Consumer information and advice

1. **What consumer information or advice should we deliver differently, or in more depth?**

We have identified gaps in the provision of information to consumers about their water services and we are implementing policies to make the industry more responsive to customers’ information needs.

As the key consumer advice and education agency, Citizens Advice can also make a significant contribution to helping consumers’ better understand their rights and the help available if they are experiencing difficulties. Customers’ level of awareness of Citizen’s Advice (97%) is greater than awareness for either Ofwat or the Consumer Council for Water (CCWater).

Citizens Advice took part in our recent workshop at which stakeholders’ exchanged views on our consultation, Empowering water and sewerage consumers – consultation on changing our approach to information provision. Many participants felt it would be useful if improved generic information was made available for the water and sewerage sectors by Citizens Advice, CCWater and other agencies.

Citizens Advice currently offer online advice on water issues. Ofwat also provides some generic information for consumers, as does CCWater. In light of consumer feedback through our research, Empowering water customers – customers attitudes to information provision in the water and sewerage sectors, and consultation responses, we would like to explore with you whether there are opportunities to improve the information made available. We envisage this could be of real value to both customers and advice providers.

2. **Where could our information and advice service for consumers be improved and in what way?**

Some water companies are interested in providing broader support to customers who struggle to pay their bills and see partnerships with local bureaux as a valuable way of achieving this. At our company information provision workshop, participants
discussed how Citizens Advice could best be supported to deliver better information and advice to water customers, including in a co-ordinated way via Water UK.

Some more structured collaboration with the industry may prove constructive in order to build these partnerships in an optimal way, particularly in light of the introduction of new social tariffs and metering programmes. We understand that there are plans underway for Citizens Advice to hold a meeting with water companies to help build these links. We welcome this initiative.

3. **How would you like us to work more closely in partnership with you?**

Ofwat would like to facilitate your involvement in making helpful information and advice more widely available to water customers. We could do this, for example, by setting up a working group comprising ourselves, CCWater, some companies and Citizens Advice. This group could:

- share experience on what information customers really need;
- identify optimal information and dissemination channels;
- co-produce the necessary information materials; and
- disseminate the information in the manner agreed.

We recommend this composition of the group because:

- companies have a responsibility to provide information to their customers’ that meets their needs;
- CCWater has a statutory duty to provide information to customers;
- Ofwat are information providers and we are considering further what our role should be in this space; and
- Citizens Advice have expertise in empowering consumers across different sectors which can help inform the approach in the water industry. You also have the ability to make helpful information more widely available.

Ofwat would also like to better understand the issues affecting water customers by receiving regular intelligence from Citizens’ Advice on the numbers and types of concerns their customers experience. Citizens Advice already publish helpful quarterly enquiries data but we would also like to explore with you whether more detailed insights could be provided on a routine basis and fed into our on-going assessment of the sector. This would inform our regulatory approach and help identify where further or different consumer information and education is required.
Consumer education

4. What would you really like to see us deliver consumer education and empowerment on, and why?

Our research, Empowering water customers – customers attitudes to information provision in the water and sewerage sectors, identified that water and sewerage customers are insufficiently aware of:

- what affects them financially;
- what to do in an emergency;
- what their rights are; and
- how to make a complaint.

Education and empowerment in these areas would help water customers to get better outcomes.

More specifically, we know that bill disputes are the most significant cause of complaints and that there is poor awareness of complaint/redress procedures. Another critical issue is companies’ approach to debt management. Linked with this are concerns about bill affordability and the lack of customer awareness about the support available for those on low incomes or who are otherwise vulnerable. Given that this is an area across sectors where companies have been unsuccessful in getting the message across, consumer education in these areas may therefore be very constructive.

We are also concerned that there is a significant gap in tenants and park home residents’ awareness of their rights as resale customers. As revealed by Consumer Focus Wales, resale is an issue that is also relevant in the energy sector. Given that there are potentially a large number of householders who are resale customers and so at risk of over-charging by ill-informed or unscrupulous landlords/site owners, the improved provision of information to this customer group could have a real impact.

The independent Walker Review of water and sewerage charges also recommended a national campaign about water efficiency. Generally speaking, water consumers have little awareness that water is a scarce resource (except perhaps when there are droughts and hosepipe bans) and have little sense of the how much of their bill is apportioned to addressing environmental issues. This low awareness is in part driven by the fact that the majority of customers do not pay according to usage. An increasing population and climate change means that there is a need to raise awareness of water as a precious and valuable resource if consumers are to take sufficient action to conserve it. These themes have significant cross-over with energy issues. There is potential therefore to work collaboratively with the energy sector and
Citizens Advice to explore how best to and to improve awareness-raising on these issues.

5. **What specific consumer education campaigns should we run in 2013/14 that would help consumers the most?**

Campaigns on the financial support available and how to tackle bill disputes in water would help consumers the most since both of these help consumers struggling to pay their bills. Bill disputes for resale customers could be tackled as part of this.

6. **How would you like to be involved?**

Ofwat could provide expertise on the rights and responsibilities of customers and companies to support the production of this material as well as help bring in water companies to help contribute. This work could form part of the activities of the working group mentioned in our response to question 3.

**Consumer advocacy**

7. **Are there any changes you would like to see in this approach?**

It was very helpful to be able to be part of the recent workshop hosted by Citizens Advice where we explored stakeholders’ views on this consultation and the possible work of the Regulated Industries Unit (RIU) and OFT. This shed some light on how you are thinking about demarcating the advocacy work of Citizens Advice and the RIU.

Resolving the respective roles of Citizens Advice and the RIU on water advocacy brings challenges because the statutory role of the RIU extends to water in Scotland only. Water is not mentioned specifically in the Consumer Future consultation, although it could be considered as part of your work on “essential services”. Whilst acknowledging the important role of the statutory body representing water consumers, CCWater, we consider that a wide base of advocacy is in the best interests of water consumers, as it is for other sectors. We would like to see Citizens Advice committing more explicitly to advocating on behalf of water consumers in England and Wales. Citizens Advice’s current involvement in company customer challenge groups (set up to support the business planning and price review process) is most welcome.

As stated at the meeting, we agree that a valuable role for the RIU would be to look at strategic, cross-sectoral issues (e.g., vulnerability, the funding of infrastructure development). For these to be insightful, the reviews will need to draw on activities in
a wider range of regulated sectors than those within its statutory remit. This should include water in England and Wales.

If the RIU is to adopt this role, this then frees Citizens Advice to focus on specific issues within the water and sewerage sectors. It may be difficult to establish the boundaries given that cross-sector working on more targeted issues may be constructive. We therefore welcome Citizens Advice and RIU’s plan to be in close dialogue with each other as they develop their forward work programmes (based on their respective consultations).

8. What would you really like to see us deliver and why?

We have been involved in preliminary discussions with Consumer Focus about potential areas of work and have other ideas for helpful work. But we are currently not clear whether they are/should be for Citizens Advice or the RIU.

We would welcome a cross-sectoral project on consumer empowerment for vulnerable customers – a stated priority for Citizens Advice. We have had initial discussions regarding some cross-sectoral work on improving the effectiveness of registers for customers needing special/additional services with Consumer Focus. Resale issues are another, possibly more, important area where we think there are many vulnerable customers who could be further empowered.

We would also like to learn from your cross-sector experience on how to improve redress for water customers given the current gaps in the system. We will be publishing a discussion document and engaging with customers on this issue in the new year.

Citizens Advice’ consumer education role could complement advocacy work in all these areas.

9. How would you like to be involved?

We are keen to maintain a dialogue with you as your thinking develops so that water consumers in England Wales benefit from the changes in the consumer landscape in addition to the protections offered by Ofwat through its regulatory role and CCWater.

We would welcome the opportunity to support Citizens Advice’s collaboration with the water industry and share our understanding of the sector to help build cross-sector expertise and understanding of best practice. We also would like to work collaboratively with you on the Consumer Rights Bill in order to get the best outcomes for water and customers of other sectors.
We are pleased to say we already have good foundations for being involved in joint working. For example Citizens Advice has already presented at our workshops on good practice in debt management and company information provision. We will be sharing our insights on innovative practice in debt management with Citizens Advice’s Addressing Financial Difficulties group.