme.

If you have any questions then please do not hesitate to contact us and in the meantime we look forward to continuing to work with you on this matter.

Thank you for the opportunity to respond and I hope you will accept my apologies for the latest of our response.

Yours sincerely



Head of Customer Service

The Guaranteed Standards Scheme: Call for Evidence

Response from Dŵr Cymru Welsh Water

Q1. Within the current standards what do you feel works well & why

A1. The guaranteed standards scheme (the scheme) is the statutory compensation scheme setting out the minimum payment that customers should receive if companies fail to provide them with a good enough service. Companies must meet these guaranteed standards, otherwise they are required to make a specified payment to the affected customer(s). This means that it sets the base (minimum) payment that all customers can expect to receive, regardless of the company that provides their water and/or wastewater service, should they not receive the level of service expected in a number of key area. It is therefore relatively easy and simple for customers to understand.

Whilst certain improvements were made to the scheme in November 2018, following Ofwat's 'Out in the Cold' review of water companies' performance in response to the 'Beast from the East', the overall scheme has not been reviewed for some time and we question whether it reflects customers' current expectations or priorities. For example, ten days to respond to a written complaint may not be in line with customer expectations, given the growth in email contact etc. We therefore support a thorough review of the overall scheme based on detailed analysis.

Many companies offer enhanced compensation to customers in the areas covered by the scheme, as well as compensating customers in other areas not covered by it – e.g. rehousing a customer following sewer flooding, who is financially vulnerable and doesn't have home contents insurance. We therefore believe that it is important that companies are able to set their own compensation schemes to customers when necessary, which may be above the 'base' level as set out by the scheme.

Q2. Are there new standards we should add, are there others that are out of date & need revising and if so, how?

A2. As mentioned above the scheme sets out the minimum payment that customers should receive if companies fail to provide them with a good enough service. Many companies already offer enhanced compensation payments or services to customers in areas not covered by the scheme and we believe it is important that they are able to continue to do this. An area that we are currently considering adding to our enhanced scheme is in support of the services we offer our customers who require additional help and/or support. Some companies already offer a payment to customers who have asked for a bill in a particular format, and they fail to do this.

Historically CCW used to facilitate the collation of a 'best practice' register for service standards and compensation payments etc, that each company offered. We found this a very useful document and welcome / support its reintroduction.

Q3. Should payments better reflect the impact of service failures on customers, taking into consideration both the direct financial costs and the inconvenience

A3. Although we have no evidence to say that customers think that the existing arrangements are not sufficient, we do acknowledge that there has been no increase to the minimum payment value for a number of years and would therefore support an increase.

However it is important to note that the concept of GSS is that payments are penalties for breach rather than a specific compensation for loss. The actual loss suffered by a customer will vary hugely from customer to customer, from nothing to many thousands of pounds (for example for a process industry such as steel making if production has had to stop for loss of water supply). The GSS payments concept is not in lieu of insurance for customers and payments should not therefore risk giving that impression. It's also important that the value of payments is an incentive to the water companies to provide good service, without becoming a hinderance to investing in good service.

We often go beyond GSS. For significant events, such as lengthy supply interruptions, we typically pay a larger amount than the Regulations require. The amount of the payment we make will be bespoke to the incident and is determined by the scale of the impact on customers. Furthermore, if we are to pay compensation beyond the statutory levels we will sometimes find it better to compensate the affected community in the form of, say, a new village amenity than to offer individual small sums which, to some customers, are relatively insignificant.

Factors such as length of disruption are considered by companies on a case by case basis. We took account of length, timing and frequency of interruption when determining compensation payments following the most recent freeze/thaw event.

Other examples of where we go beyond GSS are: setting up a dd incorrectly resulting in the customer going overdrawn, we would typically refund the dd and pay any bank charges the customer has incurred; and where a customer has had sewer flooding and they haven't got house insurance, we will pay for the replacement of damaged items

Q4. Should different service standards apply for customers who need extra help or who have been identified as needing extra help, especially those on the priority services register?

A4. We do not believe that there should be different service standards for customers who need extra help or those who have been identified as needing extra help, especially those on the priority services register. Compensation should be kept simple for customers and there shouldn't be differences in the service standards for different customers. We should offer a fully inclusive service and support for customers appropriately through a service failure and would ask that the principle of simplicity is borne in mind for both customers and for companies when any improvements to the current arrangements are being considered.

The impact of a service failure is not necessarily greater because someone has been identified as needing extra help. In the event of a service failure (e.g. loss of supply) for example, the key is to ensure the company's response meets the needs of its customers rather than to increase monetary compensation. We would expect that any customer in vulnerable circumstances would be on the PSR and in turn would receive the appropriate extra care service they require.

As mentioned in A2 above, we are reviewing what service standards we should introduce for those customers who need extra help etc. As part of our research we have noted that some other companies have service standards around their Priority Services for example:

Registering	We will register you for Priority Services within five working days when you contact us. £25 for failing to do so
Our commitments	We will compensate you £25 if you have asked us to do the following and we don't: <ul style="list-style-type: none">• Send you a bill in a particular format, e.g. braille, large print or other languages• Communicate with you in your preferred way• Send an item of literature in the format you choose

And these are areas that we are considering including in our enhanced compensation scheme.