The voice for water consumers
Llais defnyddwyr dŵr

CCW’s response to Service for all – Ofwat's draft vulnerability guidance for water companies supporting customers who need extra help.

13 October 2023

1. Introduction

The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators.

CCW welcomes any action to drive improvement in service delivery and support for people who need extra help.

2. Executive Summary

This consultation comes at a time when trust in the water sector is at its lowest for over a decade. We know from our research and monitoring, that some people are not getting the extra help they need when they need it and that trust and satisfaction are negatively impacted by this. The focus on this topic by Ofwat is therefore welcomed.

Having a benchmark of minimum standards will provide CCW with a means to further challenge poor practice within the sector.

What we like

- The strong linking of this vulnerability guidance to Ofwat's new Customer Licence Condition. This will be a strong deterrent against a complacent culture of repeat failings to provide the extra help needed.
- The need for companies to set out clear compensation arrangements where the extra help needs have not been met. This is reflective of our research[1] into the Guaranteed Standards Scheme[2] (GSS) where customers felt that compensation should be proportionate to the impact. Although it is proposed that this compensation is separate to GSS standards, our work with the sector to define up to date GSS standards could inform this requirement further.
- The requirement for companies to publish their service commitments so that people can see what levels of service they should expect from their water company. Our research[3] shows that being open and transparent is key to building trust with people and this should help reverse the trend of declining trust in the sector.
- The proposed terminology[4] to describe the topic of vulnerability and the extra help needed by people is more straightforward, understandable and all-encompassing.
- The proposed approach and timelines for setting out detailed expectations for the design of water companies' priority services registers in a separate standards document. This

[1] CCW Customer Views on Guaranteed Standards Scheme
[2] GSS is the minimum statutory compensation scheme setting out the minimum payment that customers should receive if water companies fail to provide them with a good enough service.
[3] CCW Perception and Trust in Water Companies
[4] Using the term vulnerability to refer to the overall topic. This provides clarity for stakeholders and companies and reduces potential for confusion. Using the term extra help to describe the many ways in which companies can provide tailored support for certain customers. Using the term customers who need extra help to describe customers who without this tailored support may not have reasonable opportunity to access and receive an inclusive service.

will allow for the output of CCW's current review of priority services register (PSR) support to be considered in this next stage.

What else we would like to see

- Water companies and other utilities (where priority service data is shared) to have a plan to move away from the use of "priority services" register and instead use "extra help" register.
- Some of the minimum standards are hard to objectively measure. To mitigate this, the guidance should include the desired outcomes that Ofwat want to see as a result of the guidance being followed.
- A level of consistency within the industry on compensation arrangements for when they have failed to deliver the required extra help, whilst still allowing for companies to do more. This is also being considered as a potential new GSS Standard so we would need to understand how this proposed compensation arrangement would complement this GSS work.
- The Priority Services register should record the "support needed' not the customer's reason for needing help". The current drafting of the Guidance is not sufficiently clear on that point.
- People who need the extra help are best placed to comment on whether the extra help they receive is meaningful and timely. We would therefore recommend that a requirement is added to measure the satisfaction of people with the extra help received.
- It is essential that water companies' vulnerability strategies are innovative and inclusive. Inclusive should mean that people who need the extra help are included in the design of the strategy and the service proposals
- In the inclusive design objective, "Easy to access" should be included in the wording as it is essential that any extra help is easily accessible. A good example of what this means is mentioned in minimum expectation 1.1 when it refers to siting new meters in an accessible place for the customer.

3. Response to specific questions

1: Do you agree we should retain the vulnerability definition[5] we set out in our 2016 vulnerability focus report?

We agree that the definition remains fit for purpose.

2: Do you agree with our approach to nomenclature, particularly our use of the term "extra help"?

We do agree with your plans to update the terminology used as the term "vulnerability" remains potentially divisive.

[5] A customer who due to personal characteristics, their overall life situation or due to broader market and economic factors, is not having reasonable opportunity to access and receive an inclusive service which may have a detrimental impact on their health, wellbeing or finances.

As such, we support a move away from the usage of “vulnerable” customers, “vulnerable circumstances” and vulnerability.

We agree that the proposed terminology is a more straightforward and understandable way of describing the types of services that companies provide and is more all-encompassing.

We also recommend that utilities have a plan to move away from the use of “priority services” register and instead use “extra help” register. In reality much of the extra help provide is not prioritised it is simply providing a way for people to access the services. The terminology does cause confusion with people feeling that they should get prioritised when calling in about a problem for example.

3: Do you agree with our proposed approach to applying the guidance to new appointees and the Welsh non-household sector?

We recognise that it is pragmatic to have a more flexible approach to how the guidance may be applied for new appointees and the Welsh non-household sector. However, no person should be disadvantaged by any proposed differences to the guidance.

4: What impact do you think our draft guidance will have on the experiences of customers who need extra help?

Companies’ adherence to the guidance will have a positive impact on people who need extra help.

The most important outcome we want to see for people is that they get the support they need when they need it. Having “ the support needed” recorded onto company systems makes it clear to the water company of what exactly it needs to provide to the person and it also gives greater clarity to the person of what support they can expect.

The strong linking of this vulnerability guidance to Ofwat’s new Customer Licence Condition, will be a strong deterrent against a complacent culture of repeat failings to provide the extra help needed and will compel companies to act on the guidance.

Requiring companies to set out clearly how they will put things right (including compensation) if they fail to deliver the support, will provide a degree of certainty to people who have been let down.

It is vital to design services and support around the users’ demands, and not to assume what the person would like. Having the “Develop services that are inclusive to all” objective will encourage companies to do this. Using an inclusive design approach will also break down barriers to accessing the extra help needed.

Companies publishing their vulnerability strategies that contain clear outcomes for people who need extra support will provide people with details of how the company is complying with this guidance. This will help to build up trust that the company is caring for the needs of those who use its services.

5: Are there further lessons from other regulated sectors that could be incorporated into our draft guidance?

In their recent vulnerability strategy[6] Ofgem have adopted a desired outcomes based approach to regulation. This puts the focus on outcomes to be delivered and not the rules to be followed.

This approach could be incorporated into this guidance to help clarify the purpose behind the expectation.

6: Do you agree with our proposed approach to enforcing our customer-focused licence condition by reference to our draft guidance?

Yes. At present, apart from reputational risk, there is no penalty for not meeting the needs of the customers who require extra help. The knock on effect of this is that there is complacency in the water sector that some customers do not receive the help they need particularly during incidents.

7: Do you agree that our draft objectives cover the broad areas of vulnerability support activities that companies should be considering?

We support the objectives. However, in the inclusive design objective, “Easy to access” should be included in the wording as it is essential that any extra help is easily accessible. A good example of what this means is mentioned in minimum expectation 1.1 when it refers to siting new meters in an accessible place for the customer.

8: Do you agree with the proposed minimum expectations we have set out?

Having a benchmark of minimum standards will provide CCW with a means to further challenge poor practice within the sector.

We are pleased to see the need for companies to set out clear compensation arrangements where the extra help needs have not been met. It is vital that the right level of compensation is set so that it is fair to those who didn’t receive the expected help and that employees of the company are aware of what compensation they should provide to those affected. This is reflective of our GSS research[7] where customers felt that compensation should be proportionate to the impact and for there to be more individualised support for people who need extra help. However, if this is to be separate compensation from GSS then a level of consistency within the industry, whilst still allowing water companies to do more is needed.

We agree with the requirement for companies to consult with CCW when making significant changes to their proposed service offering around vulnerability. This should also say that companies should pay ‘due regard’ to CCW’s views, and explain to CCW if they haven’t adopted suggestions.

Overall, we agree with the minimum expectations. However, in some cases these appear to be hard to objectively measure and therefore including the desired outcome for each of the minimum requirements will help clarify the purpose behind the expectation and allow companies to deliver the expected service to customers.

[6] Ofgem Consumer Vulnerability Strategy 2025
[7] CCW Customer Views on Guaranteed Standards Scheme

The Guidance needs to be made clearer that the "current needs codes which reflect the customers reason for needing help" should be changed so that it is actually the "support needed" that gets recorded.

We don't want to see the guidance restricting the current use of "substantial public interest (SPI)" for large scale data share arrangements. In the absence of water companies being a named person in the DEA, they are heavily reliant on being able to use SPI to gain traction with local councils and other organisations.

We feel that the publishing of companies' vulnerability strategies by June 2024 is achievable. We ask that Ofwat requires companies to consult with CCW on the development of these strategies.

We are also pleased to see that you are calling for companies to publish their service commitments so that people can see what service they should expect from their water company. Our research[8] shows that being open and transparent is key to build trust with people and this should help reverse the trend of declining trust in the sector.

9: Do our draft minimum expectations offer a good balance between making clear the minimum standards we expect from companies, and challenging companies to innovate and find new ways to meet the needs of their customers?

The minimum standards offer a good balance and setting out the desired outcome for each minimum standard will aid innovation further as there can be many ways to achieve the same outcome.

10. Do you agree with the proposed approach and timeline around companies' vulnerability strategies?

The timeline is pragmatic, allowing water companies' time to adapt their strategies to comply with the final guidance.

We do feel that you could be more ambitious in what you ask to be included in water companies' vulnerability strategies. Whilst asking for the current common performance commitments (PC's) for reach and attempted & successful contacts will ensure that that the focus remains on this work, we feel that there are additional asks that are equally important.

We think there should be a requirement to measure how satisfied a person signed up for extra help is with help provided. People who need the extra help are best placed to comment on whether the extra help they receive is meaningful and timely. We would therefore recommend that a requirement is added to measure the satisfaction with the extra help received.

It is also essential that the strategies are innovative and inclusive. Inclusive should mean that people who need the extra help are included in the design of the strategy and the service proposals.

[8] CCW Perception and Trust in Water Companies

11: Do you agree with our proposed approach and timelines for setting out our detailed expectations around the design of our priority services registers in a separate standards document?

Yes, as this will allow for the output of CCW's current review of priority services register (PSR) support to be considered in this next stage.

Enquiries

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