

Dear Sarah

GSS: Wessex Water's call for evidence response

Thank you for the opportunity to respond to this call for evidence.

We agree that a review of GSS is needed to make sure it meets customers' expectations and appropriately addresses the impact of service failures. Indeed, we have offered enhanced service standards and compensation through our Wessex Water Promise for many years now and keep it under regular review.

We have provided answers to the specific questions in the Appendix and if you have any queries, please do let us know.

We hope you find our response helpful, and we look forward to supporting CCW with this review through our membership of the working group.

Yours sincerely



Sue Lindsay

Director of Customer Policy & Engagement

Appendix 1

- **Within the current standards what works well and why?**

Customers generally prioritise the areas of service that affect them directly. The current GSS broadly covers those areas and having consistency in the minimum standards of service that a water company should provide (particularly speed of response) and compensation it should pay drives the right behaviour. It also makes training, compliance monitoring, reporting, payment processing and communication easier.

The compensation payable across the various standards of GSS is generally proportionate to the service failure and sensible when considering the range in average annual household bills. Base payments should be reviewed but the current scheme strikes a reasonable balance, giving customers a full refund of their charges if they are flooded with sewage compared to a smaller fixed payment if a response to a written complaint is a day late.

- **Should the standards be refreshed and, if so, how?**

Yes, the standards should be refreshed on a regular basis to make sure they meet customers' expectations in service and adequately address the impact of service failures.

In theory GSS should remove much of the postcode lottery in customer service but many, if not all, water companies have enhanced their standards and/or compensation compared to the minimum over time, and many have service promises in areas not currently covered by GSS to fill any gaps. There are therefore still significant differences across geographic areas.

We appreciate CCW want Defra and Welsh Government to adopt any proposals through the statutory process but if that's not feasible with timescales and the current political uncertainty then CCW will need to ask companies to voluntarily adopt any new or revised standards and/or compensation.

In any event, any proposed revisions should be co-designed with customers. The research to date has been helpful in seeking customers' views but it failed to take proper account of the many enhancements that companies have already made, and the broader holistic service offered to customers, for example during sewer flooding.

We will need much more robust evidence on the appropriate compensation for each service failure. It isn't appropriate to rely on views expressed in a relatively small piece of research where a compensation amount has been presented to customers by CCW for vote with limited context.

For example, initially participants were shown the GSS compensation for sewer flooding which is a full or part refund of the bill, with statutory minimum and maximum payments. Participants were not aware that many water companies provide monetary support in other ways to return them to 'cost neutral' such as free clean ups, replacement turf, uninsured losses, increase in insurance excess etc so naturally asked for more and had a positive reaction to CCW's proposal to increase the minimum and maximum payments.

New research is needed to make a more robust assessment of the compensation that customers are willing to accept for the various failures in service. All water companies will have carried out a similar WTA exercise to assess customer support for social tariff cross subsidy as part of their PR24 submissions. This research could be undertaken nationally.

- **What needs to be changed and why?**

We believe the following needs to be considered:

- Enhancement of current GSS service standards
- Enhancement of current GSS compensation
- Addition of new service standards, with appropriate compensation where relevant.

As stated above, many water companies, including Wessex Water, have enhanced their standards and/or compensation compared to the minimum over time, and many have service promises in areas not currently covered by the statutory GSS. This is a useful place to start.

But we must make sure that GSS doesn't become too complex. It needs to be easy for customers to understand and for companies to administer. One of the strengths of the current scheme is consistency in the base payment for failures along with many straightforward standards around speed of response.

We also feel very strongly that the compensation level for each standard should be proportionate and reflect the impact of any failure on the customer. CCW have set out their proposals in Appendix A to the call for evidence, but we feel some of these are excessive.

For example, CCW are proposing a £50 payment for failing to respond to a customer who has raised a query about their bill. This feels too high when considering the impact perhaps a response that's a day late will have had on the customer. For companies with smaller bills, it would also represent a significant % of the annual bill. Increasing the payment for a late payment from £20 to £40 also feels excessive.

As stated above, robust research is needed to make a more thorough assessment of the compensation that customers are willing to accept for the various failures in service.

We agree it would also be sensible to review the way that payments are made. We are seeing a growing number of payments by BACS as opposed to cheques. We prefer to make a payment to the customer rather than credit their account as it is a more up-front acknowledgement of failure.

Regardless of the changes that are ultimately made to GSS, companies should still be free to innovate and go further. This may not necessarily be adding standards that come with fixed compensation payments for failure. It could be simply adding service aims.

- **Are there new standards we should add, are there others that are out of date and need revising?**

Yes, both. Enhancements may be needed to existing standards and new ones introduced to close gaps in the scope of GSS and drive further improvement in customer service across the sector.

CCW have asked companies to make a number of changes to their service standards over the last year or two. For example, CCW asked companies to respond to all customer complaints within 5 working days rather than the 10 working days for written in GSS and also to remove the extreme weather clause for flooding, improve response times to site and provide free clean ups.

Ofwat, in 2018, asked for supply interruption payments to be increased from £20 to £30 and each additional payment to be after 12 hours not 24. These were never formally made into law.

We have made all of these changes to our Wessex Water Promise and feel they should now be formalised in the new GSS. If we don't then there will continue to be differences across water companies and those differences will increase over time as some companies voluntarily adopt suggestions from regulators and others don't.

In terms of new standards, the following areas could be considered, some of which are already highlighted in the call for evidence:

- Water quality – boil water or do not drink notices, sampling, response to complaints, discolouration damage and flushing allowances
- Lead checks and lead pipe replacement
- Metering – fitting, reading, relocation
- Leakage - finding, fixing and allowances
- Debt collection – inappropriate action, issuing of CCJ in error
- Water main flooding (although water companies are legally obliged to pay for losses)
- Priority Services

In terms of standards that could be reviewed and potentially enhanced:

- Complaints and account queries – GSS focuses only on written not all channels
- Low pressure – the standard is too complicated for customers to understand
- Sewer flooding – consider incorporating response times, clean ups, and potentially the broader compensation payments to get customers back to 'cost neutral' such as uninsured losses and increases in insurance premiums
- Supply interruptions – to include provision of alternative water supplies for interruptions of a longer duration
- Appointments – many companies, including Wessex Water, now offer timed appointments.

CCW suggest that payments should be considered for failure to provide bottled water when there is a supply interruption. As stated above, we have suggested consideration of expanding the supply interruption standard to include the provision of alternative water supplies for interruptions of a longer duration. Companies need to be free to do whatever is most appropriate for their customers including providing access to water but this may not always be bottled water. It could, for example, be a bowser located locally.

- **Should payments better reflect the impact of service failures on customers, considering both the direct financial costs and the inconvenience?**

We need to make sure GSS is easy for customers to understand and straightforward to administer. Having a standard base compensation payment is very helpful. Companies are then free to give additional 'goodwill' payments if they wish.

We agree that payments should reflect the impact of the service failure on customers. Although the standard GSS base payment of £20 seems too low, we don't agree, as stated above, with all of CCW's proposed suggestions. Some are too excessive (examples above) and some too complicated. For example, it is suggested that for water supply failures an additional payment may be made if the water is off more than four times, each lasting over 3 hours, within a 12-month period.

We don't agree that additional specific payments are needed for repeat service failures. Customers are already due payments under GSS for each incident. And in addition, companies will often withdraw charges until a solution is found if the problem is longer term.





CCW are also proposing payments for extended periods of service failure. These already exist for supply interruptions where further compensation is due if the supply interruption lasts for multiple days. We really need to be careful to keep GSS as simple as possible and we don't believe the other examples provided require such payments. There is already sufficient protection in place for customers to resolve complaints and seek redress not least CCW's one stop shop (replacement for WATRS). For pressure it is more typical for this to be related to the customers own supply pipe or internal plumbing and GSS already accounts for multiple instances of pressure or companies will withdraw charges in extreme cases.

- **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?**

The standards should be consistent across all customer groups. We wouldn't expect, for example, the compensation for failing to reply to an account query to be any different for a customer who needs extra help than one that doesn't.

That said companies already give additional 'goodwill' payments to customers, for example those on lower incomes, if they aren't insured and suffer sewer flooding. This could be incorporated into broader standards around flooding support.

Customers who need extra help are normally registered for Priority Services and will have requested additional services from us. It's not unreasonable to expect compensation to be paid if those aren't then provided. So, we introduced a series of Promises around Priority Services. Below is an extract from our Promise booklet.

Priority services		Compensation if we fail to keep our promise	How we'll pay you
Registering	We will register you for Priority Services within 10 working days when you contact us.		
Our commitments	We'll compensate you 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, eg, braille, large print or other languages. • communicate with you in your preferred way • send an item of literature in the format you choose. 		

This list is not exhaustive and could be used as a starting point for this review. For example, CCW suggest that payments should be considered for failure to provide bottled water when there is a supply interruption and, as part of this, that an additional payment could be made, in recognition of the likely additional impact, for example if the customer is on the Priority Services Register. We are not in favour of such a broad standard based on likely impact, but we could consider a standard similar to the above where we will compensate if the customer has asked us to provide bottled water and we fail to do so.

We should also remember there are other regulatory tools in place to make sure companies provide an excellent overall service to customers who need extra help. We are not reliant on GSS as a tool on its own. Ofwat are due to introduce the new customer focused licence condition in 2024 and companies will need to comply with it, having regard to the underpinning vulnerability guidance.

- **Has your company asked customers for their views on GSS and, if so, what did they say? Can you share the research with us?**

Yes, we carried out a specific survey with our online Have your say panel. The research is a little out of date but hopefully will give you some useful context. A copy of the findings produced for the Have your say panel is below.

[have-your-say-newsletter-survey-6-wessex-promise-2014.pdf](https://www.wessexwater.co.uk/have-your-say-newsletter-survey-6-wessex-promise-2014.pdf)
([wessexwater.co.uk](https://www.wessexwater.co.uk))

- **How do you use GSS data internally to drive performance?**

We monitor our compliance with the Wessex Water Promise (number of events, payments and compensation paid) on both a monthly and annual basis. This is reported to our Board.

Our aim is to have zero failures of our Promises so we monitor trends and if we spot any increase in the number of failures in an area we will investigate. This might lead to an improvement in our processes, policies, systems, or training. All continuous improvement is overseen by our Customer Experience Group, made up of senior customer facing leads from across the business.

- **All companies have, at some point, voluntarily enhanced their GSS. What triggered this decision for your company?**

Wessex Water prides itself on being one of the leading companies for customer experience, regularly topping league tables for SIM and now C-MeX. We have a strong customer culture and a going the extra mile ethos. We also compare ourselves to other companies outside of the water sector.

With this in mind, we always aim to offer the best standards of service in the industry and felt many years ago that the legal GSS didn't offer sufficient compensation for failure or cover enough areas of our service that matter to customers. So, many years ago we:

- Enhanced the GSS standards e.g., improving on the minimum timescales
- Enhanced the compensation payable for failure of those GSS standards
- Introduced new standards many with compensation
- Adopted a no quibble approach

We have continued to evolve our Promise, reviewing it each year. The primary differences between the legal GSS and our Promise today are:

- Base payments of £25 (£30 for supply interruptions)
- Additional service standards for water quality, lead, leaks, alternative water supplies, Priority Services, debt collection, working in the street, metering, water main flooding
- Broader resolution based Promises for sewer flooding including response free clean up and compensation to return the customer fully to 'cost neutral' including covering all uninsured losses and increases to insurance premiums.

These individual company enhancements have been incentivised in part over time through the publication of best practice registers by CCW's predecessor bodies. For companies that aspire to offer the highest levels of service (most instances of best practice) they helped identify gaps and areas for improvement.

Other enhancements have been driven by broader customer research and more recently by suggestions from CCW and Ofwat, all of which have been voluntarily adopted.

- **Faced with the changes arising from climate change, how should we consider the issue of 'extreme weather'?**

There are legal exclusions in place in GSS for severe and exceptional weather, the latter relating to sewer flooding. Definitions of these were originally quite vague, but further detailed guidance was published in 2017 by Ofwat and companies are obliged to provide detailed evidence if they are going to apply them particularly the exceptional weather one.

We have very rarely applied this exclusion over the years preferring always to compensate our customers when they've suffered internal or external flooding. The wording did however remain in our Promise booklet.

Recently we have formalised our approach and updated our published Promise, so it now clearly states that the exceptional weather exclusion may only apply for external flooding but not to those customers who have repeat flooding and we're aware they have an issue with inadequate sewer capacity. This can be shown on page 9 of our Promise booklet.

With a changing climate the definition may need to be revisited but we believe something should still be in place as a back stop for widespread first-time external flooding.

- **Business customers**

We have taken a very similar approach to evolving our Promises for business customers as we have with households. We see no reason why a central review can't be undertaken.

In terms of the process, currently wholesalers make GSS payments to the retailer, who then pass the payment on to the end business customer. We have no evidence to suggest that this process isn't working in our region.

The only way a wholesaler can really make sure the business receives that full payment is to pay the customer directly and inform the retailer, so they are aware. However, wholesalers do not hold the business customer information and although retailers are supposed to regularly provide a file with details in, we don't always receive that.

It would be time consuming for wholesalers to have to ask for the up to date information for a business each time a payment is due and could delay the payment being made.