Ofwat SIM Survey

2013/14 Annual Report

April 2014
J2499

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Introduction and Objectives

Ofwat uses the SIM survey to measure and track the quality of service delivery of all 19 water companies in the UK, based on every aspect of customers' direct experiences with them.

The overall objective of the research is to provide a robust, comparable measure of how satisfied consumers are with the end-to-end handling and resolution of an actual recent billing, water or sewerage issue by their water company.

A cross-section of customer experiences is required, including all major reasons for contact across all contact routes.

Robust data is needed on an annual basis to provide:

- Comparative performance between different water companies
- Trends of performance for individual water companies
- Comparative performance of the water sector as a whole versus energy, telecoms, broadband and council service providers.

Data for 2011-12, 2012-13 and 2013-14 will be used to support decisions on financial incentives in 2014.

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Sample Design and Structure

The vast majority of water company enquiries are billing related. However, the survey sample is split evenly between Billing and respective Operational contacts, ensuring that all contact types are treated with equal importance.

For the purpose of comparing overall satisfaction between companies, water/sewerage company data is weighted to 50% billing/25% water operations/ 25% waste water operations. Water only company data is weighted 50% billing/50% water operations.

Direct comparisons can be made between companies with regard to billing and respective operational results.

Per Company	Per annum (800)	Per wave (200)
Water & Sewerage Companies (WASCs)		
Billing	267	66/67
Water Service Operations	267	66/67
Waste Water Service Operations	266	66/67
Water Only Companies (WOCs)		
Billing	400	100
Water Service Operations	400	100

Sampling Principles

The samples from each of the 19 water companies should be comparable:-

- Samples should be drawn from the same time period, to minimise any risk of any seasonal or short-term factors (fluctuating demand or weather)

Ideally, each wave's sample should be based on a single week's worth of contacts

Many of the smaller companies (and a few of the bigger companies) include up to 8 weeks' worth of contacts to provide sufficient volume in each category:

- Bournemouth, Cambridge, Dee Valley, Portsmouth and South West Water provided insufficient water ops sample to achieve the full quotas on some waves.
- Nevertheless, sufficient sample information was provided to provide an annual sample size of at least 550 interviews (see page 8 for full details), which remains a robust sample, with results accurate to ±4.2%.

Fieldwork is completed within a tight timescale following query resolution. A short timescale keeps the issue fresh in the consumer's mind.

All **resolved** customer contacts from the sampling period should be included (including contacts by telephone, online, in writing and by visit) to provide a representative view of the customer experience.

Sample Management

The minimum information requirement was telephone number, reason for contact and date of resolution, with contact name and domestic/commercial flag highly desirable. The following sample management process is followed:-

Data files merged	Companies can provide up to 10 separate data files
Sample files de-duplicated	De-duplicate on both telephone and account numbers. Other unusable records removed
1 in n sample procedure	Ensures a representative sample is extracted for the survey (in terms of commercial/domestic customers, contact channel etc.)
Missing data tele-numbered	Maximises representativeness of the sample
Sample files de-duplicated	Tele-matched telephone numbers may be duplicates of those already in sample

Fieldwork

Research was carried out using CATI, from McCallum Layton's Telephone Unit in Leeds.

Each water company's interviews were undertaken by multiple interviewers (an average of 61 different interviewers per company over the course of the year) to reduce the possibility of interviewer bias.

The interview averages 12 minutes in length.

Industry comparison questions were asked in Q3 to contrast perceptions of the water industry to other, similar service providers.

Demographic and socio-economic questions were asked in Q4. While the sample was broadly representative of the UK as a whole, younger age-groups were slightly under-represented compared to older age groups.

The survey is conducted on a quarterly basis; key dates for each wave in 2013/14 are below:-

Wave	Sampling Week	Fieldwork Dates
Q1 2013/14	8th - 14th April 2013	10th April – 11th May 2013.
Q2 2013/14	5th – 11th August 2013	14th August – 7th September 2013
Q3 2013/14	21st – 27th October 2013	30th October – 22nd November 2013
Q4 2013/14	3rd – 9th February 2014	12th February - 7th March 2014

Companies with limited sample may have had a sampling period beginning up to 3 weeks earlier than the sampling week (ie 4 weeks before fieldwork commences) and, in some cases, running through the fieldwork period also.

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Performance Indicator and Weighting

The survey produces a single comparable performance indicator (Q60) based on customers' overall satisfaction with their experience.

- A mean score is reported between 1 and 5, where 1 means 'very dissatisfied' and 5 means 'very satisfied'

To enable comparisons of results between companies, WASC data is weighted to 50% billing/25% water operations/25% waste water operations.

Additional weighting is required for Bristol Water and Wessex Water as both companies' billing enquiries are handled by the same call centre. In total, 167 billing interviews are obtained from customers contacting this call centre each quarter.

	800 interviews per company pa	
Per Company pa	Unweighted base	Weighted base
Water And Sewerage Companies		
Billing	267	400
Water service operational	267	200
Waste water service operational	266	200
Water Only Companies		
Billing	400	400
Water service operational	400	400

Total Interviews Completed 2013/14

Total Number of Interviews Completed in 2013/14	
Affinity Water	800
Anglian Water	809
Bournemouth Water	705
Bristol Water	1,071*
Cambridge Water	712
Dee Valley Water	720
Northumbrian Water	804
Portsmouth Water	793
Severn Trent Water	804
South East Water	804
South Staffs Water	804
South West Water	732
Southern Water	798
Sutton & East Surrey Water	678
Thames Water	806
United Utilities Water	804
Welsh Water	808
Wessex Water	1,212*
Yorkshire Water	811
Total	14,804

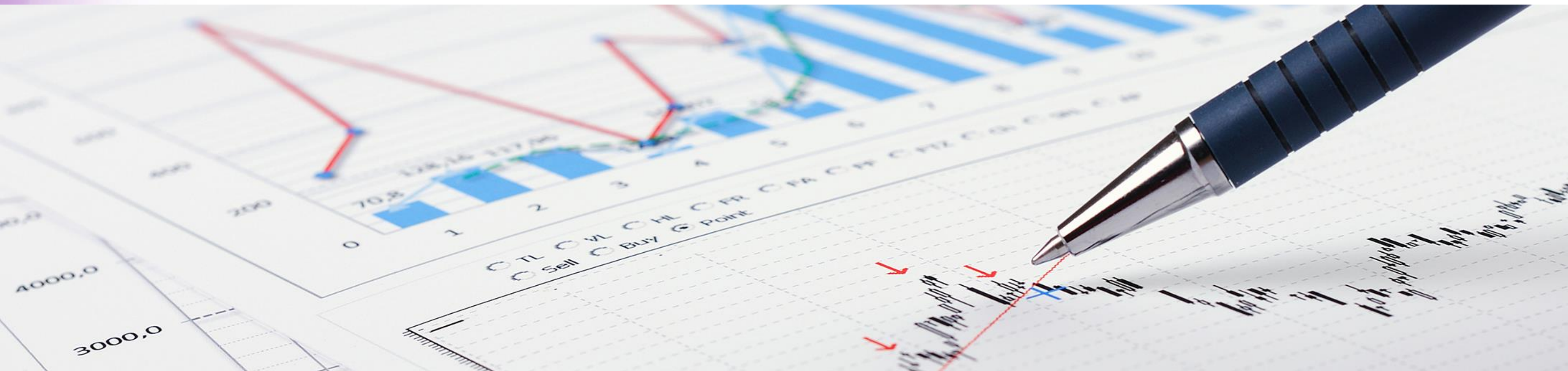
At the 95% confidence level, these sample sizes provide overall levels of accuracy for individual percentages of at least:

16,800: ± 0.75%
800: ±3.5%
267: ±6.0%
200: ±6.9%

For significant differences between subgroups, the following thresholds apply at the 95% confidence level:

16,800 vs 16,800: ± 1.1%
800 vs 800: ±4.9%
267 vs 267: ±8.5%
267 vs 200: ±9.2%
200 vs 200: ±9.8%

* NB The same Bristol/Wessex shared billing interviews appear next to both Bristol and Wessex in the table.



Sample Quality

Total Number of Individual Records Sent

The number of useable, individual customer records provided by each water company varies markedly depending on their size. In general, WASCs are able to provide a higher volume of resolved contacts than WOCs as they have a larger customer base.

WASC Records Received	
Thames	247,068
Severn Trent	182,097
Yorkshire	142,305
Northumbrian	103,745
United Utilities	101,576
Wessex	75,379
Anglian	72,455
Southern	68,139
Welsh	60,390
South West	48,807

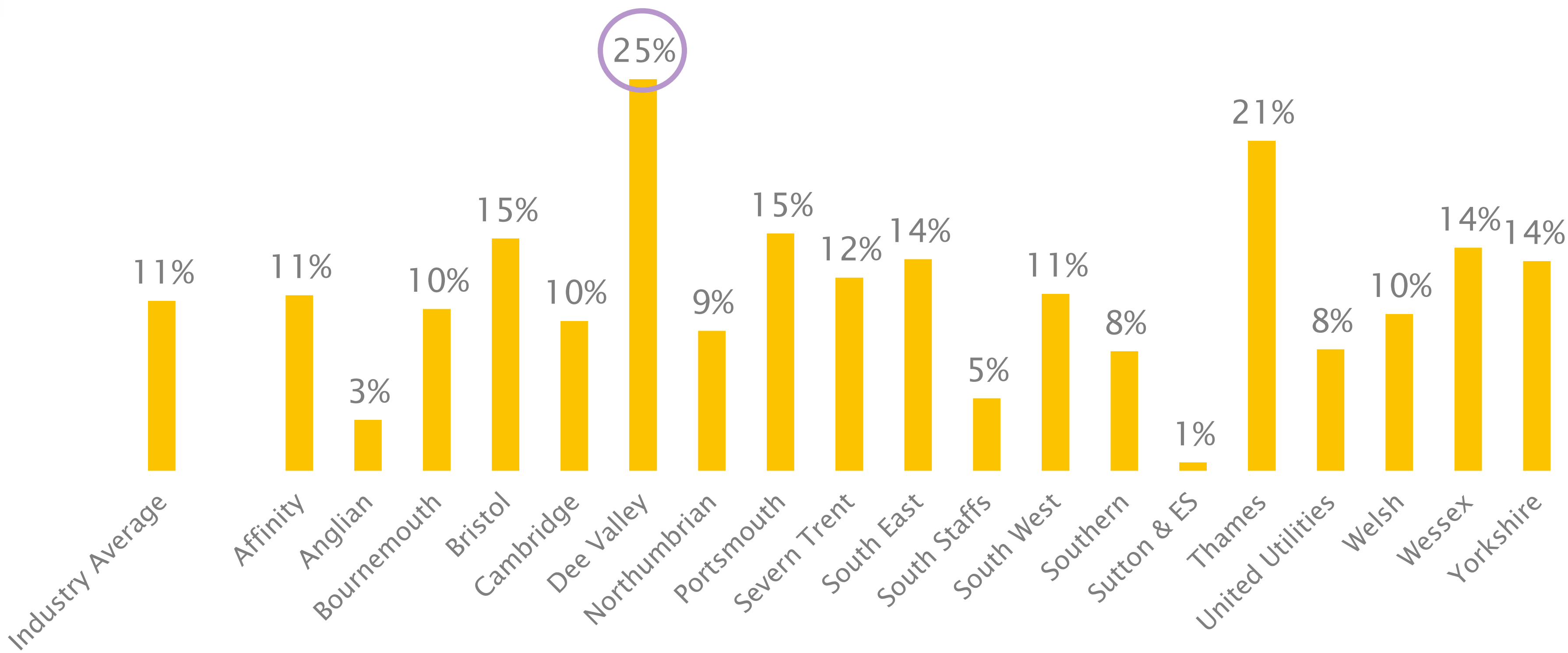
WOC Records Received	
Bristol	81,216
Affinity	70,099
South East	38,739
South Staffs	21,050
Sutton	17,103
Portsmouth	15,127
Dee Valley	9,411
Cambridge	8,440
Bournemouth	8,397

Total number of resolved contacts sent by each company. Duplicates removed.

*Bristol and Wessex Billing contacts are all shown in both Bristol and Wessex sample figures.

Proportion of Duplicates in Sample

Dee Valley Water had the highest proportion of duplicate records in the sample provided in 2013/14 while Sutton and East Surrey Water had the lowest. Duplicate records are not necessarily a sign of poor quality data, they may simply be a by-product of the way in which some systems are configured.



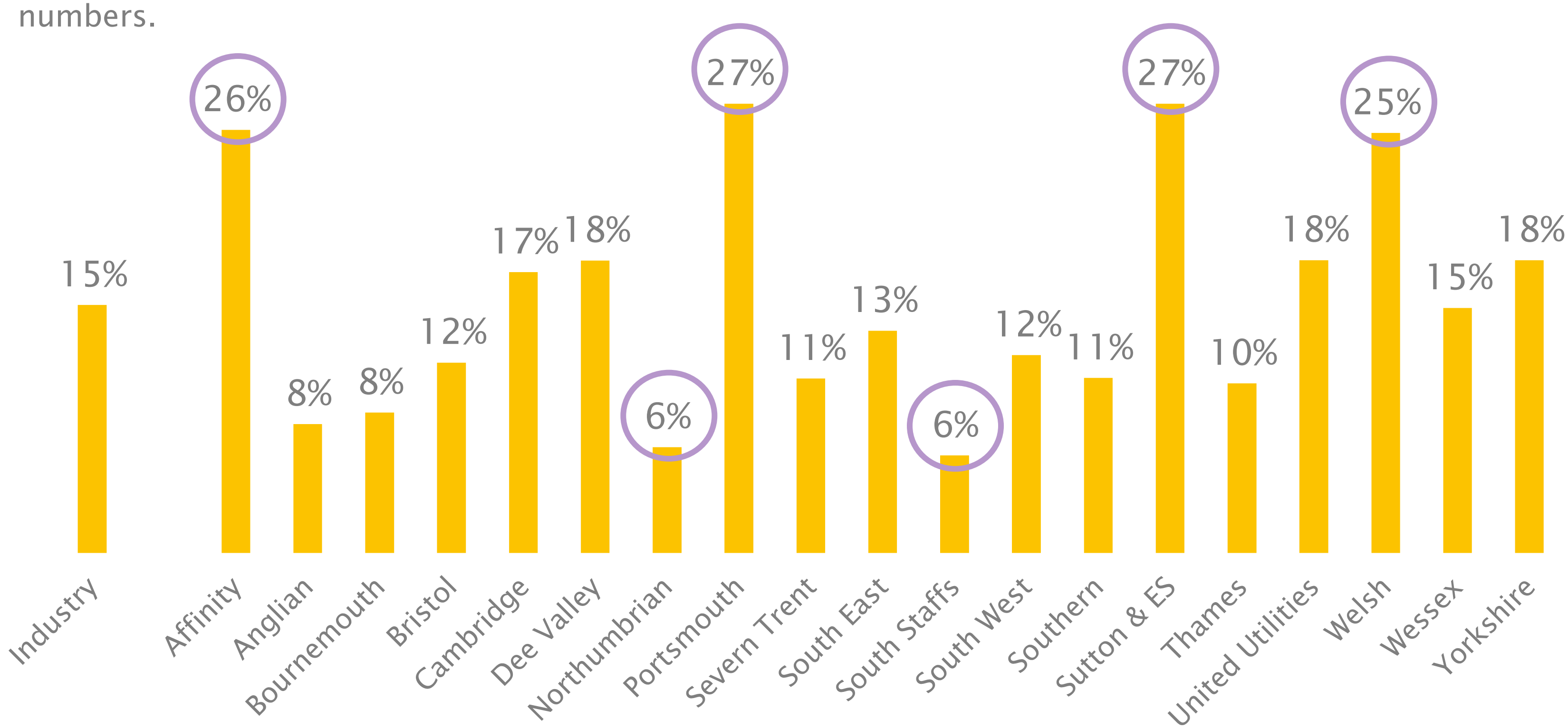
Figures indicate % of duplicate records in the sample prior to tele-matching

Proportion Sent for Number Matching

The proportion of records without a useable telephone number indicates the quality of sample and how up-to-date company records are.

Around one-quarter of the Portsmouth, Sutton and East Surrey, Affinity and Welsh Water samples had to be sent for number matching as telephone numbers were not present or incomplete.

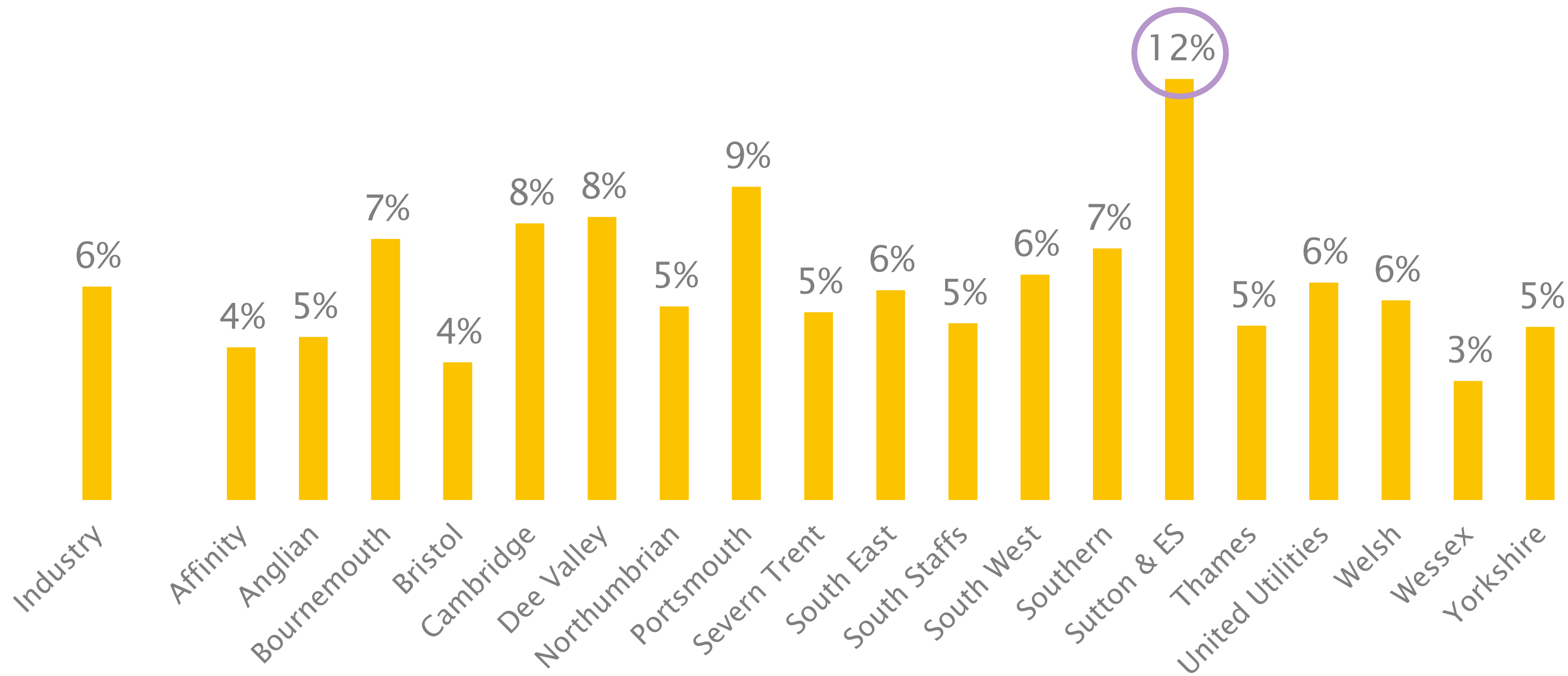
Northumbrian and South Staffs Water's sample contained the highest proportion of valid telephone numbers.



Figures indicate % of records without useable telephone number.

Proportion of Unobtainable Numbers

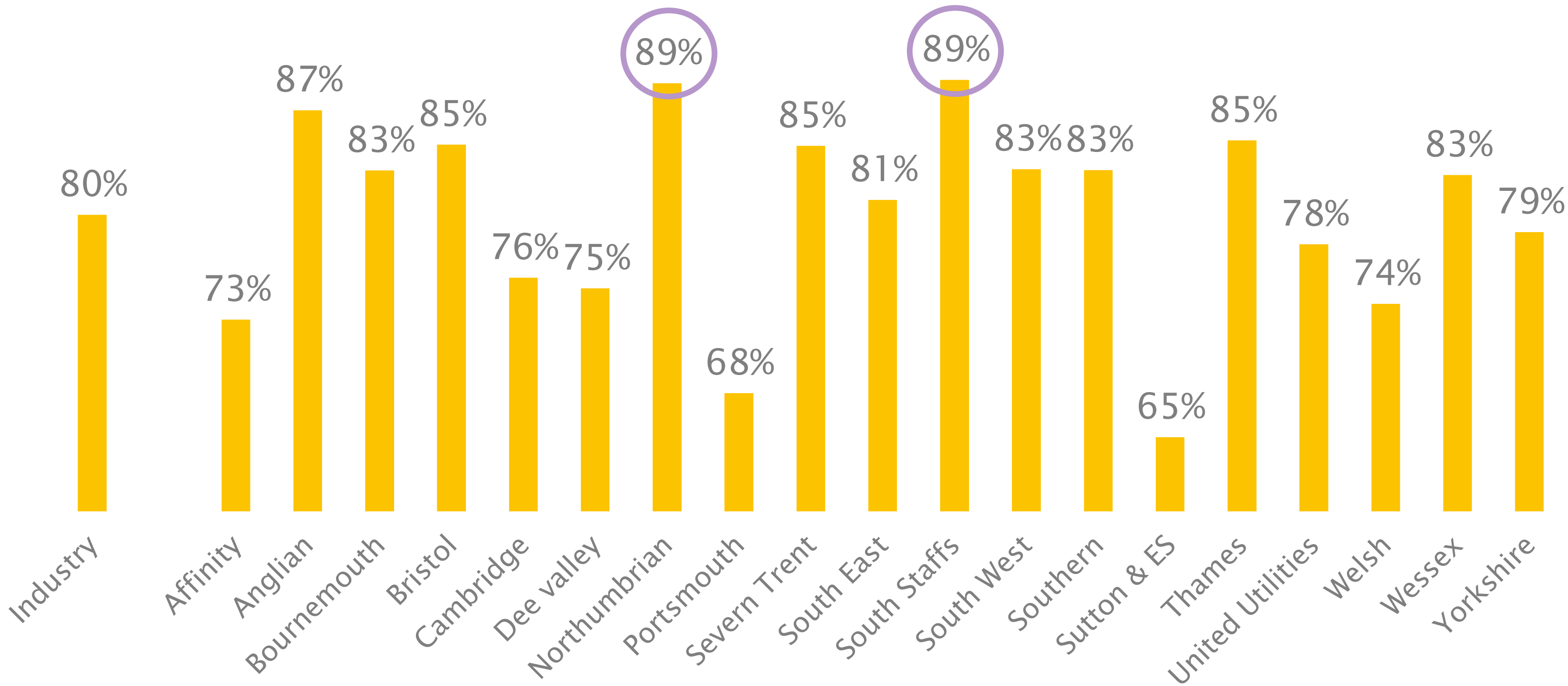
As in 2012/13, Sutton and East Surrey's sample contained the highest proportion of unobtainable numbers.



Figures indicate % of unobtainable records in loaded sample; those records that visually appear correct but are not in service when dialled. This indicates how up-to-date and accurate customer records are.

Total Proportion of Useable Records

The proportion of useable records across the industry was inline with 2012/13. Northumbrian and South Staffs had the highest proportion of useable records in the sample and Sutton and East Surrey the least.



Figures indicate % of useable records (excluding duplicates) after removing those without telephone numbers that cannot be tele-matched and unobtainable numbers. The higher the figure, the more representative the sample is.

Sample Information

We ask companies to provide a lower level reason for contact for each sample record. Interviewers can use the lower level reason for contact to guide respondents on to the correct call issue.

However, the usefulness of this data varies by company. Some reasons for contact are clear and act as good prompts. Others are poor, contain company specific codes or jargon, and are of little help to interviewers.

We are keen to encourage water companies to improve the quality of the sample they provide us with to help interviewers prompt respondents more effectively.

Interviewers are asked if the reason for contact given by the respondent matches that provided by the water company. When the information provided by water companies is unclear, interviewers code it as "Impossible to tell".

Examples of poor quality lower level reasons for contact, include:

- Unable to identify
- Advice required
- General enquiry
- COO Notification

Proportion of completed interviews where lower level reason was unclear	2012/13	2013/14
Affinity Water	8%	8%
Anglian Water	15%	14%
Bournemouth Water	8%	6%
Bristol Water	9%	6%
Cambridge Water	8%	6%
Dee Valley Water	7%	3%
Northumbrian Water	2%	2%
Portsmouth Water	9%	6%
Severn Trent Water	9%	8%
South East Water	3%	2%
South Staffs Water	3%	2%
South West Water	7%	6%
Southern Water	4%	4%
Sutton & ES Water	5%	4%
Thames Water	7%	5%
United Utilities Water	11%	8%
Welsh Water	13%	5%
Wessex Water	9%	7%
Yorkshire Water	6%	4%

Weighted Three Year Results

Combined Three Year Weighted Score

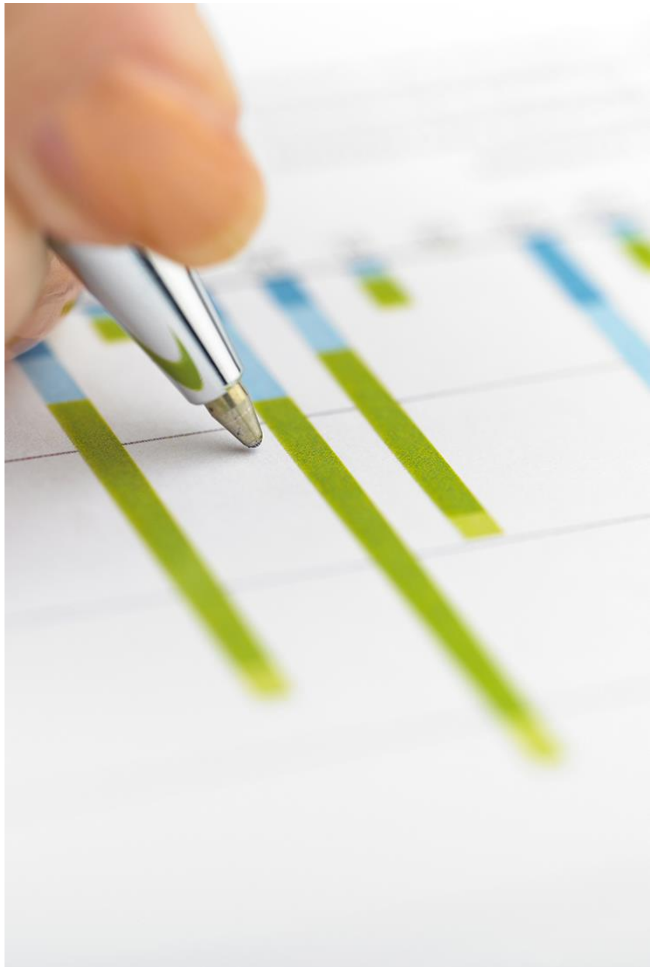
We have combined the weighted score from each wave of the SIM survey to produce an overall weighted SIM score.

Each of the twelve waves from 2011/12 to 2013/14 have been included in the calculation. Scores for each company are based on around 2,400 interviews.

Results for South Staffordshire Water and Cambridge Water have been merged, weighted to account for the varying customer base of each company (81% SSW and 19% Cambridge).

In addition, results for the three Affinity Water brands in 2011/12 and 2012/13 have been combined to give one score for the company. The following weightings were applied:

- Affinity Central 89.5%;
- Affinity East 5.2%; and
- Affinity South East 5.3%



Satisfaction by Company (Q60 - Weighted Data)

Weighted scores for each company for the three year period of SIM are shown below.

Company	Q60	Confidence Interval†	Rank	Significant Difference
Anglian (a)	4.63	+/- 0.03	1	Significantly Above Industry Average
Welsh (b)	4.58	+/- 0.04	2	Significantly Above Industry Average
South Staffs (c)	4.57	+/- 0.03	3	Significantly Above Industry Average
Portsmouth (d)	4.57	+/- 0.04	3	Significantly Above Industry Average
Wessex (e)	4.57	+/- 0.04	3	Significantly Above Industry Average
Bournemouth (f)	4.52	+/- 0.04	6	Significantly Above Industry Average
Bristol (g)	4.51	+/- 0.04	7	Significantly Above Industry Average
Dee Valley (h)	4.51	+/- 0.04	7	Significantly Above Industry Average
Yorkshire (i)	4.49	+/- 0.04	9	Significantly Above Industry Average
Northumbrian (j)	4.47	+/- 0.04	10	Significantly Above Industry Average
Industry Average	4.41	+/- 0.01		
United Utilities (k)	4.39	+/- 0.04	11	In-line with Industry Average
Affinity (l)	4.33	+/- 0.03	12	Significantly Below Industry Average
Sutton and ES (m)	4.30	+/- 0.05	13	Significantly Below Industry Average
Severn Trent (n)	4.26	+/- 0.05	14	Significantly Below Industry Average
Southern (o)	4.26	+/- 0.05	14	Significantly Below Industry Average
South East (p)	4.24	+/- 0.05	16	Significantly Below Industry Average
South West (q)	4.13	+/- 0.05	17	Significantly Below Industry Average
Thames (r)	4.00	+/- 0.05	18	Significantly Below Industry Average

†Confidence intervals are calculated at the 95% confidence level

Industry Key Annual Results

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Notes To Charts

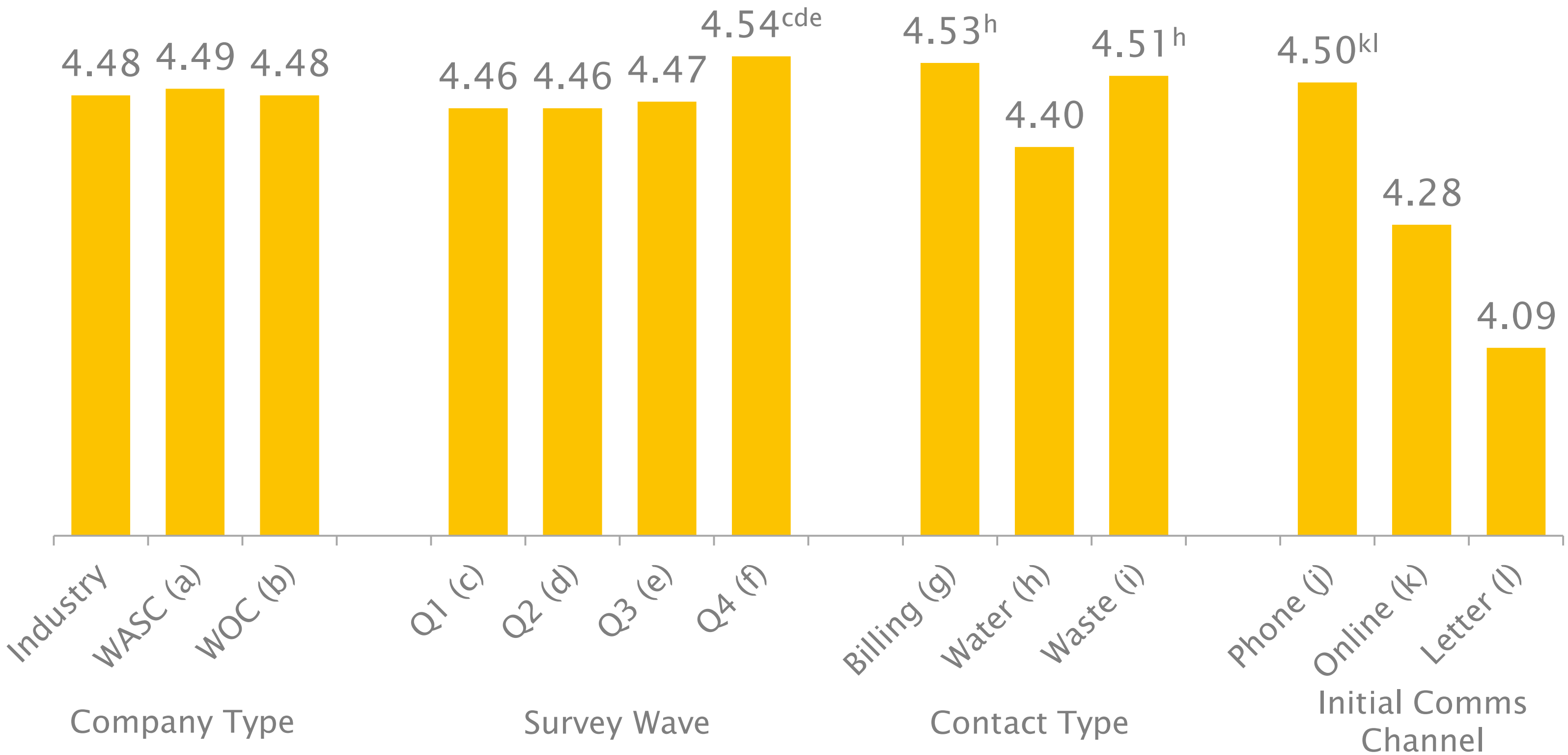
In the following charts, **significant differences** in results are indicated by a letter next to the higher of the figures being compared corresponding to the letter in the column description.

For example, on Page 22, the letter ‘h’ next to the result for Billing and Waste signifies that customers contacting their water company with billing and waste queries are on average significantly more satisfied than those with a Clean Water query (column labelled ‘h’).

The first three charts indicate weighted overall satisfaction scores (to allow a direct comparison between WOCs and WASCs). The remaining results are unweighted.

Overall Satisfaction with Query Handling (Q60 - Weighted)

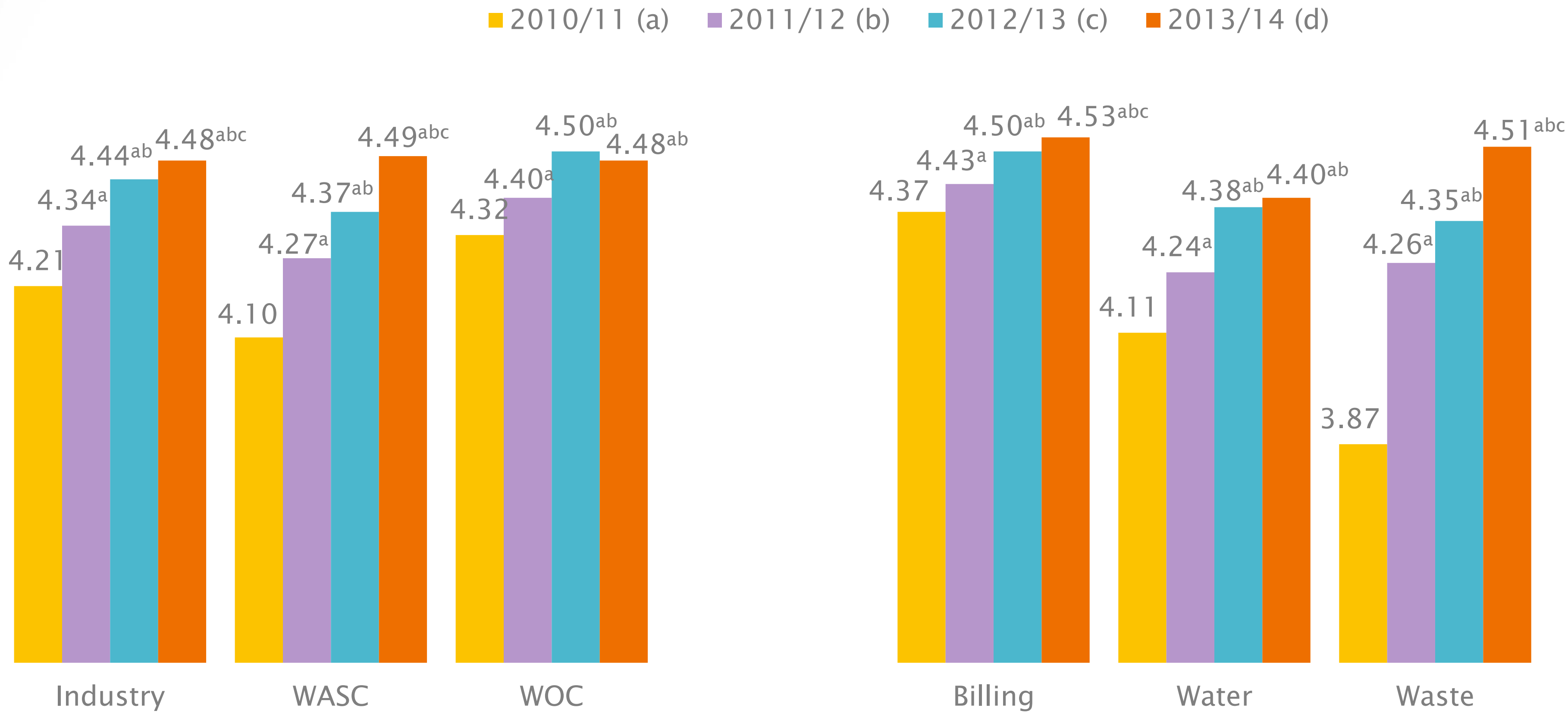
For the first year since the survey began WASCs performed as well as WOCs for query handling. Customers tended to be significantly more satisfied with the handling of Billing or Wastewater queries than Clean Water contacts whilst those who contacted their water company by phone were much more positive than those using other means.



Satisfaction Mean Score out of 5, where 5 = very satisfied

Overall Satisfaction with Query Handling (Q60 - Weighted)

Customer satisfaction has significantly improved across the industry as a whole each year since the survey began Billing and Wastewater contacts and WASCs drove the improvement in 2013/14.



Satisfaction Mean Score out of 5, where 5 = very satisfied

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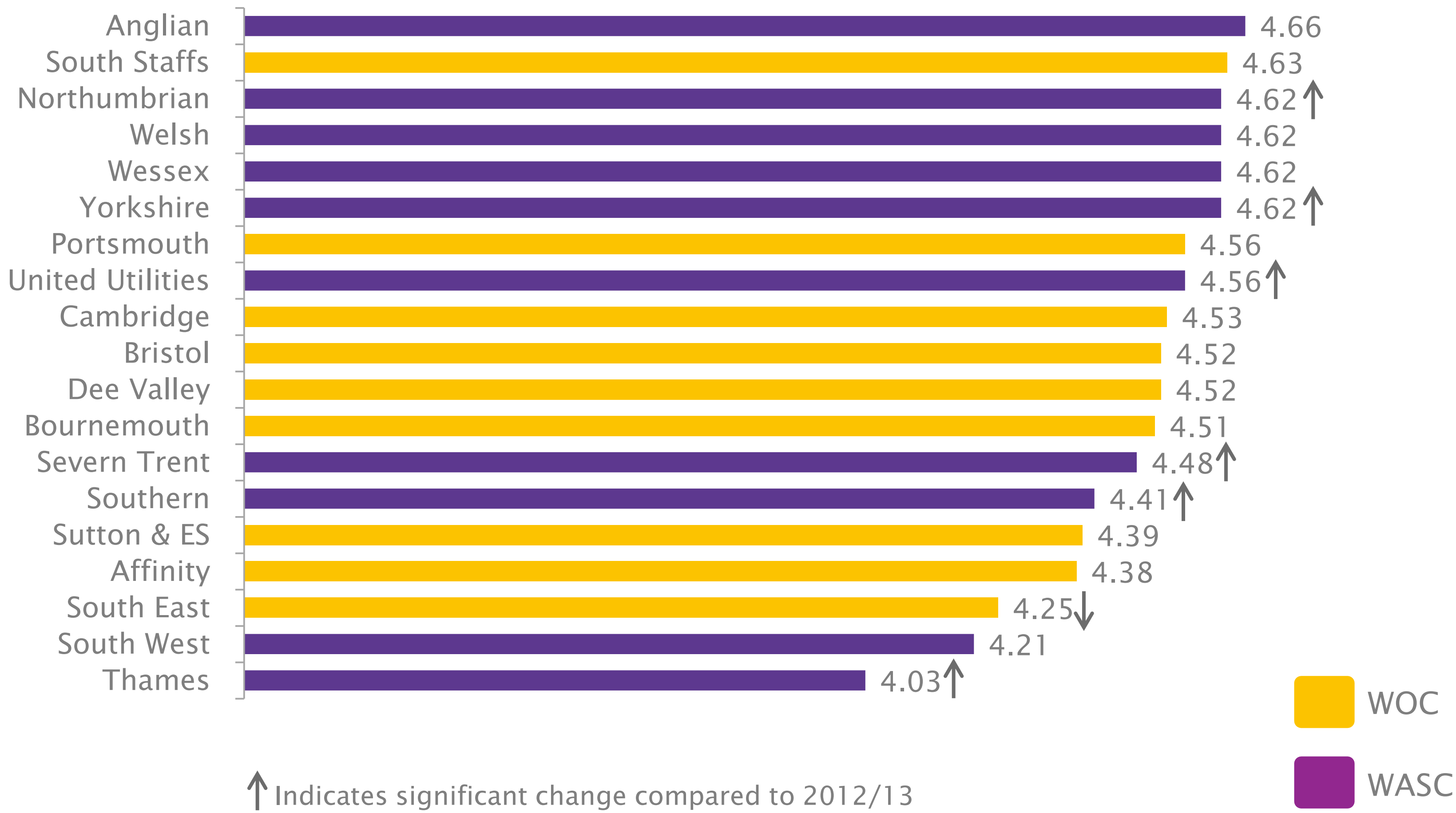
Satisfaction by Company (Q60 - Weighted Data)

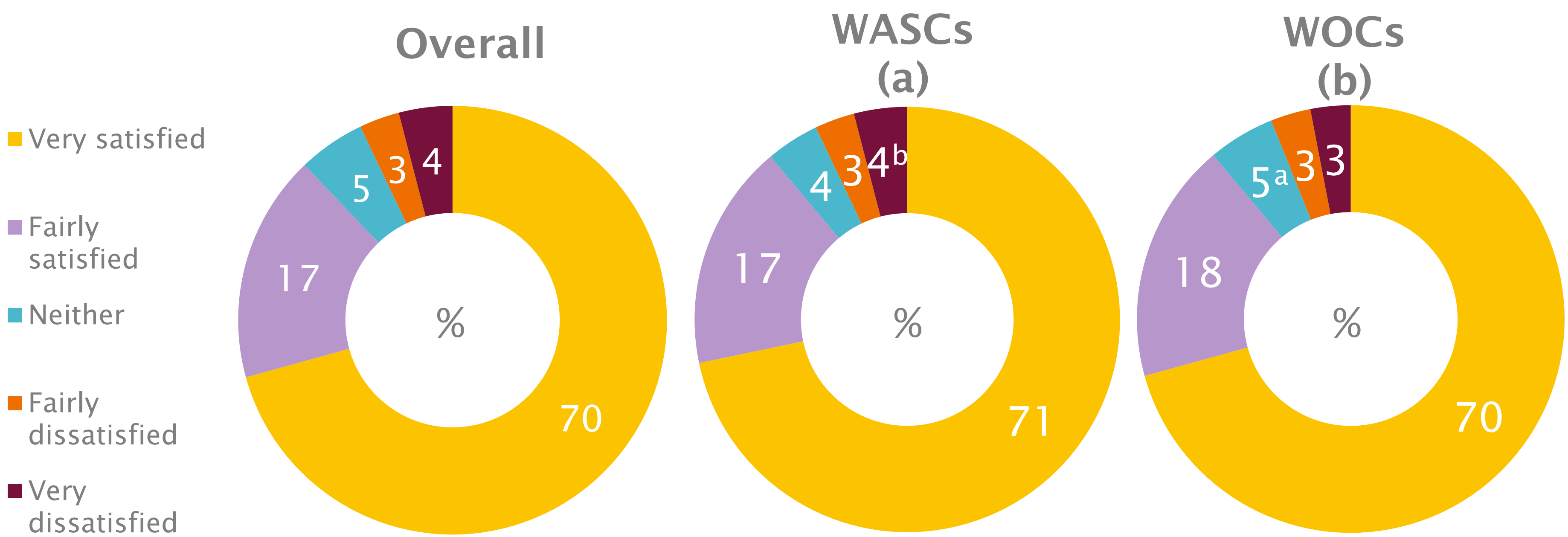
This year saw an improved performance from a number of WASCs. WASCs made up five of the top six companies in 2013/14 compared to only two of the top seven in 2012/13.



↑ Indicates significant change compared to 2012/13

Satisfaction with Query Handling (Q60 Unweighted Data)

The overall satisfaction distribution among WASCs and WOCs was very similar.



4.49 4.49 4.49

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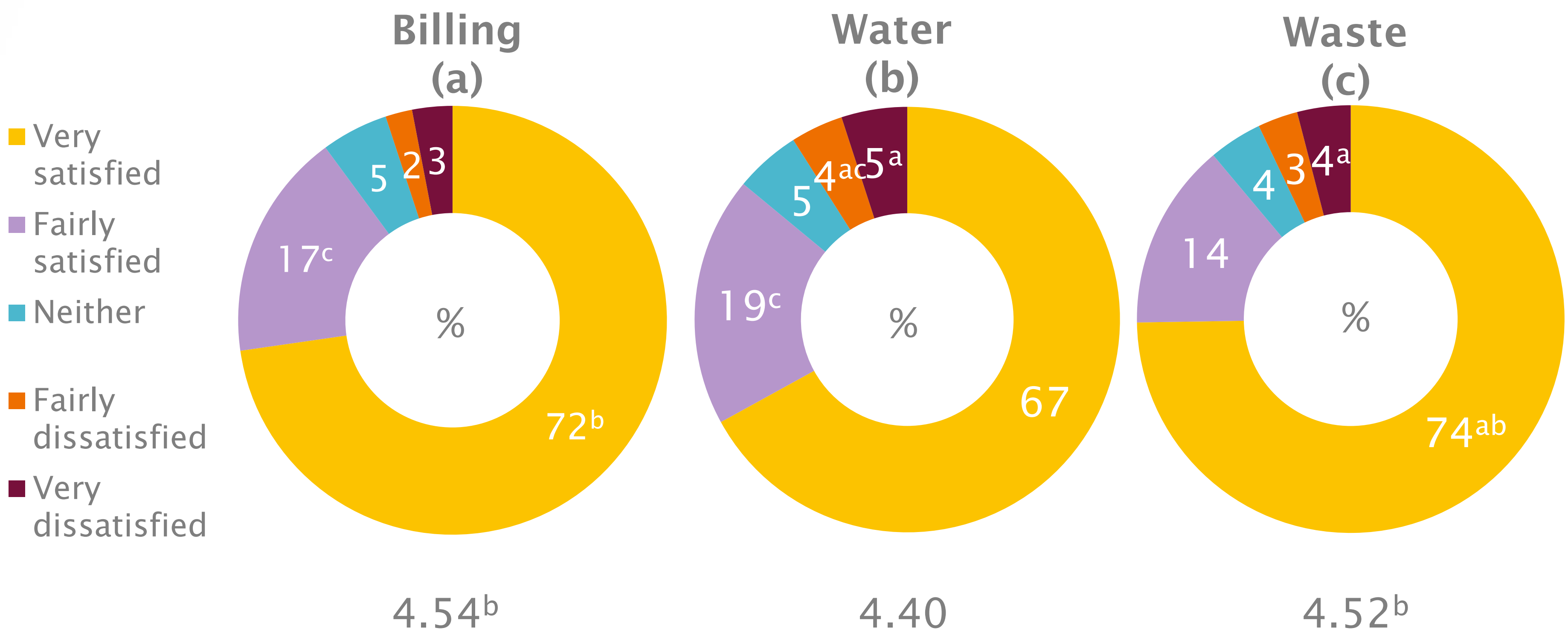
Satisfaction with Query Handling (Q60 Unweighted Data)

Billing and Wastewater queries were significantly more likely to be rated as Very Satisfied than Clean Water contacts.



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Reason for Contact

The top ten most common reasons for contact are detailed below. The proportion of respondents who had contacted their water company to change address increased from 8% in 2012/13 to 10% in 2013/14. Other reasons for contact showed little change.

	Number of Respondents	Proportion of Respondents	Proportion Satisfied
About a blockage in the sewer/drains	1,604	11%	92%
Due to a recent move, or planning to move	1,490	10%	93%
To make a payment	1,243	8%	93%
No supply/water gone off	1,153	8%	87%
Payment plan/direct debit set-up/query	1,059	7%	92%
Because of a water leak/burst on the road	709	5%	83%
About defective/dangerous water equipment†	709	5%	88%
Regarding the low pressure of my tap water	674	5%	87%
A query about a water bill	667	5%	85%
Because of a water leak/burst on my property	599	4%	79%

†Including stop taps, manhole covers, hydrants, raised/sunken chambers

Initial Contact

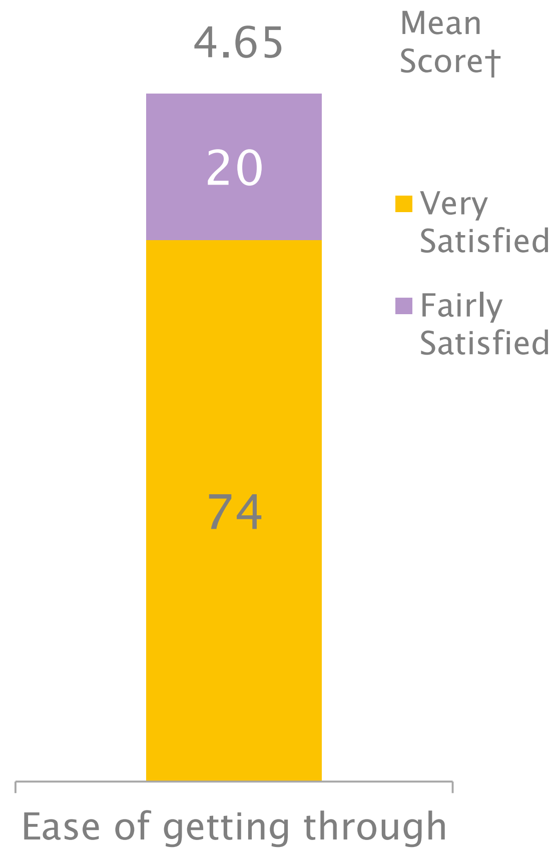
13% of contacts were perceived to be a complaint, the same proportion as 2012/13.

93% of first contact was via telephone, 5% email/online and 1% letter. – the same breakdown as 2012/13.

First contact resolution was achieved for nearly three out of four telephone contacts and email/online contacts (both 73%) and 80% of letter contacts.

The majority of customers were satisfied with the ease of getting through to their water company (see chart).

- Customers who were dissatisfied with the ease of getting through most commonly cited being waiting a long time for the call to be answered (23%), being kept on hold for a long time (19%) or having to go through an automated system (8%).



† Where 5=very satisfied

Call Centre Staff

Call centre staff were positively perceived in terms of their knowledge & professionalism and helpfulness & attitude. Both of these measures are key drivers of overall satisfaction.

Call centre staff made promises or commitments to customers in around half (47%) of cases. More than four out of five (81%) of commitments were met in full while 5% were not met at all.

† Where 5=very satisfied

Written Contact

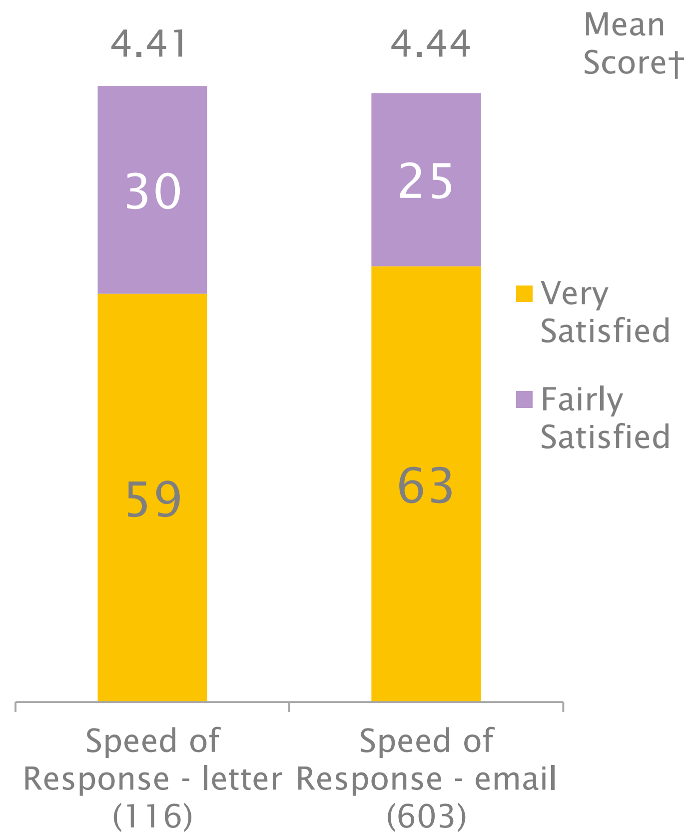
Initial contact was made by letter in 1% of cases, 5% of contacts were by email or online.

The most common reasons for contacting a water company by letter were:

- Payment plan/direct debit set-up/query (16%)
- Moving home/change of personal details (16%)

The most common reasons for contacting a water company by email or online were:

- Moving home/change of personal details (21%)
- To make a payment (9%)



† Where 5=very satisfied

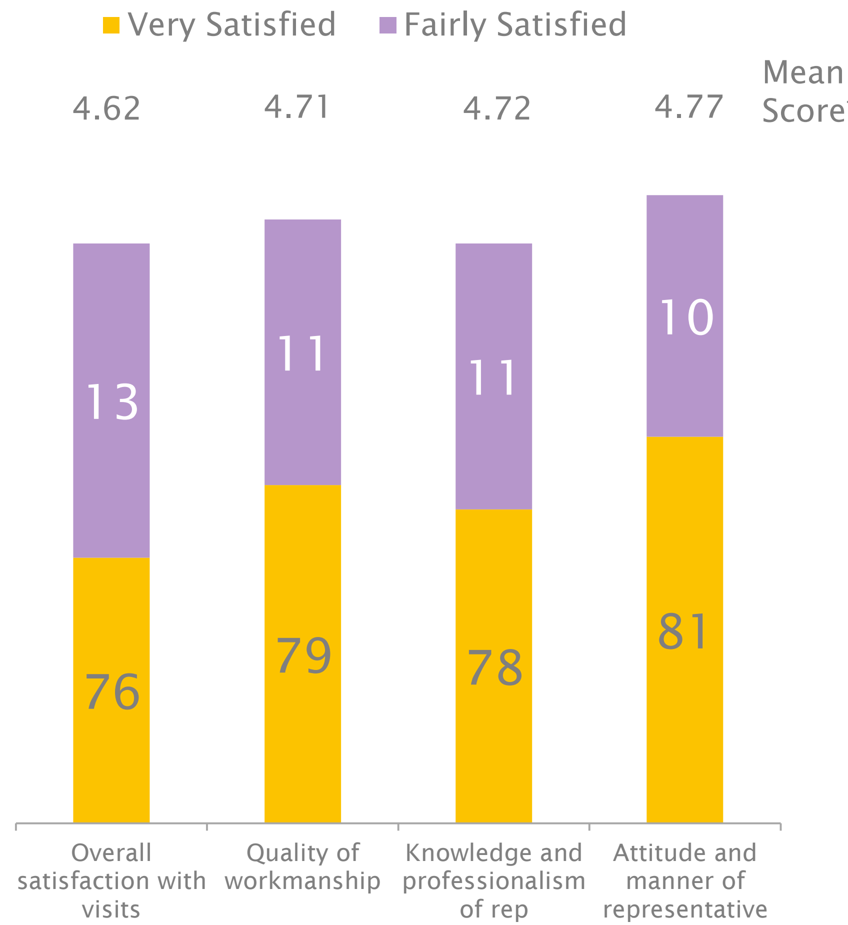
Visits

Satisfaction with visits is a key driver of overall satisfaction

The most common reasons for receiving a visit were:

- About a blockage in the sewer/drains (24%)
- About defective/dangerous water equipment (10%)
- Because of a water leak/burst on my property (9%)
- Regarding the low pressure of tap water (7%)

Customers tended to be satisfied with the way in which their visit was handled.

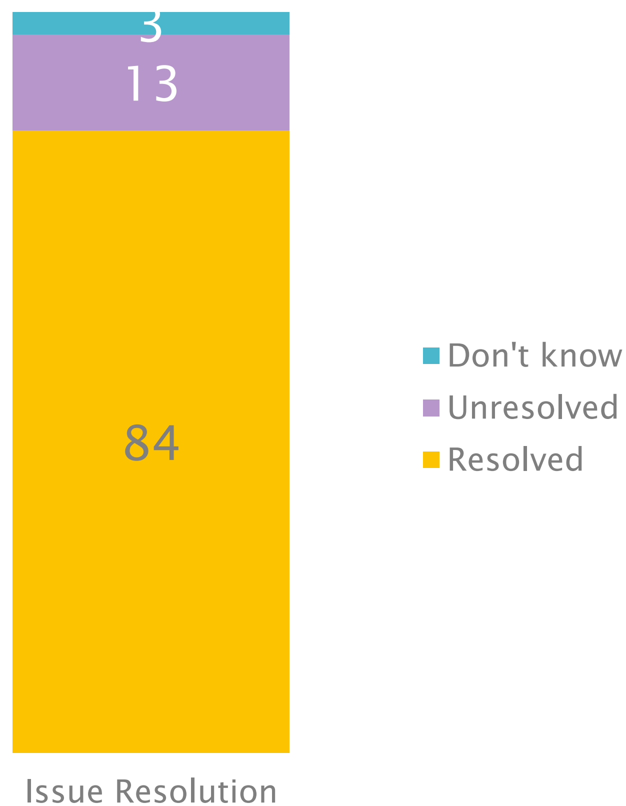


† Where 5=very satisfied

Issue Resolution

Across the industry, around one in eight customers (13%) said that their issue had not been resolved.

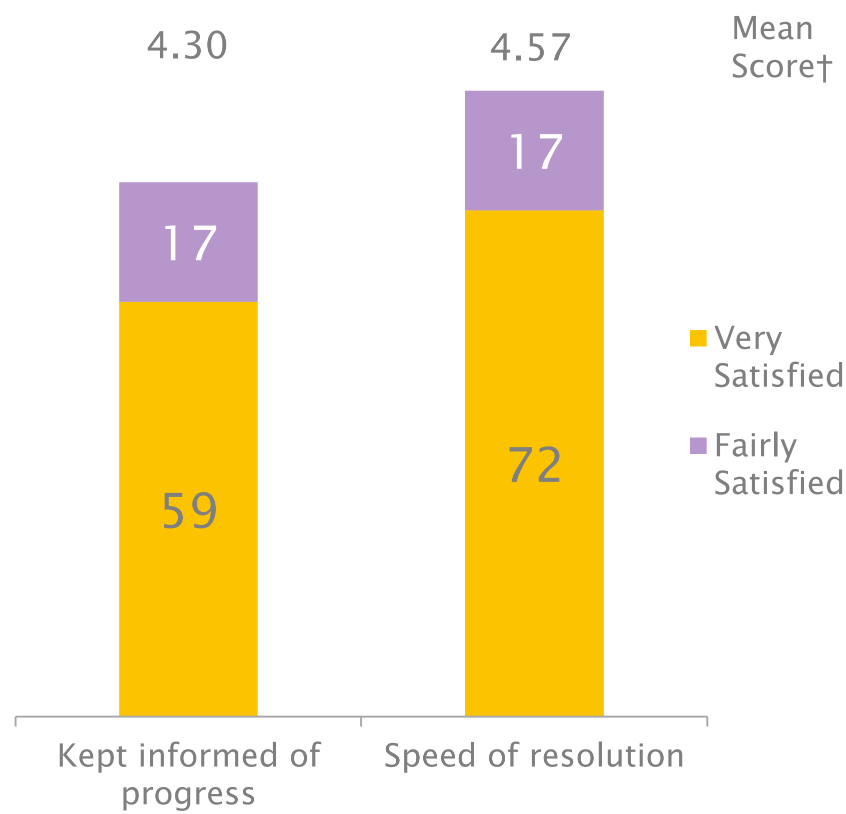
The proportion of respondents who considered their query to be resolved significantly increased from 2012/13 to 2013/14.



Overall Measures

Keeping customers informed and the speed of resolution are two of the main drivers of overall satisfaction

Customer satisfaction on each measure has improved significantly year-on-year.



† Where 5=very satisfied

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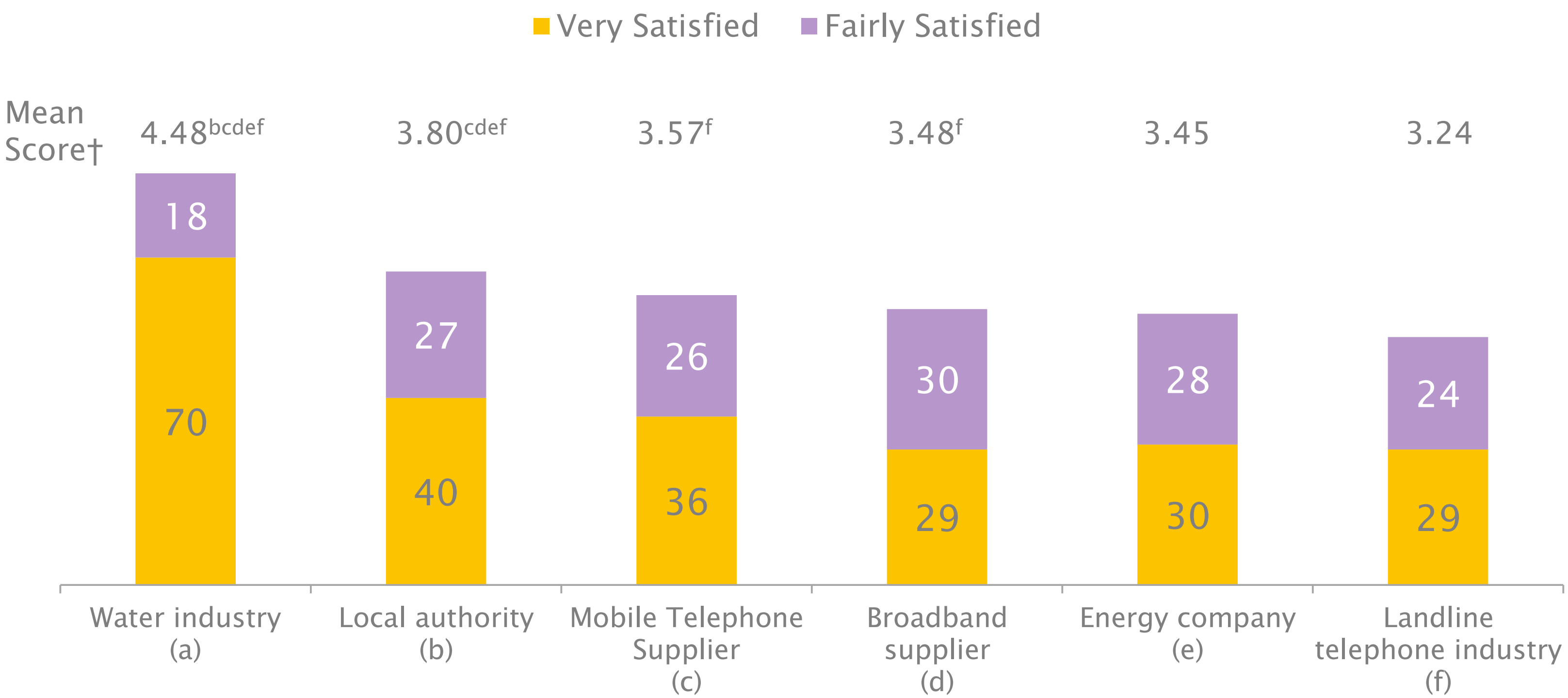
Industry Comparison

In Quarter 3, we asked respondents if they had been in contact with any other, similar service providers during the previous three months. Customer satisfaction with the service received within the water industry is significantly higher than that provided by any of the comparable service providers.



† Where 5=very satisfied

Key Driver Analysis

Key Drivers

We undertook Non-Parametric Correlation Analysis based on interviews in 2013/14 to identify the individual aspects of service behind the Overall Satisfaction (Q60) results. Our analysis found seven primary driving factors behind the Q60 score, with being kept informed the most important.

	Response Rate	Correlation Coefficient	Importance Index
Q54. Satisfaction with **being kept informed**	62%	0.759	130
Q58. Satisfaction with **time taken to resolve**	84%	0.717	123
Q53. Satisfaction with overall **visits**	29%	0.681	117
Q6d. Satisfaction with **knowledge and professionalism** of person you spoke to	84%	0.612	105
Q6c. Satisfaction with **helpfulness and attitude** of person you spoke to	84%	0.607	104
Q6a. Satisfaction with **ease of getting through** to someone	84%	0.574	98
Q7. Taking **responsibility** for the issue	84%	0.416	71
Q4b Number of **phone calls made**	93%	0.307	53

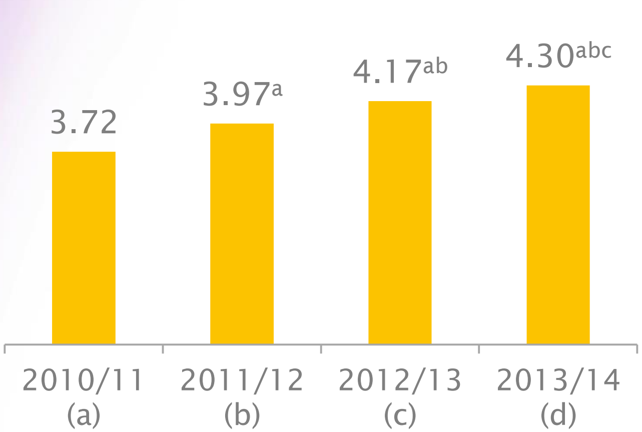
The Response Rate is the percentage of the sample who experienced the attribute and were able to provide an answer (the higher the response rate, the greater the number of customers who experience this attribute).

The Importance Index is the correlation coefficient rebased to an index where 100 = average strength in driving overall satisfaction.

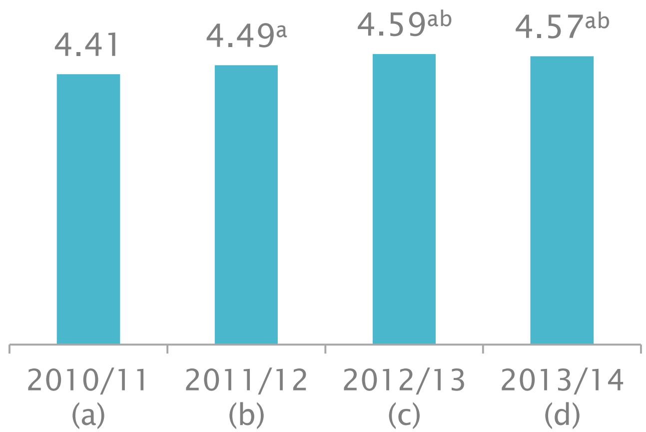
Key Driver Change Over Time

Satisfaction scores for each of the key drivers are shown below. Other than time taken to resolve, satisfaction has significantly improved on each of the measures year-on-year.

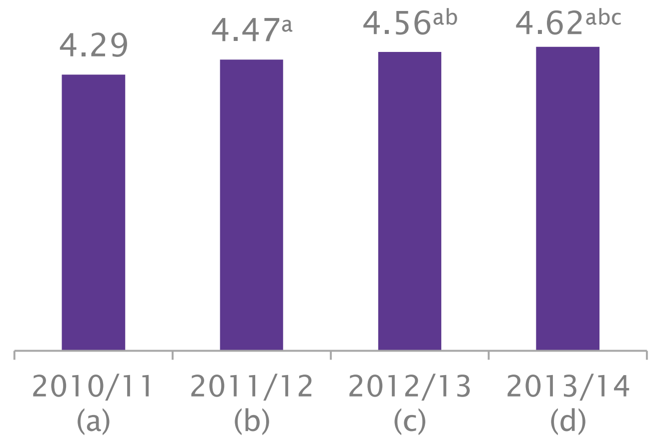
Being Kept Informed



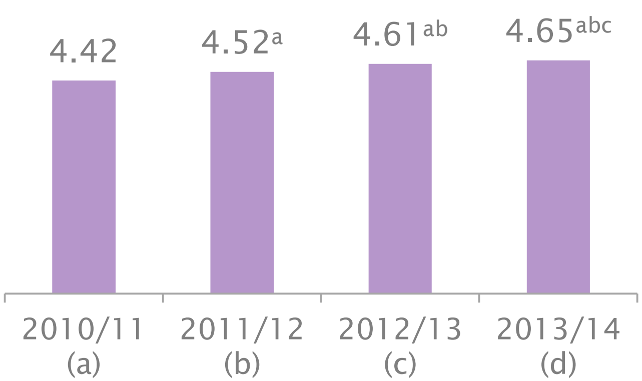
Time Taken to Resolve



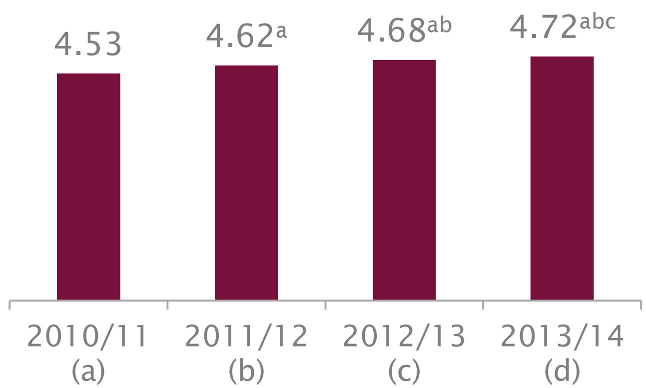
Satisfaction with Visits



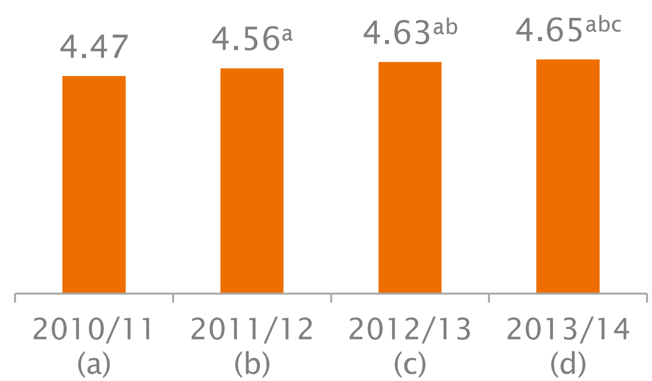
Staff Knowledge and Professionalism



Staff Helpfulness and Attitude

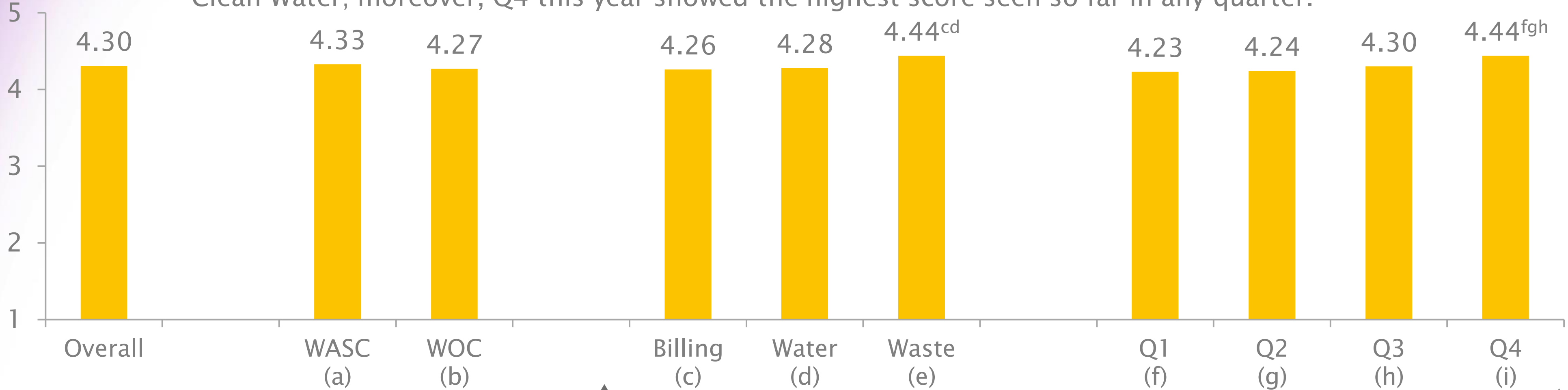


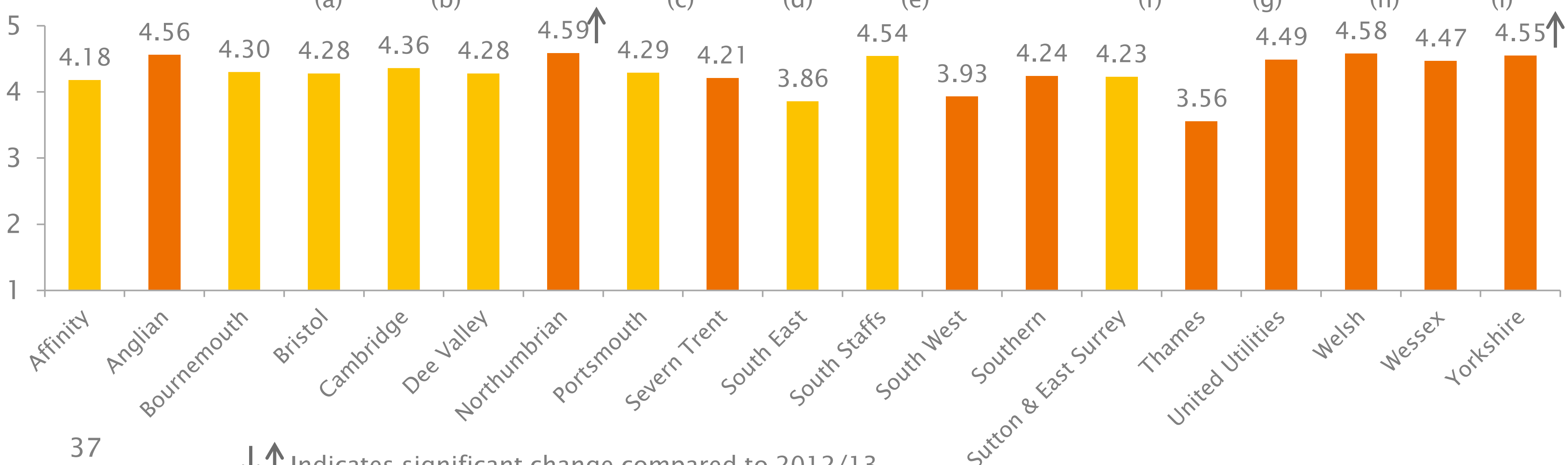
Ease of Contacting



Being Kept Informed

Satisfaction with being kept informed is the measure most closely associated with overall satisfaction. Those contacting with wastewater issues were significantly more satisfied than those contacting about Billing or Clean Water; moreover, Q4 this year showed the highest score seen so far in any quarter.

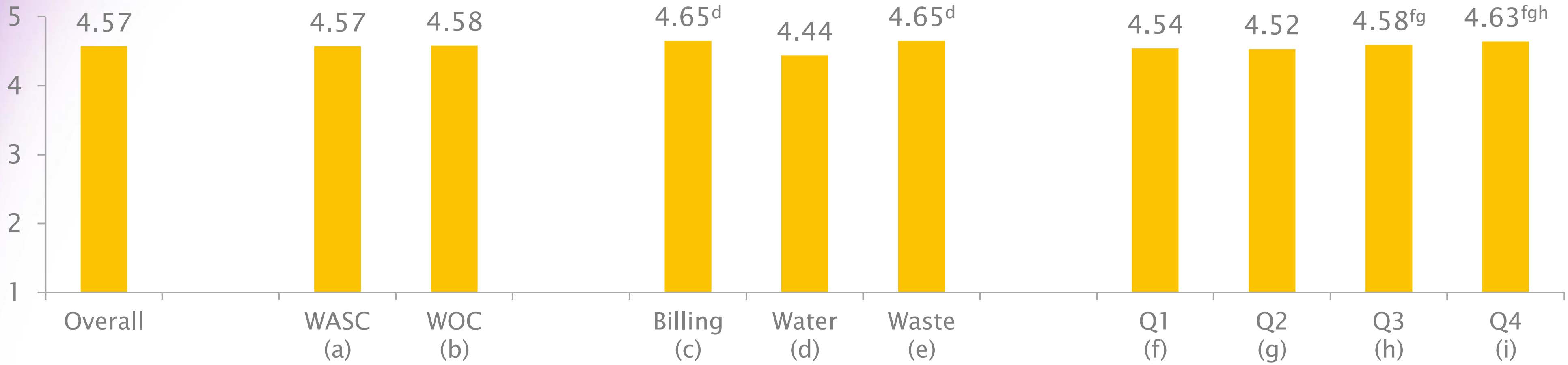


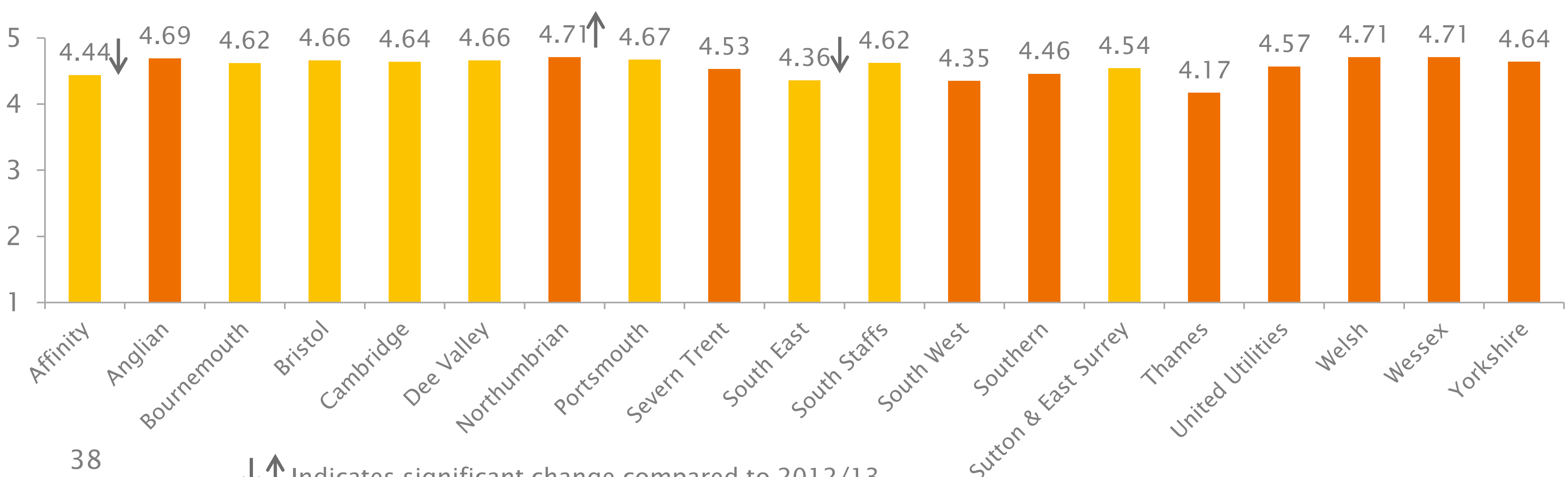


↓↑ Indicates significant change compared to 2012/13

Time Taken to Resolve

Customers tended to be significantly more satisfied with the time taken to resolve Billing and Wastewater queries than Clean Water ones.

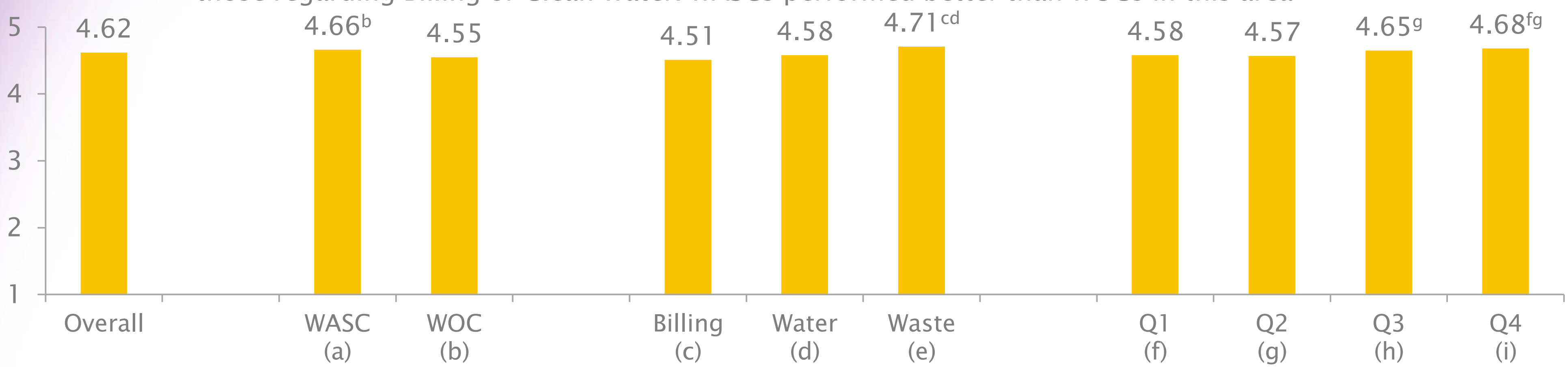


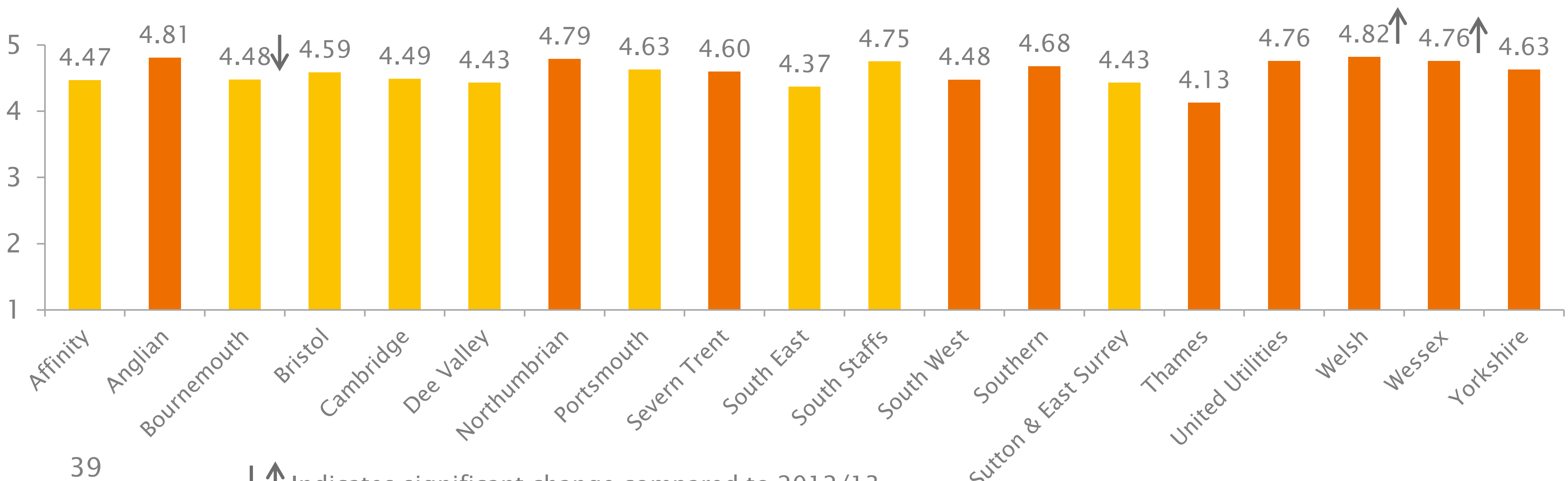


↓↑ Indicates significant change compared to 2012/13

Satisfaction with Visits

Customers tend to be significantly more satisfied with visits received in relation to Wastewater queries than those regarding Billing or Clean Water. WASCs performed better than WOCs in this area





↓↑ Indicates significant change compared to 2012/13

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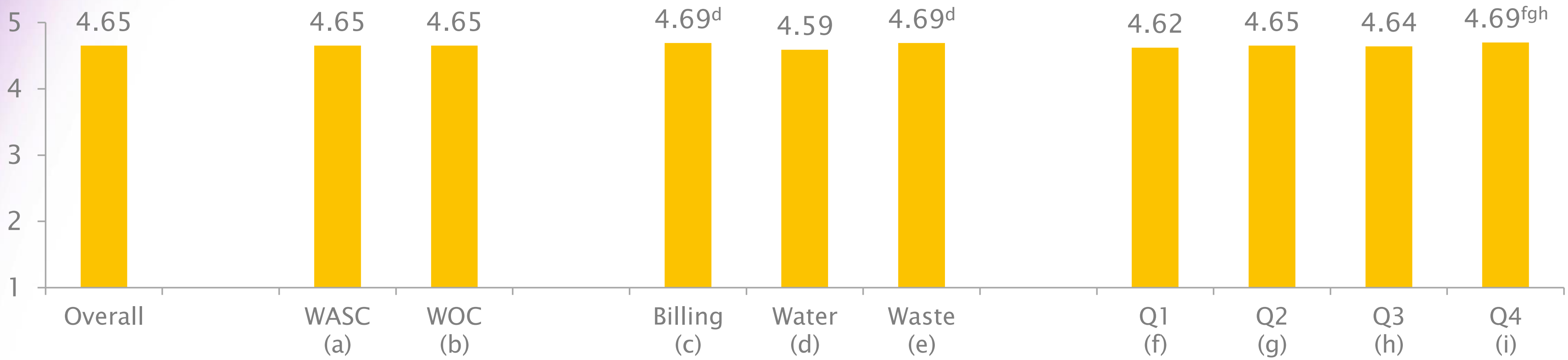
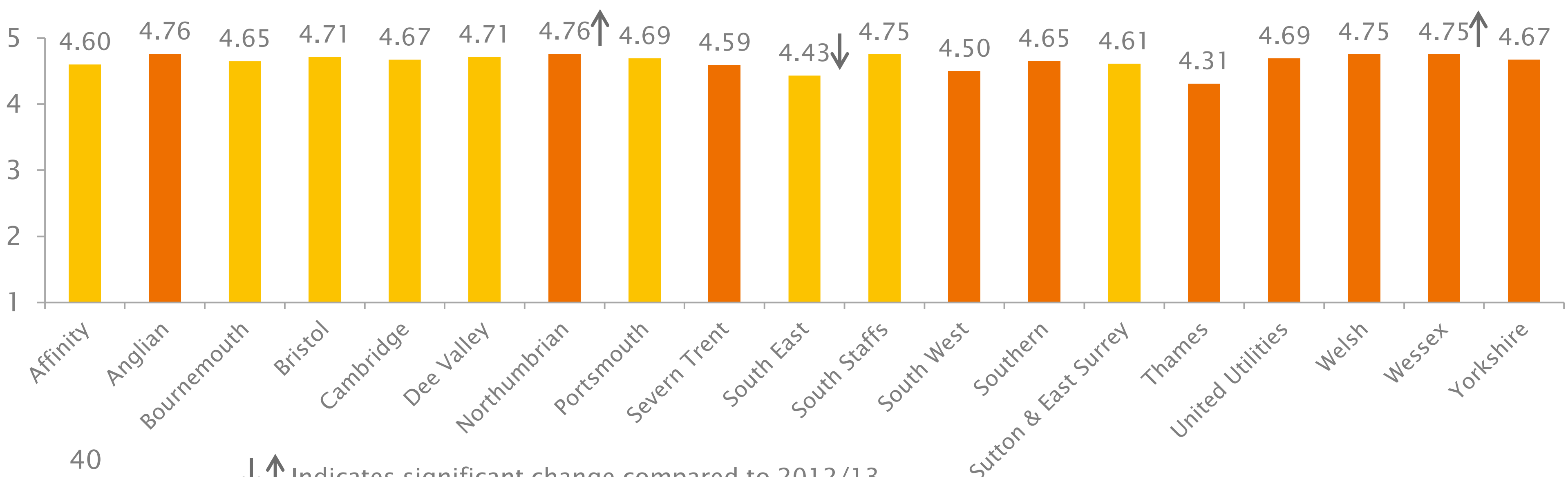
Staff Knowledge and Professionalism

The knowledge and professionalism of call centre staff has significantly improved each year since the SIM survey began. In 2013/14, Billing and Wastewater both significantly outperformed Clean Water.

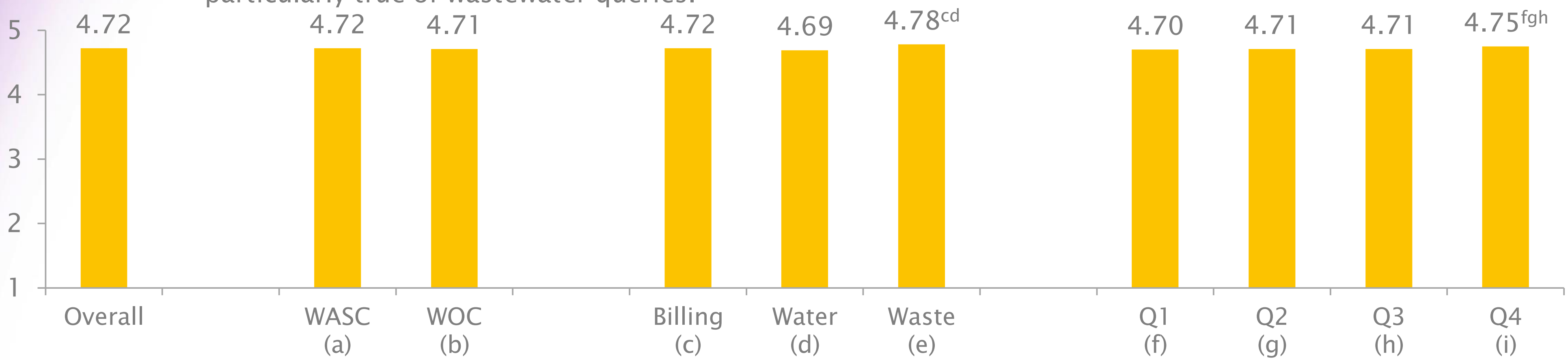


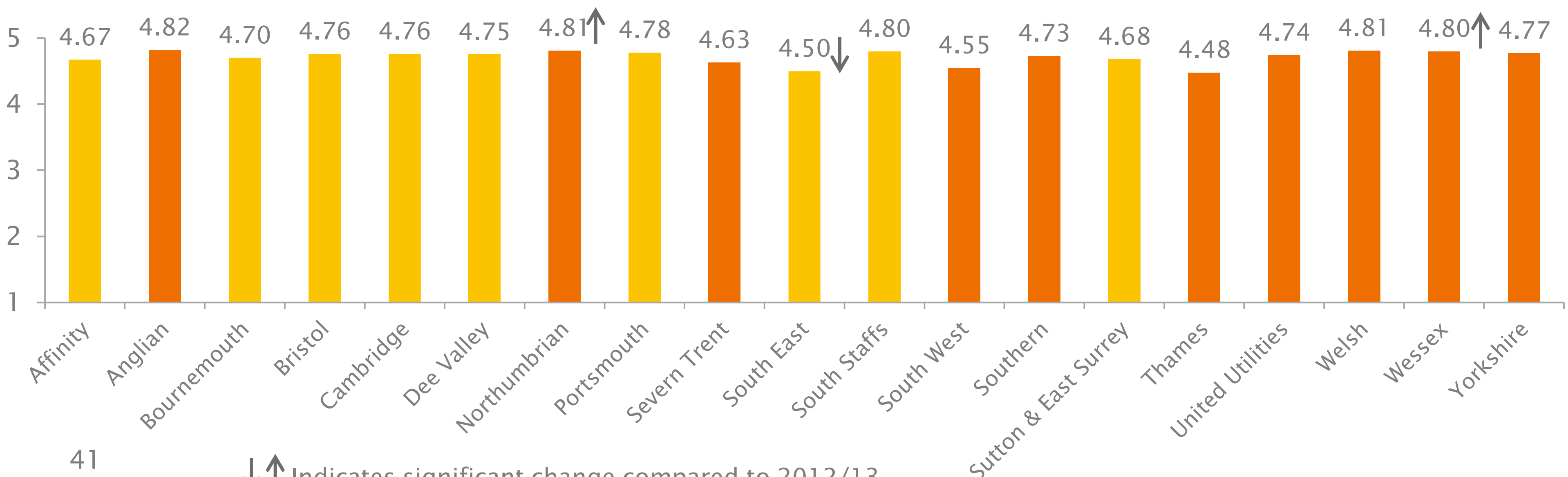


↓↑ Indicates significant change compared to 2012/13

Staff Helpfulness and Attitude

Call centre staff helpfulness and attitude was the highest rated of all measures – 82% of respondents were very satisfied with the helpfulness and attitude of the person spoken to over the phone. This was particularly true of wastewater queries.

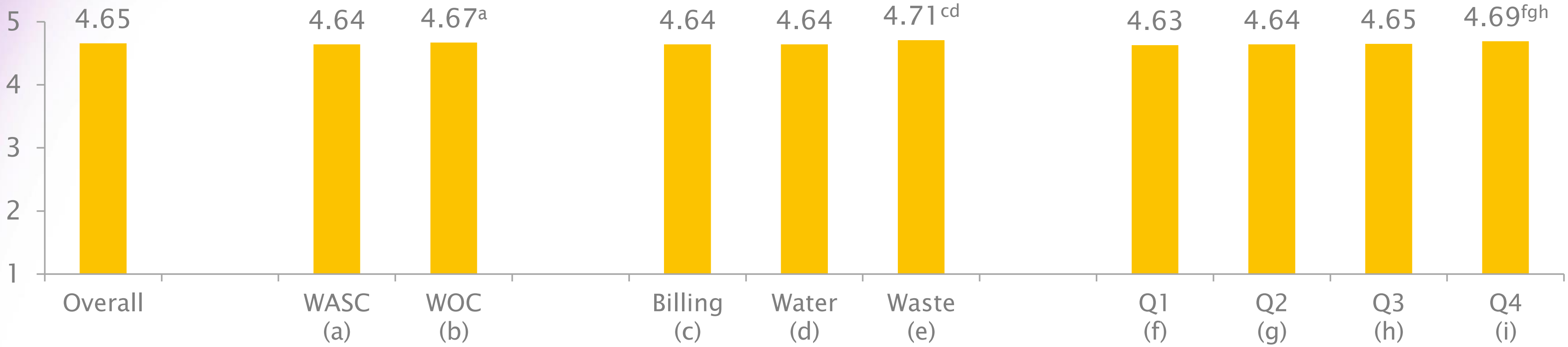


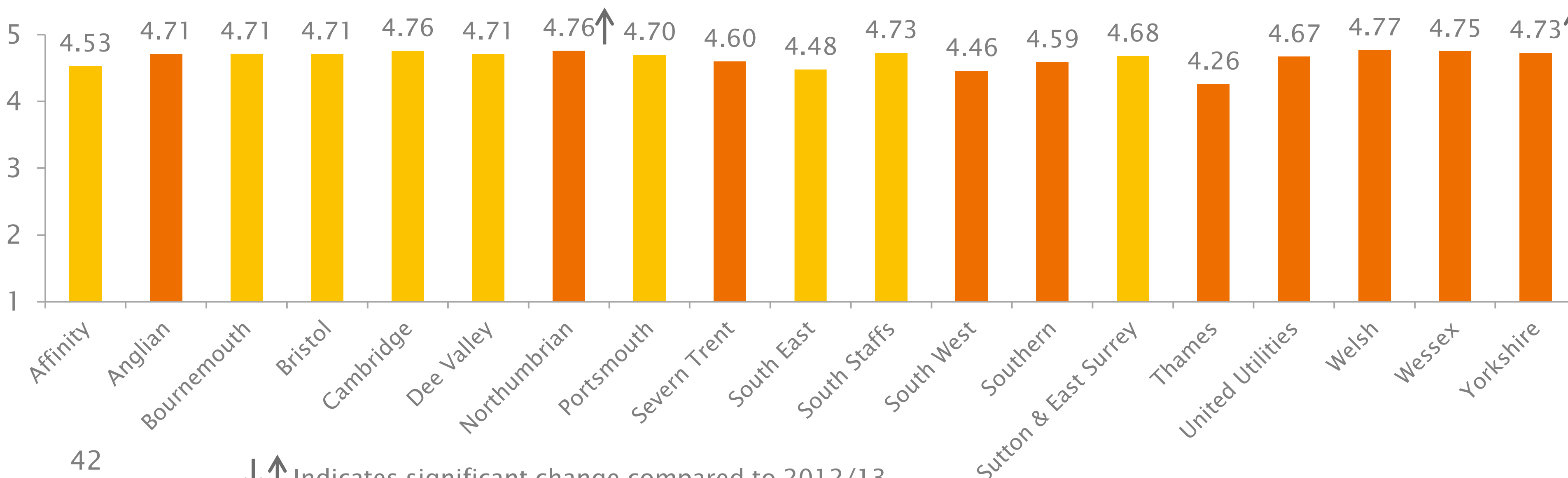


↓↑ Indicates significant change compared to 2012/13

Ease of Contacting Call Centre

Satisfaction with the ease of contacting water companies was generally high and significantly increased in 2013/14 compared to other years. WOCs and those with wastewater queries were the most positive.





↓↑ Indicates significant change compared to 2012/13

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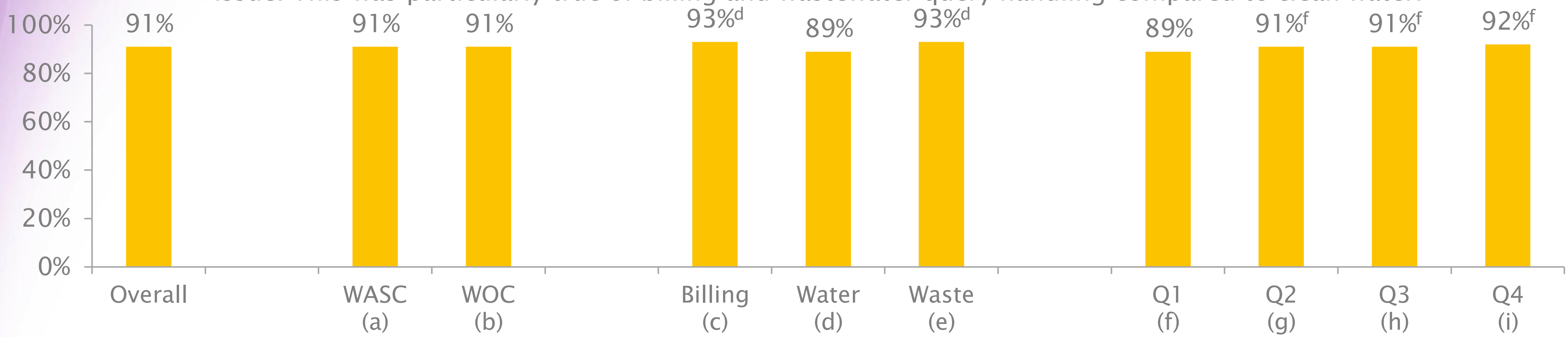
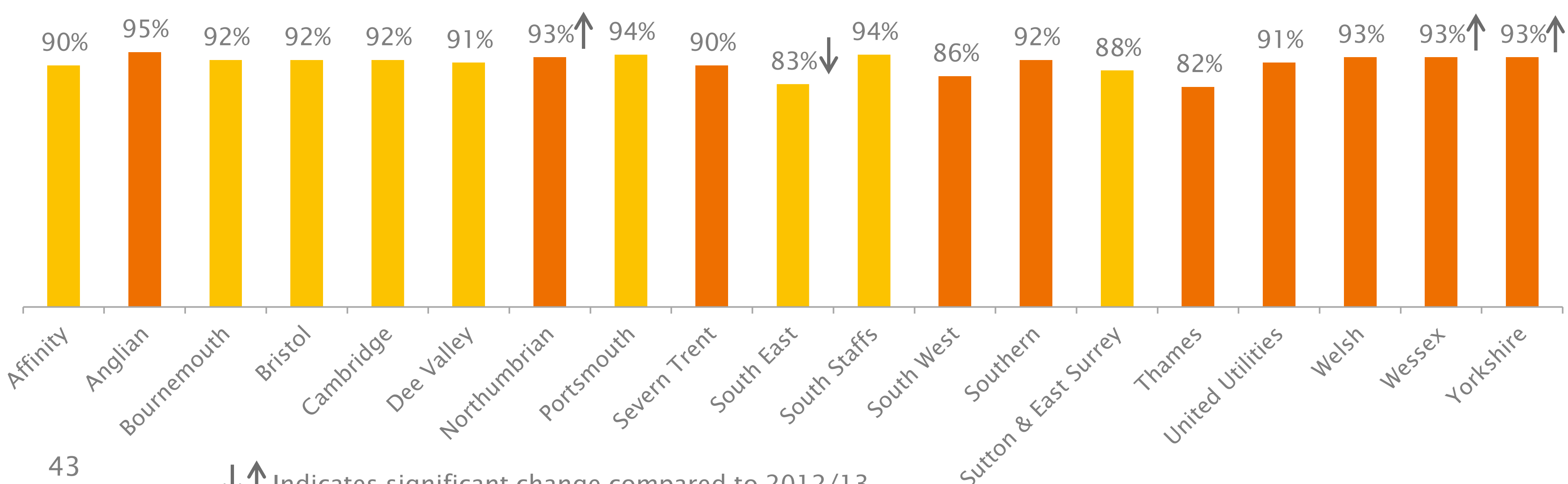
Phone Contact: Taking Responsibility For The Matter

A high proportion of customers were confident that the person they spoke to took responsibility for their issue. This was particularly true of billing and wastewater query handling compared to clean water.





↓↑ Indicates significant change compared to 2012/13

Other Indicators

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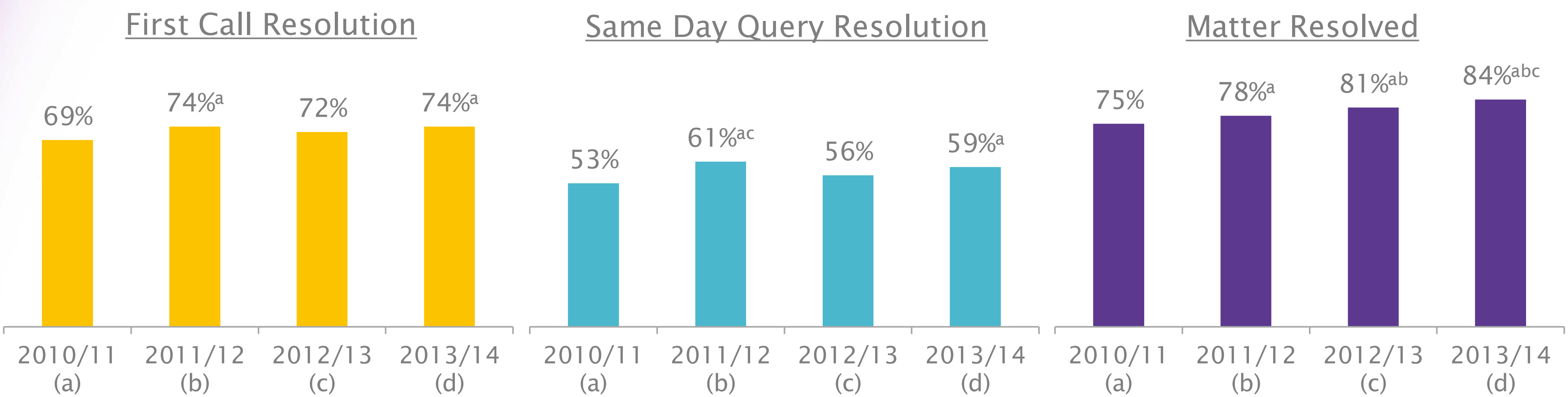
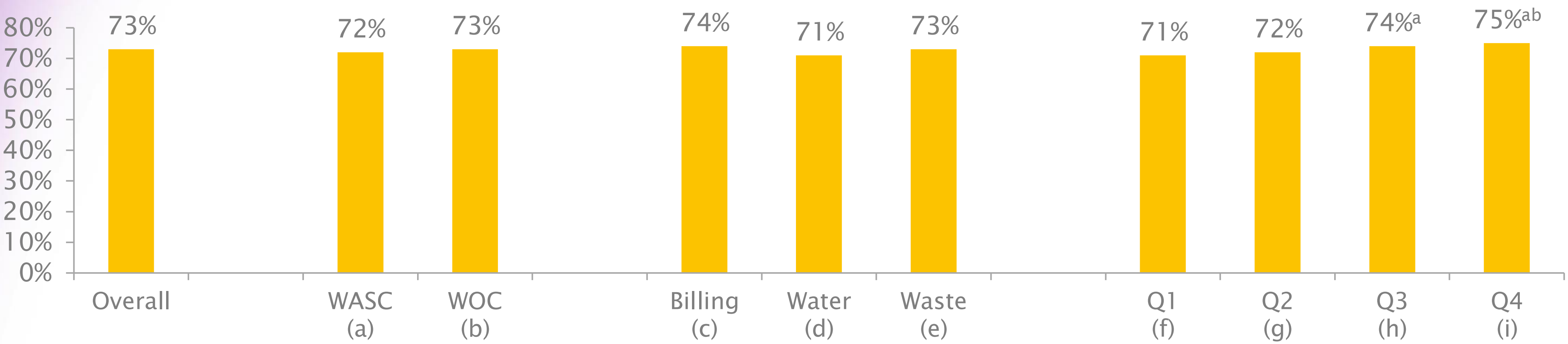
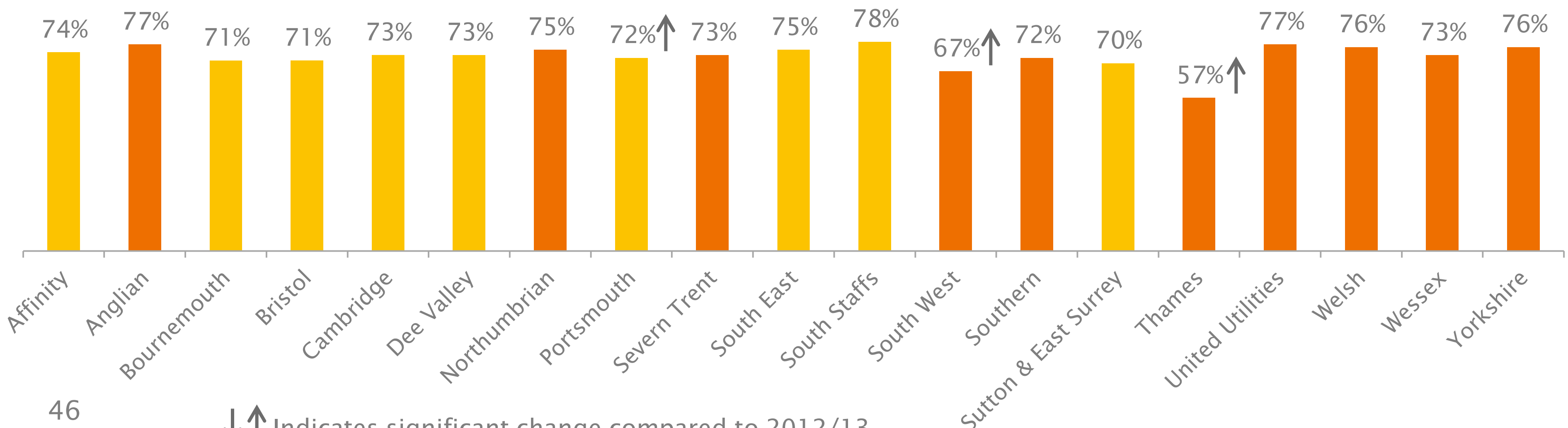
The proportion of resolved queries (from the customer's perspective) has steadily increased over time.



Phone Contact: First Call Resolution

There was a significant increase in first call resolution in Q3 and Q4 of 2013/14 relative to earlier quarters.





↓↑ Indicates significant change compared to 2012/13

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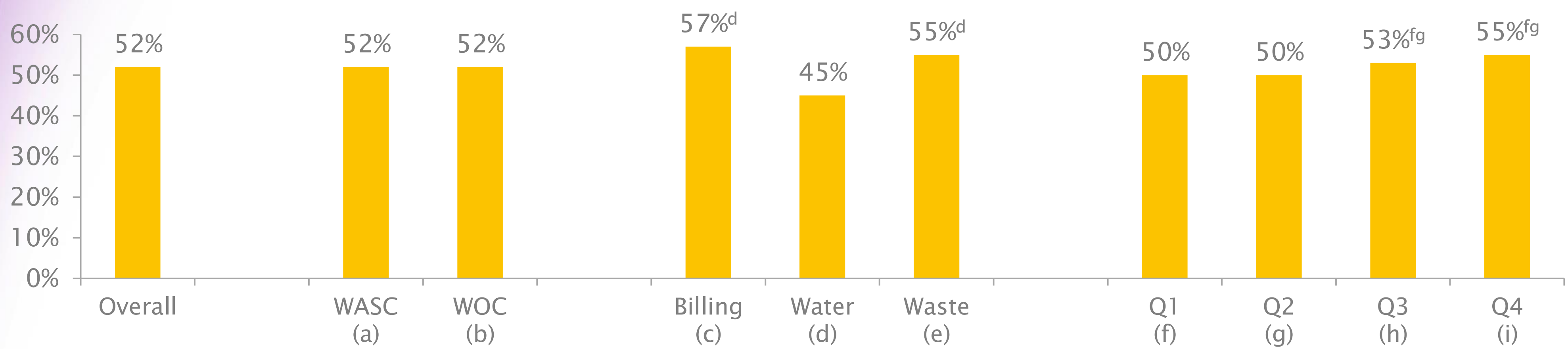
Same Day Query Resolution

Of those queries that had been resolved, billing and waste queries were most likely to be resolved on the same day they were reported.



↓↑ Indicates significant change compared to 2012/13

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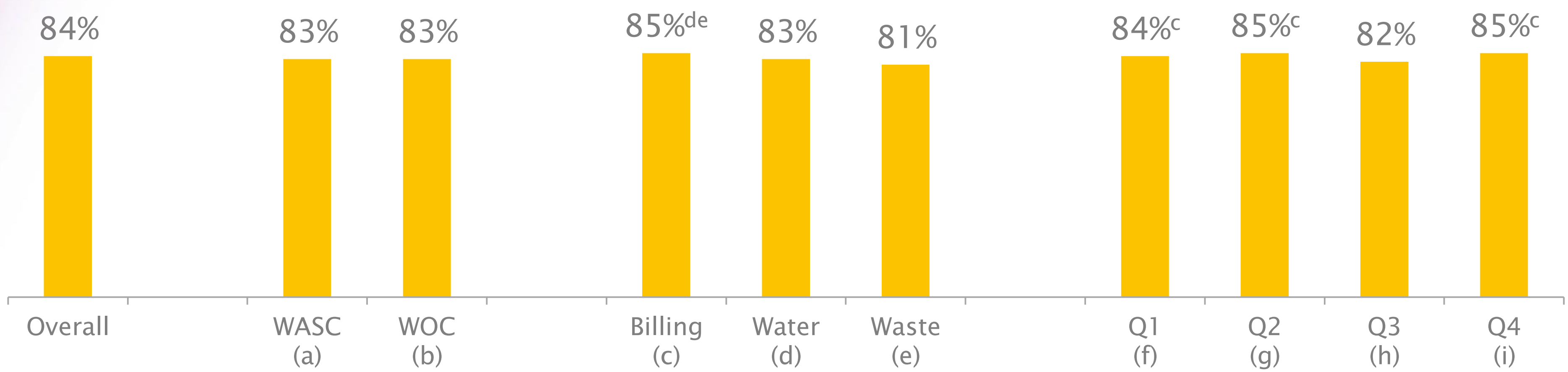
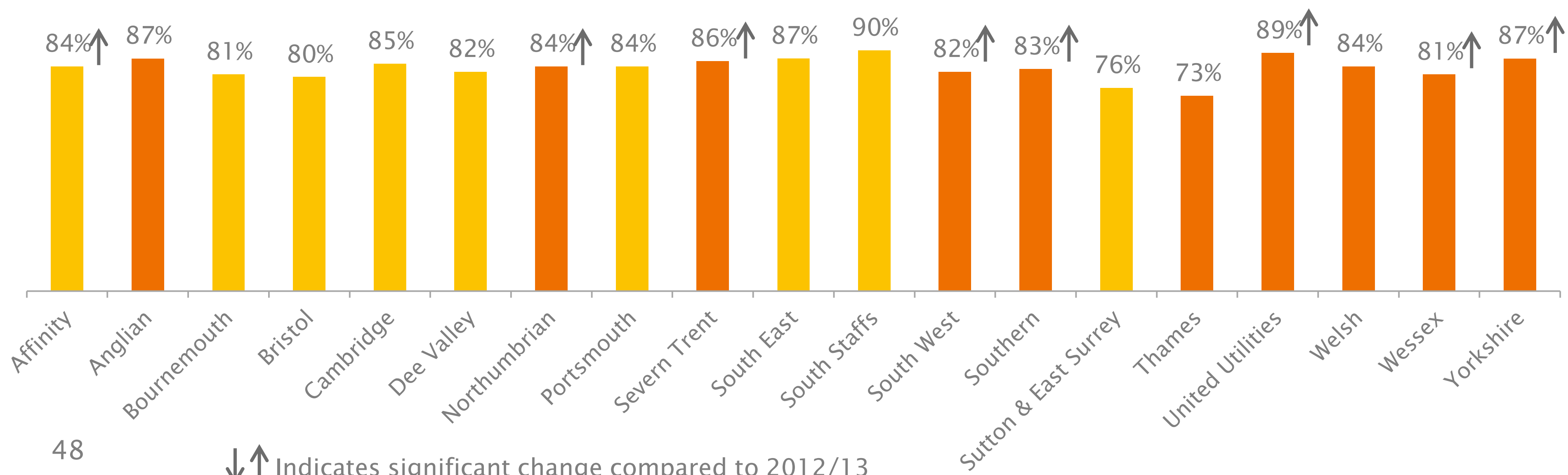
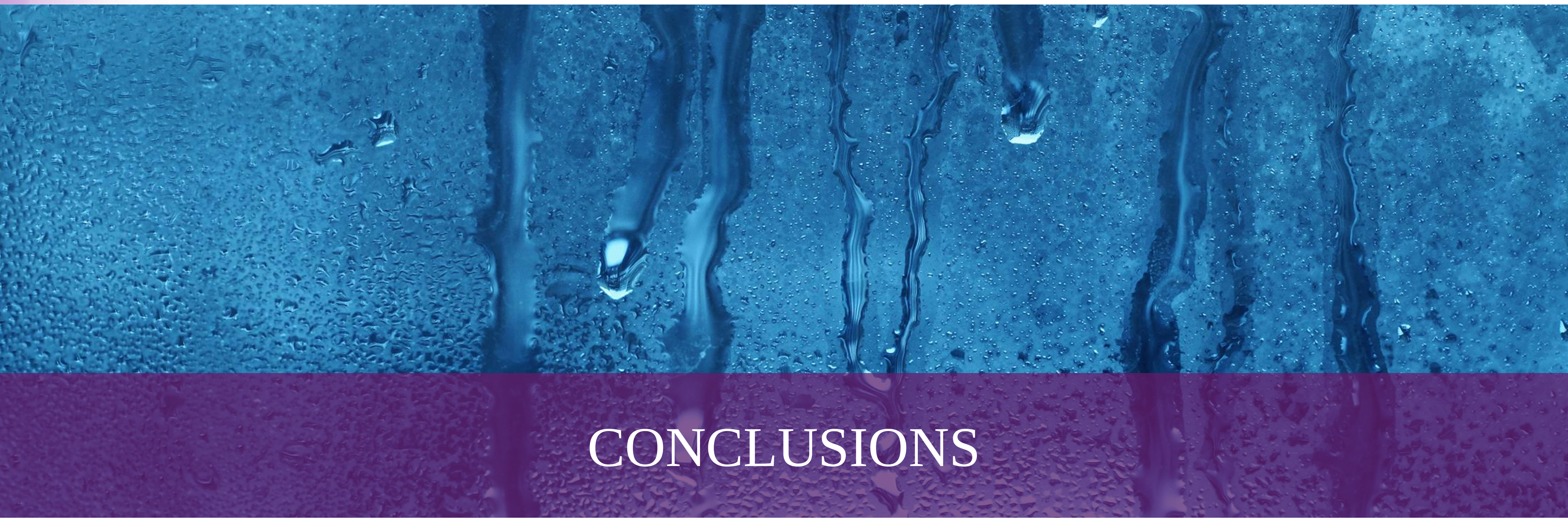
Matter Resolved

Customers with a Billing query were significantly more likely to consider their issue resolved than either Clean or Wastewater respondents.





↓↑ Indicates significant change compared to 2012/13



CONCLUSIONS

Conclusions

Since the SIM customer experience survey commenced in 2011/12 the water industry as a whole has significantly improved its handling of customer queries year-on-year.

This improvement has been most marked in the handling of wastewater queries, however satisfaction with handling of billing and clean water queries has also substantially increased. The consequence of this is that whereas in previous years WOCs generally tended to perform better than WASCs, in 2013/14 both types of company achieved similarly high scores.

The overall results for customer satisfaction have been driven by significant improvements year-on-year in several key areas of the query resolution process, most notably keeping customers informed of progress, performance of call centre staff, ease of contacting water companies and satisfaction with visits. Moreover, there has also been a significant rise in the proportion of consumers aware their matter has been resolved.

As has been the case in every previous wave of research, customer experience of query handling in the water industry is substantially more positive than in other sectors – 88% of water customers are satisfied compared to a maximum of 67% of those contacting other types of organisations.

Overall it is clear that SIM has been key in driving up standards of customer service for water company contactors across the industry.

McCallum Layton

Defining a clear direction for

OFWAT

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