



Ofwat SIM Survey

2014/15 Annual Report



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J2668

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Background and Objectives

There are currently 18 water companies operating in England and Wales; these companies are regulated by the Water Services Regulation Authority (Ofwat), whose job is to ensure the industry provides a good quality service at a fair price.

Robust data is needed on an annual basis to explore consumers' views on their direct contact with their water company.

Ofwat introduced the Service Incentive Mechanism (SIM) in 2010 as a way of encouraging water companies to improve their customer service. Following PR14, the adopted approach changed somewhat, as indicated on the following slide.

However, the overall objective of the research remains the same:- to provide a robust comparable measure of consumers' experience and how satisfied they are with the overall handling of an actual recent contact with their water or sewerage supplier.

The research explores:

- How consumers initially contacted the water company (telephone, email, letter, website etc.);
- The reason for them making contact with the water company;
- How satisfied consumers were with their water company's overall handling of their contact;
- Reasons why they were satisfied or not and what the water company could have done better; and
- Comparing consumers' experience of contacting their water company to recent experience contacting other sectors.

Combined data for 2015-16 to 2018-19 will be used to support Ofwat's decisions on financial incentives in 2019.

Changes to the Approach

An industry-wide consultation on modifications to the original measure took place between October 2013 and January 2014.

The current 2014/15 research was a pilot study designed to test the following changes to the established approach:

- **Revised questionnaire:** A shorter more focussed questionnaire was developed
- **Excluding non-households:** Non-households are now screened out during the survey and NOT by companies. Therefore the survey sample should contain all contacts from all consumers
- **Surveying from all contacts received regardless of whether resolved or not:** After processing the sample is sorted by date. Surveying then proceeds from the oldest date and all companies are surveyed simultaneously. Previously the SIM survey focused on resolved contacts only.

- **No notice given for the survey:** On a Monday, companies will be requested to provide details of all the contacts received during the previous seven days (or 2-4 weeks if this will provide insufficient sample). Sample is required by 5pm the next day

The efficacy of screening out non-households during the survey is also considered by comparing contactee responses to water company information.

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 and sewerage company (WASC) data is weighted to 50% Billing/25% water operations/25% Waste Water operations. Water only company (WOC) 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 18 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.

However, many of the smaller companies (and a few of the bigger companies) include up to 4 weeks' worth of contacts to provide sufficient volume in each category:

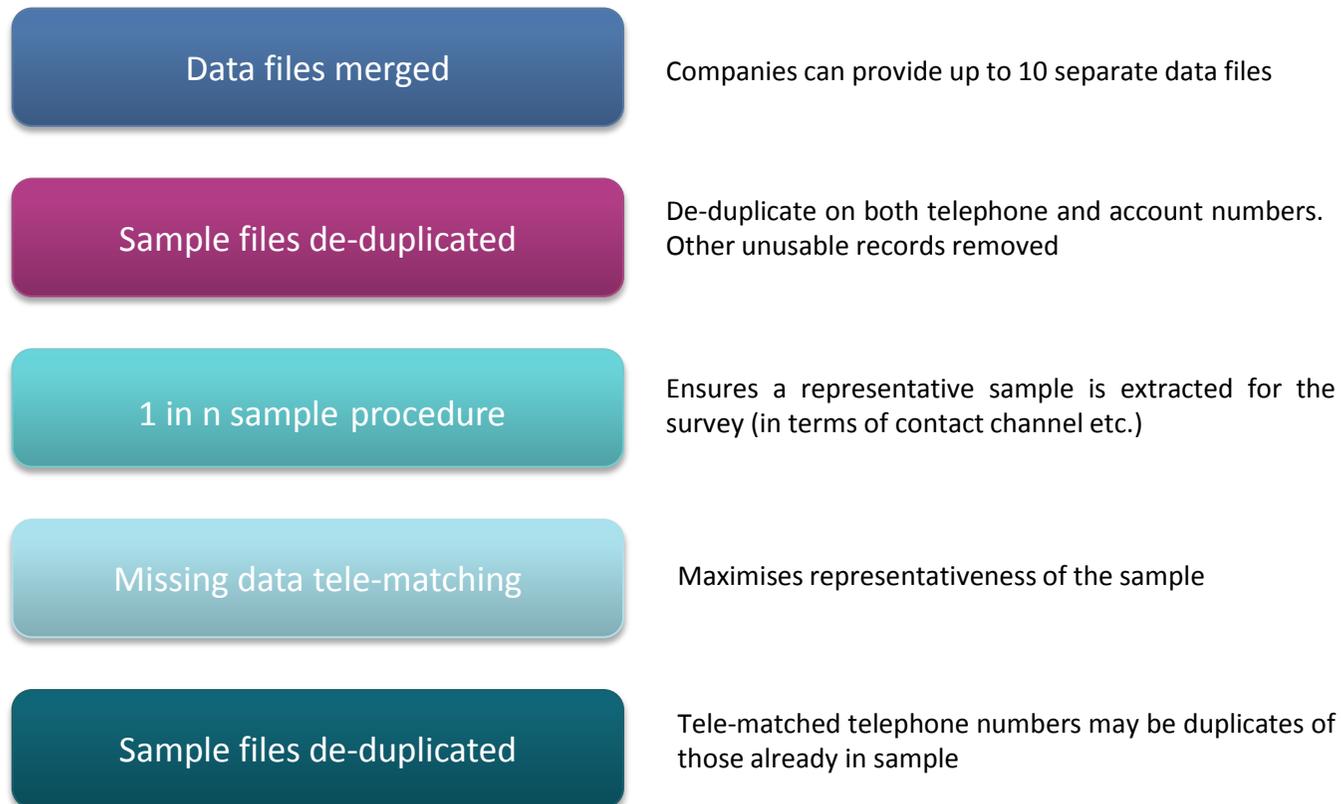
- This applied to Bournemouth, Dee Valley, Portsmouth and Sutton and East Surrey Water on some waves.
- Nevertheless, sufficient sample information was provided to provide an annual sample size of at least 658 interviews which remains robust, with results accurate to $\pm 3.8\%$ (as opposed to $\pm 3.5\%$).

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

All customer contacts from the sampling period, **whether resolved or not**, are included (i.e. 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 and reason for contact, with contact name and domestic/commercial flag highly desirable. The following sample management process is followed:-



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 to reduce the possibility of interviewer bias.

Industry comparison questions were asked in Wave 1 to contrast perceptions of the water industry to other, similar service providers.

Demographic and socio-economic questions were asked in Wave 4. 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 interview averages 7 minutes in length (across all four waves, including the longer surveys in Waves 1 and 4 as described above).

Key dates for each wave in 2014/15 are below:-

Wave	Sampling Week	Fieldwork Dates
Wave 1 2014/15	15th – 21st September 2014	24 th September – 8 th October 2014
Wave 2 2014/15	13 th – 19 th October 2014	23 rd October – 10 th November 2014
Wave 3 2014/15	17 th – 23 rd November 2014	27 th November – 16 th December 2014
Wave 4 2014/15	5 th – 11 th January 2015	15 th January – 3 rd February 2015

Companies with limited sample may have had a sampling period beginning up to 4 weeks earlier than the stated sampling week.



Performance Indicator and Weighting

The survey produces a single comparable performance indicator (Q8) 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’

As previously mentioned, 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 2014/15

Total Number of Interviews Completed in 2014/15	
Affinity Water	800
Anglian Water	800
Bournemouth Water	699
Bristol Water	1,080 [†]
Dee Valley Water	658
Northumbrian Water	800
Portsmouth Water	750
Severn Trent Water	800
South East Water	800
South Staffs Water	800
South West Water	800
Southern Water	802
Sutton & East Surrey Water	777
Thames Water	800
United Utilities Water	800
Welsh Water	800
Wessex Water	1,216 [†]
Yorkshire Water	800
Total	14,102

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

14,400: $\pm 0.82\%$

800: $\pm 3.5\%$

267: $\pm 6.0\%$

200: $\pm 6.9\%$

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

14,400 vs 14,400: $\pm 1.2\%$

800 vs 800: $\pm 4.9\%$

267 vs 267: $\pm 8.5\%$

267 vs 200: $\pm 9.2\%$

200 vs 200: $\pm 9.8\%$

[†]NB The same Bristol/Wessex shared billing interviews appear next to both Bristol and Wessex in the table, however these are counted only once for the overall total.



Sample Quality



Total Number of Individual Records Sent

WASC Records Received			WOC Records Received		
	Sample received	Excl. Duplicates		Sample received	Excl. Duplicates
Thames	371,518	281,112	Affinity	121,345	92,244
Severn Trent	223,623	189,697	Bristol*	94,238	79,823
United Utilities	253,632	179,814	South East	81,584	62,840
Yorkshire	182,960	144,397	South Staffs	49,673	44,325
Anglian	144,513	133,153	Sutton and East Surrey	18,517	16,941
Southern	134,155	122,618	Bournemouth	15,528	13,167
Northumbrian	108,271	96,931	Portsmouth	14,972	13,579
South West	102,579	85,769	Dee Valley	11,238	9,842
Wessex*	92,461	79,037			
Welsh	87,857	73,553			

Total number of contacts sent by each company.

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



Proportion of Duplicates in Sample

United Utilities had the highest proportion of duplicate records in the sample provided in 2014/15 while Anglian 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.



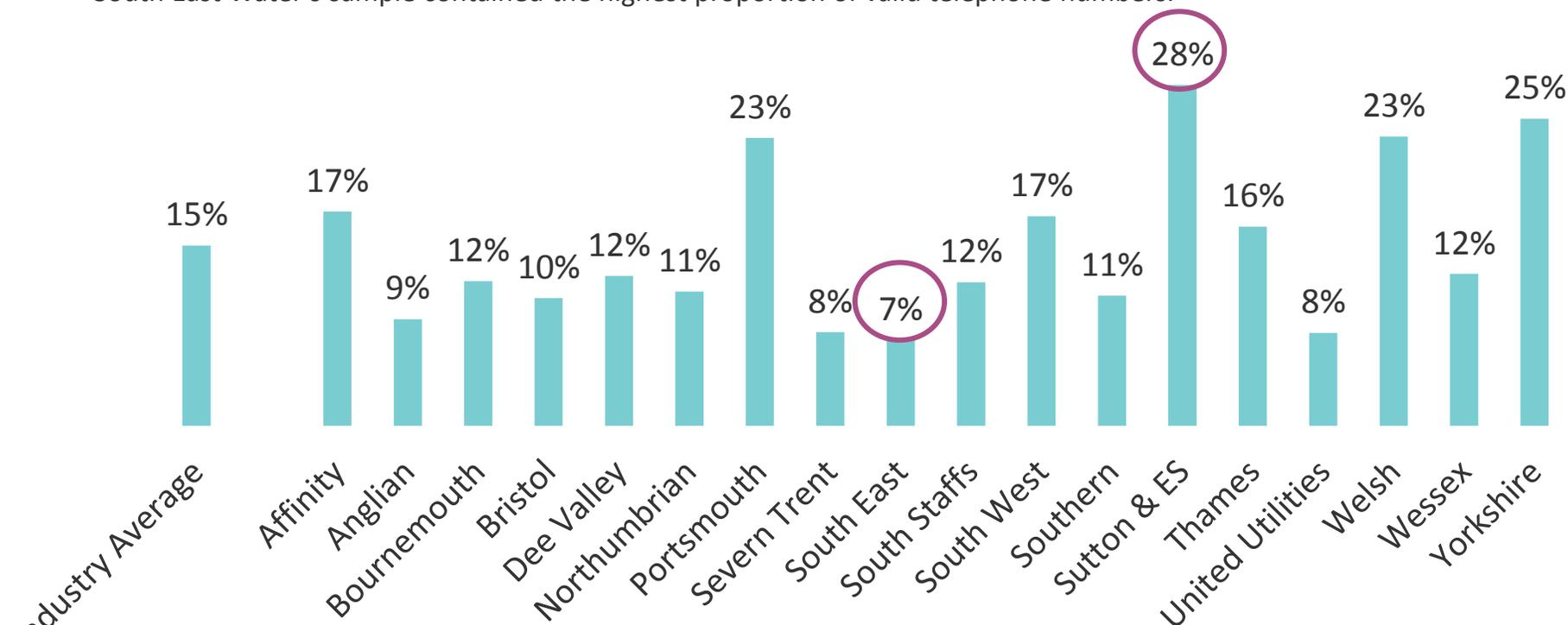
Figures indicate % of duplicate records in the sample prior to tele-matching

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.

Sutton and East Surrey Water samples had the highest proportion that had to be sent for number matching as telephone numbers were not present or incomplete.

South East Water's sample contained the highest proportion of valid telephone numbers.



Figures indicate % of records without useable telephone number.

Proportion of Unobtainable Numbers

Sutton and East Surrey Water's sample also contained the highest proportion of unobtainable numbers, while Wessex Water's contained the lowest.



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

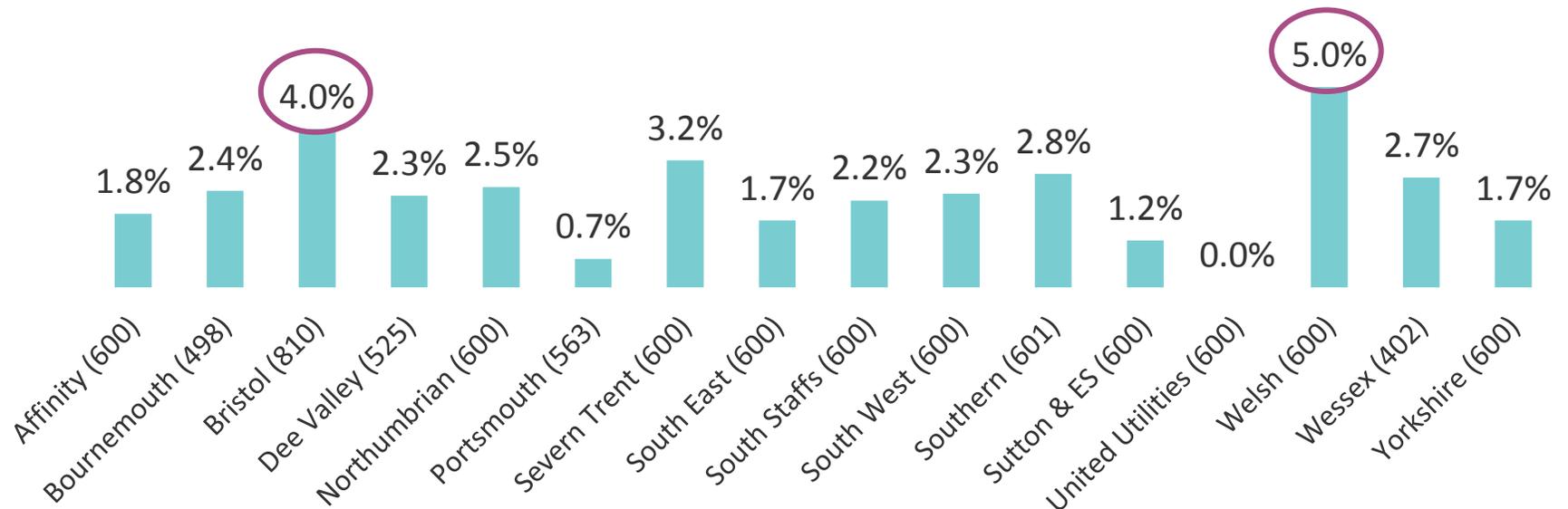
The proportion of useable records across the industry was in line with previous years. South East Water had the highest proportion of useable records in the sample and Sutton and East Surrey the lowest.



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.

Proportion of interviews where contact flagged as 'business' but were domestic

As a proportion of the overall interviews conducted, Welsh Water had the highest percentage of interviews where the contact was flagged as 'business' but the customer defined themselves as 'domestic' (5%), followed by Bristol Water (4%). Anglian Water and Thames Water do not flag their sample as either business or domestic, therefore we cannot ascertain the accuracy of their classification.



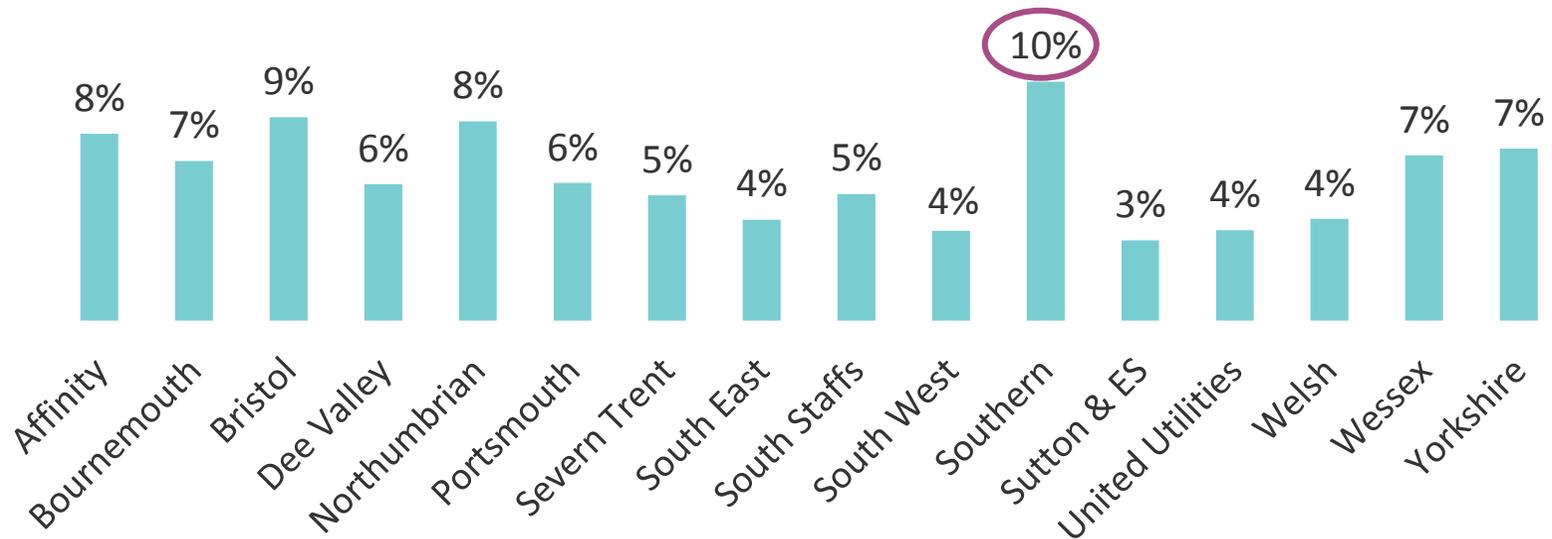
Total number of interviews in brackets

No data for Anglian Water or Thames Water

Percentage of contacts flagged as ‘domestic’ that were business (i.e. were screened out)

Southern Water had the highest proportion of contacts who were flagged as ‘domestic’ but who were screened out because they described themselves as ‘business’ customers.

Anglian Water and Thames Water do not flag their sample as business or domestic, therefore we cannot ascertain the accuracy of their classification.





Industry Key Annual Results

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.

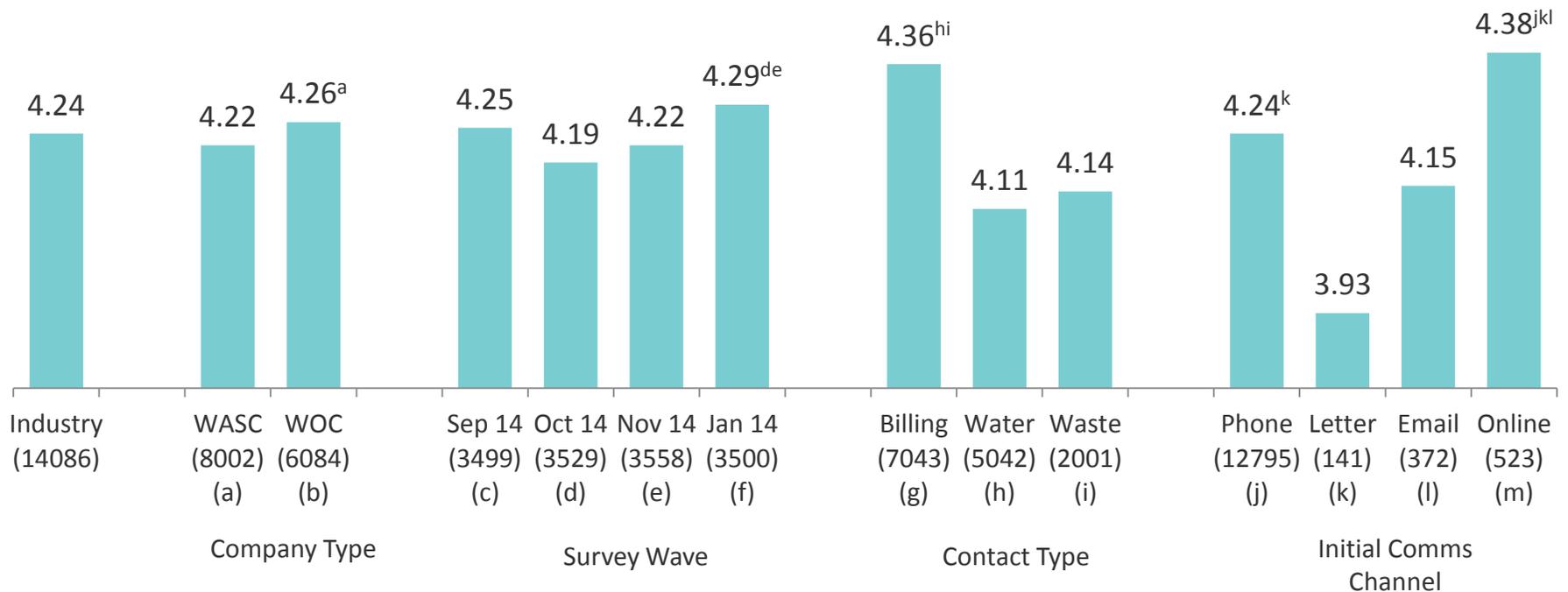
For example, on Page 20, the letters 'h' and 'i' next to the result for Billing signifies that customers contacting their water company with Billing queries are on average significantly more satisfied than those with a Clean water query (column labelled 'h') or a Waste Water query (column labelled 'i').

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



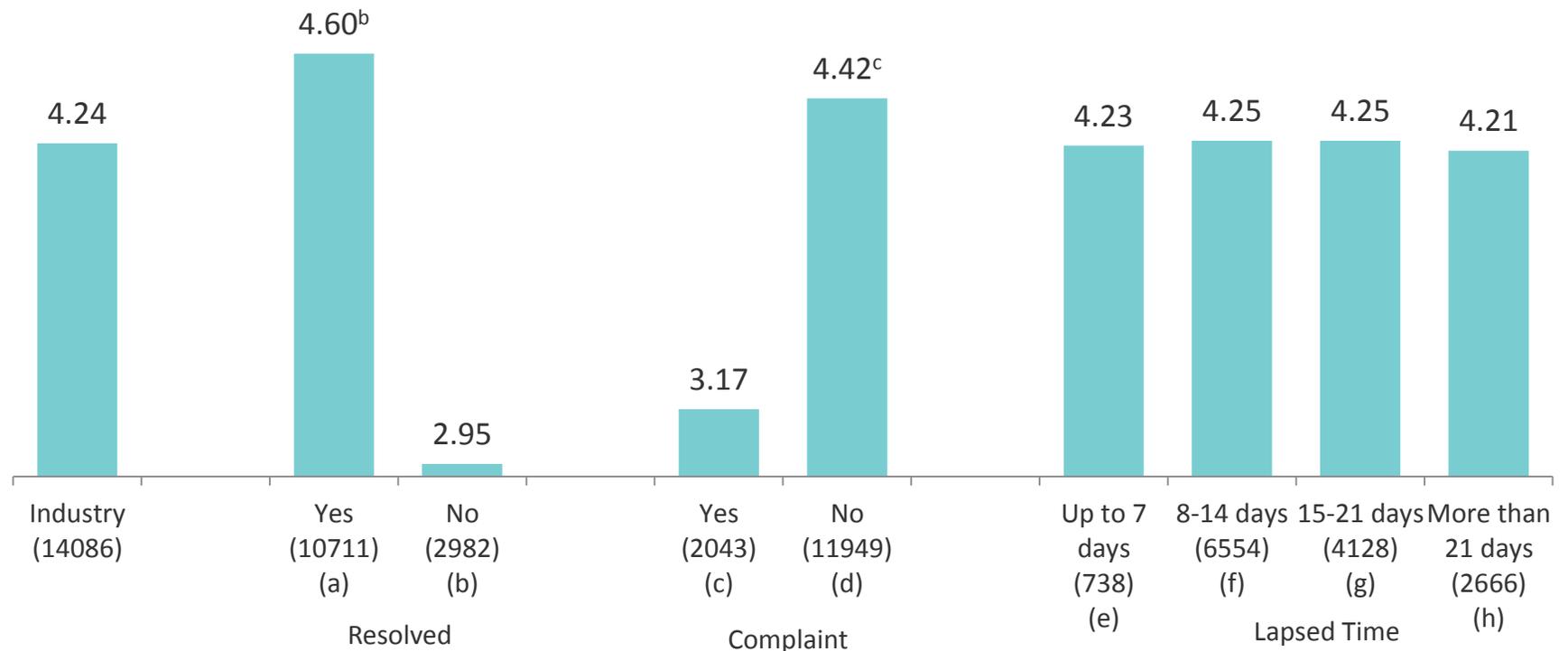
Overall Satisfaction (Q8 – Weighted)

WOCs performed significantly better than WASCs overall. Customers tended to be significantly more satisfied with the handling of Billing enquiries than either Clean or Waste Water queries. Those who contacted their water company online were much more positive than those using other means.



Overall Satisfaction (Q8 – Weighted)

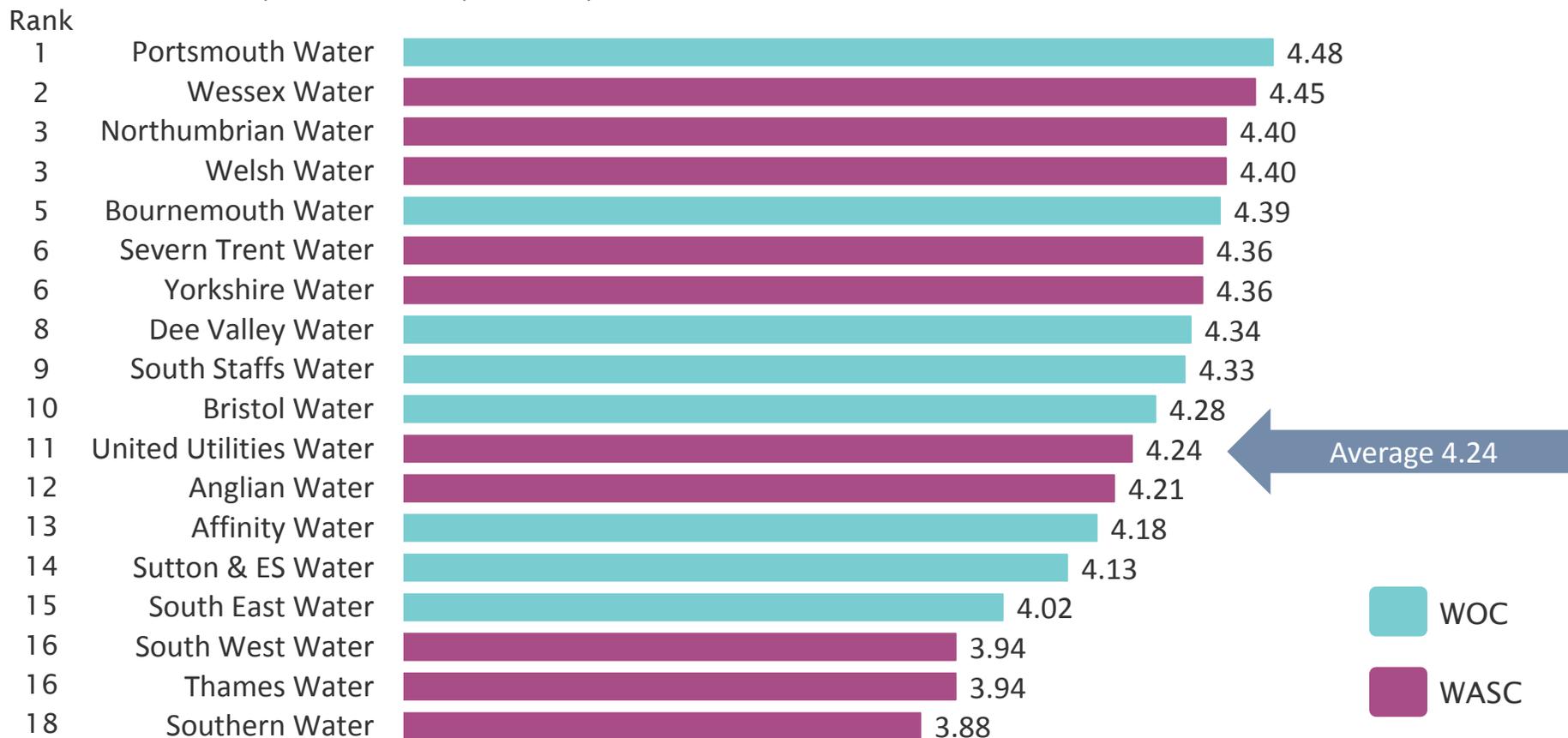
Unsurprisingly, customers were significantly more likely to be satisfied if their query was resolved or was not considered to be a complaint. The length of time that had elapsed between the initial contact and the date of interviewing had no bearing on overall satisfaction levels, which means that water companies who need to supply more than a week’s worth of sample records are neither advantaged nor disadvantaged by this.



Satisfaction by Company (Q8 – Weighted Data)

Portsmouth Water achieved the highest overall satisfaction score, significantly above the industry average of 4.24.

WASCs made up three of the top five companies in 2014/15.



Satisfaction by Company (Q8 - Weighted Data)

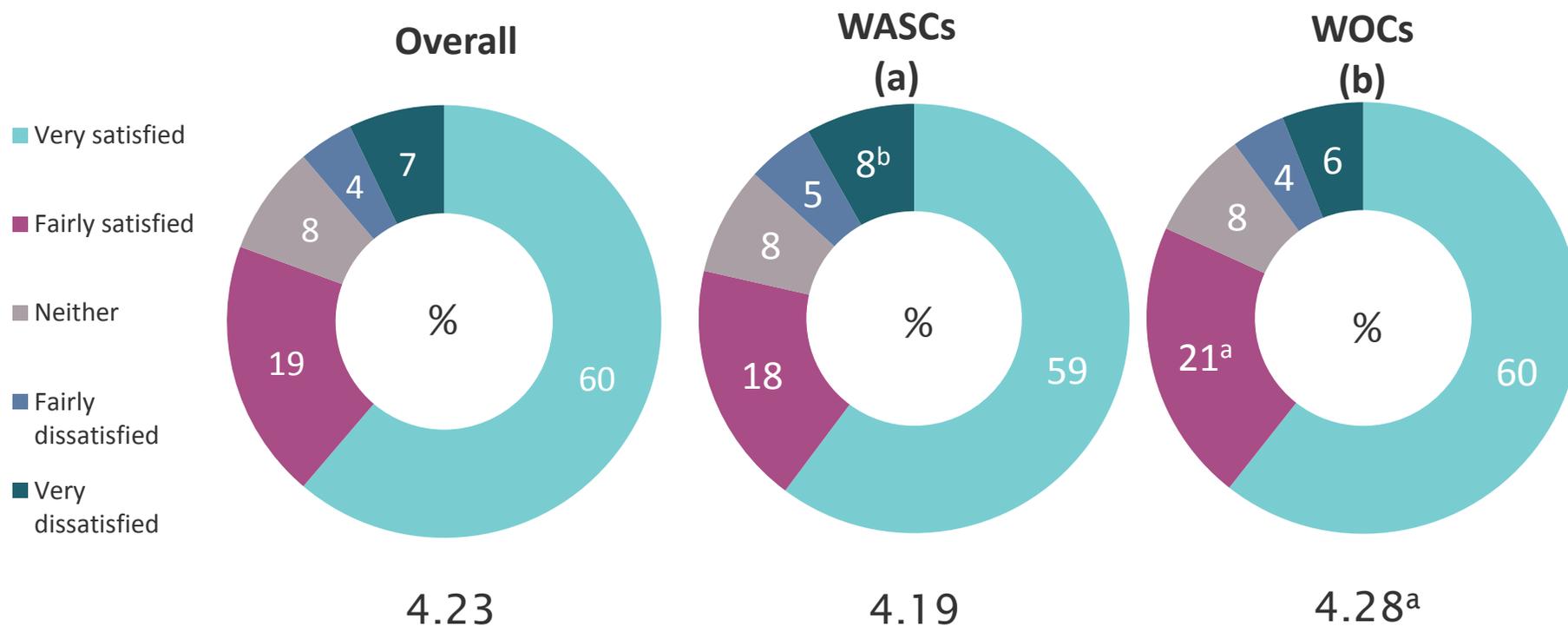
Weighted scores for each company for the four waves in 2014/15 are shown below.

Company	Q8	Confidence Interval	Rank	Significant Difference
Portsmouth Water	4.48	+/- 0.07	1	Significantly above industry average
Wessex Water	4.45	+/- 0.06	2	Significantly above industry average
Northumbrian Water	4.40	+/- 0.08	3	Significantly above industry average
Welsh Water	4.40	+/- 0.08	3	Significantly above industry average
Bournemouth Water	4.39	+/- 0.08	5	Significantly above industry average
Severn Trent Water	4.36	+/- 0.08	6	Significantly above industry average
Yorkshire Water	4.36	+/- 0.08	6	Significantly above industry average
Dee Valley Water	4.34	+/- 0.08	8	Significantly above industry average
South Staffs Water	4.33	+/- 0.08	9	Significantly above industry average
Bristol Water	4.28	+/- 0.07	10	
United Utilities Water	4.24	+/- 0.08	11	In line with industry average
Industry average	4.24	+/- 0.02		
Anglian Water	4.21	+/- 0.09	12	
Affinity Water	4.18	+/- 0.08	13	
Sutton & ES Water	4.13	+/- 0.08	14	Significantly below industry average
South East Water	4.02	+/- 0.09	15	Significantly below industry average
South West Water	3.94	+/- 0.10	16	Significantly below industry average
Thames Water	3.94	+/- 0.09	16	Significantly below industry average
Southern Water	3.88	+/- 0.09	18	Significantly below industry average



Overall Satisfaction (Q8 – Unweighted Data)

Overall satisfaction was significantly higher amongst WOCs than WASCs, even though the percentage who are ‘very satisfied’ is comparable.



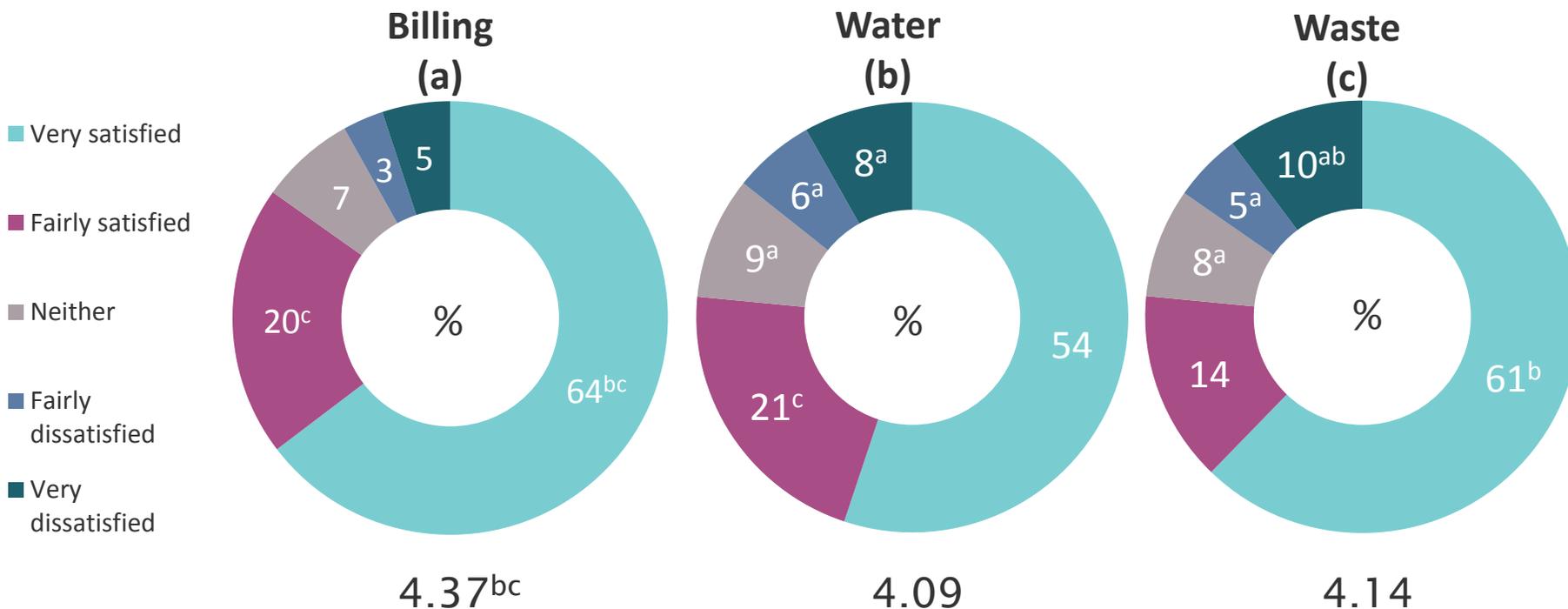
Unweighted Base: 14,782, WASCs (8418), WOCs (6364)



Overall Satisfaction (Q8 Unweighted Data)

Customers were significantly more likely to be satisfied with their Billing queries than their Clean Water or Waste Water queries.

Customers with Waste Water queries were significantly more likely to say they were 'very satisfied' than those with Clean Water queries.



Reason for Contact

The ten most common reasons for contact are detailed below, grouped into Billing, Clean Water and Waste Water reasons for contact.

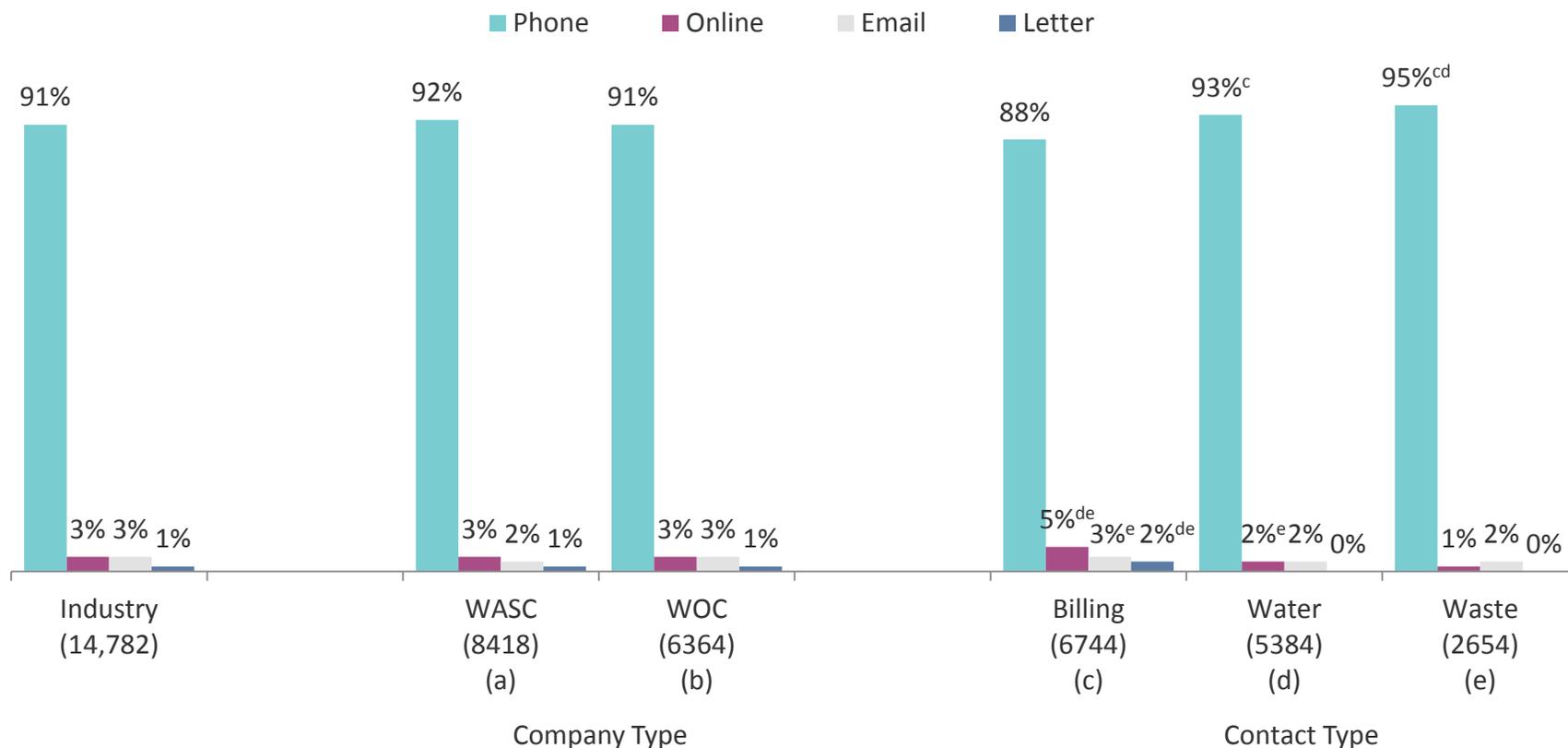
Contact regarding a change of address was the primary reason given by customers overall, stated by 11%, followed by a blockage in the sewer/drains, mentioned by 9% of customers. Customers contacting their water company about a move or to make a payment were generally most satisfied.

		Number of Respondents	Proportion of Respondents	Proportion Satisfied	
Billing		Due to a recent move, or planning to move	1647	11%	90%
		To make a payment	1199	8%	92%
		A query about a bill	695	5%	79%
Water		Because of a water leak/burst on my property	781	5%	72%
		Because of a water leak/burst on the road	776	5%	74%
		No supply/water gone off	769	5%	83%
		About defective/dangerous water equipment (stop taps, manhole covers, hydrants, raised/sunken chambers)	648	4%	75%
		Regarding low pressure of tap water	611	4%	77%
Waste		About a blockage in the sewer/drains	1316	9%	86%
		About flooding with sewage or foul water	537	4%	62%



Method of Contact

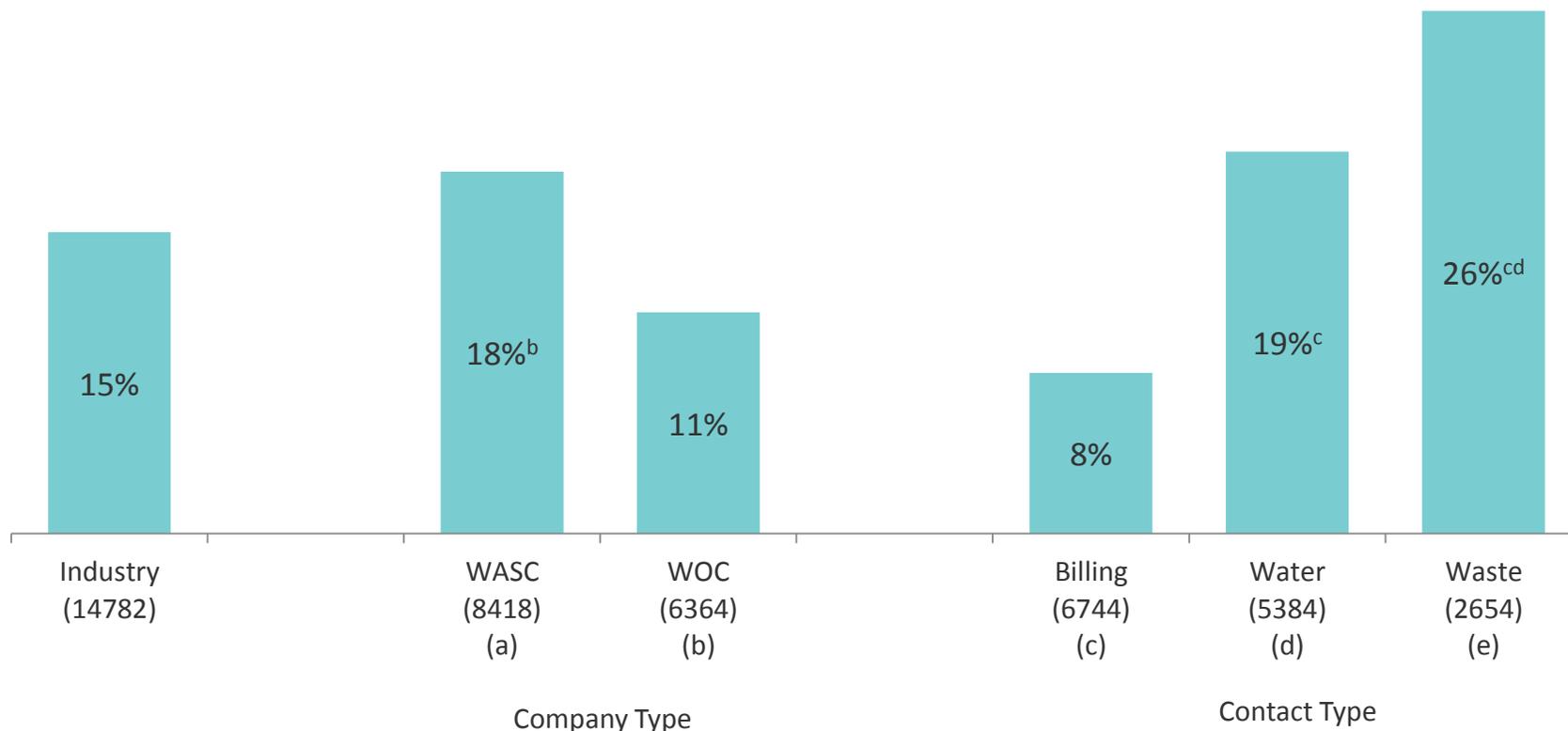
The vast majority of contacts were made by telephone. Billing queries were significantly more likely to be made online than Clean Water or Waste Water queries.



Unweighted Data. Base sizes in brackets

Proportion Regarding Contact As a Complaint

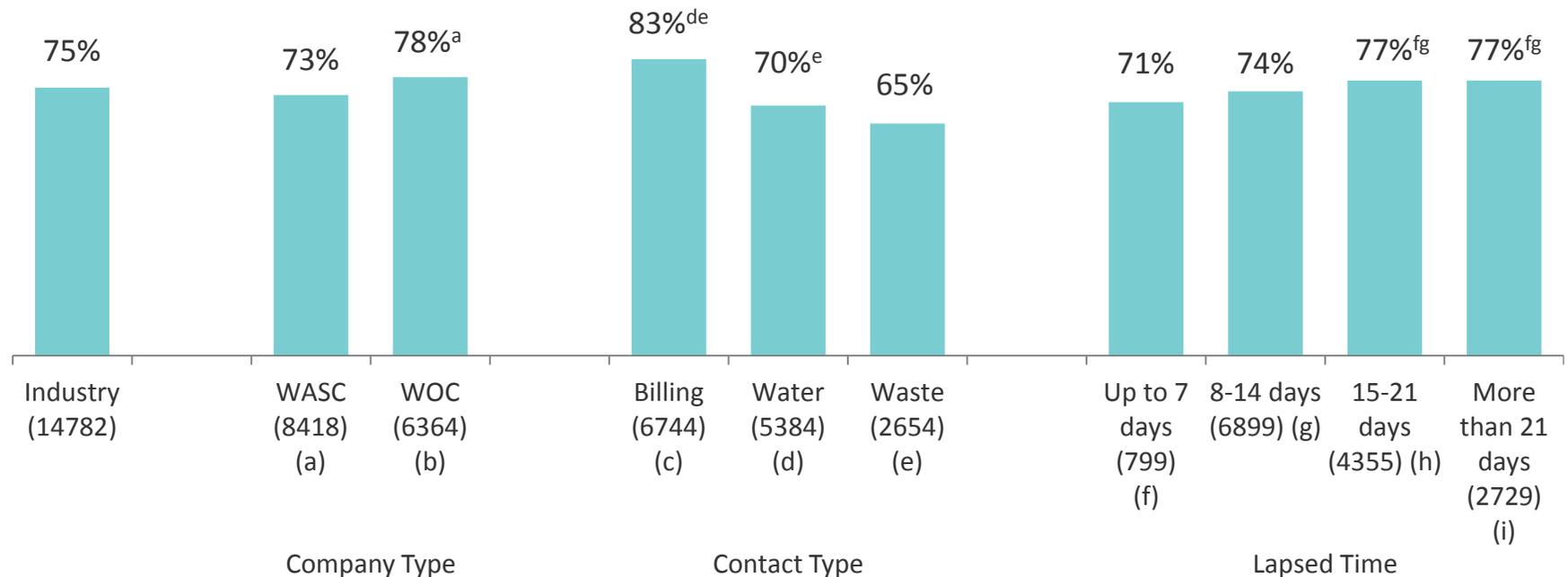
Overall, 15% of customers regarded their contact with their water company as a complaint. Billing enquiries were significantly less likely to be complaints than either Clean Water or Waste Water queries. Over a quarter of Waste Water queries were complaints.



Proportion Regarding Query As Being Resolved

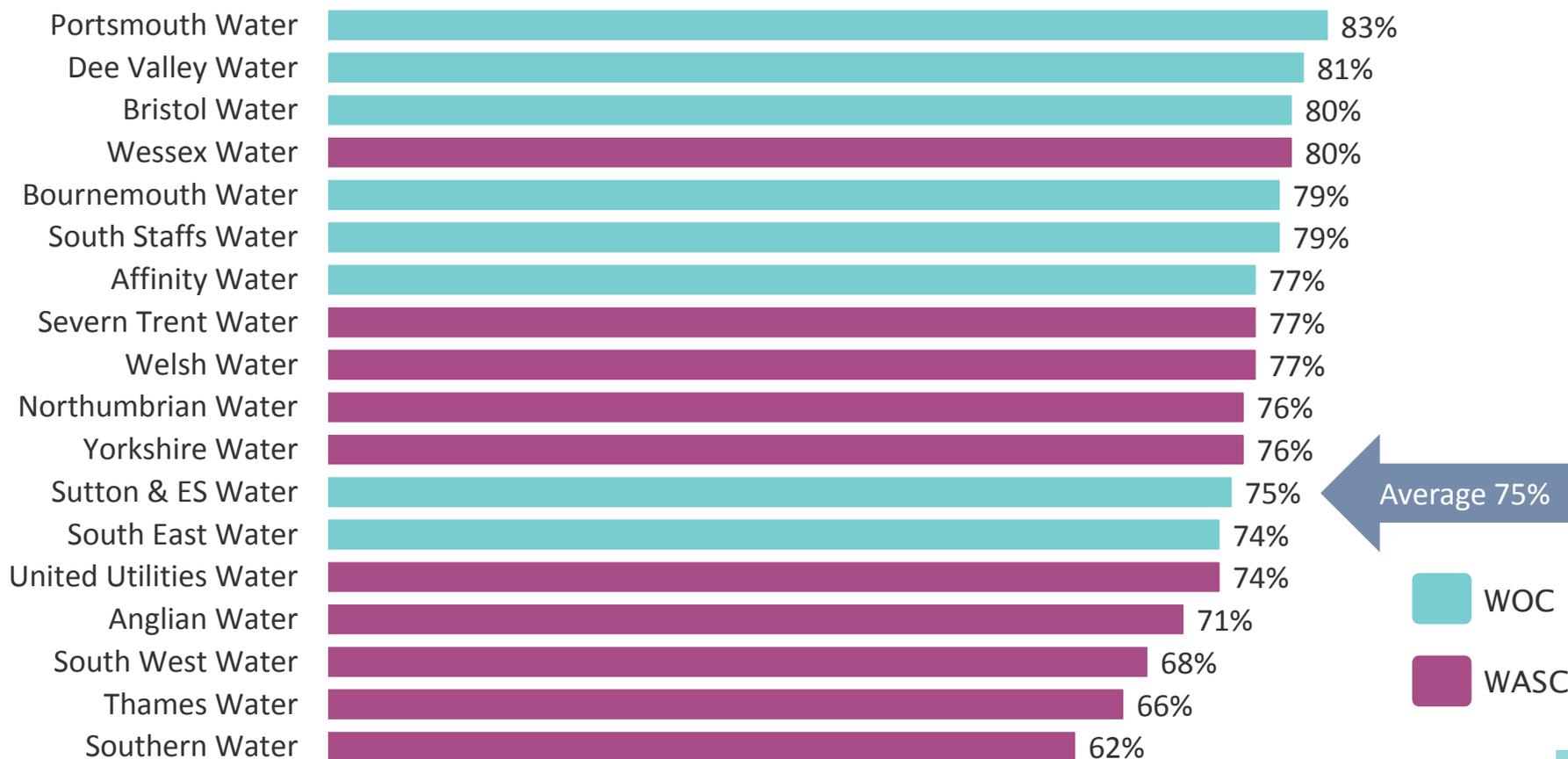
Overall, three quarters of customers considered their matter to be resolved.

WOC customers were significantly more likely to consider their reason for contact to be resolved than WASC customers. Customers who contacted their water company with Billing queries were significantly more likely to feel the matter was resolved than those with Clean Water or, particularly, Waste Water queries.



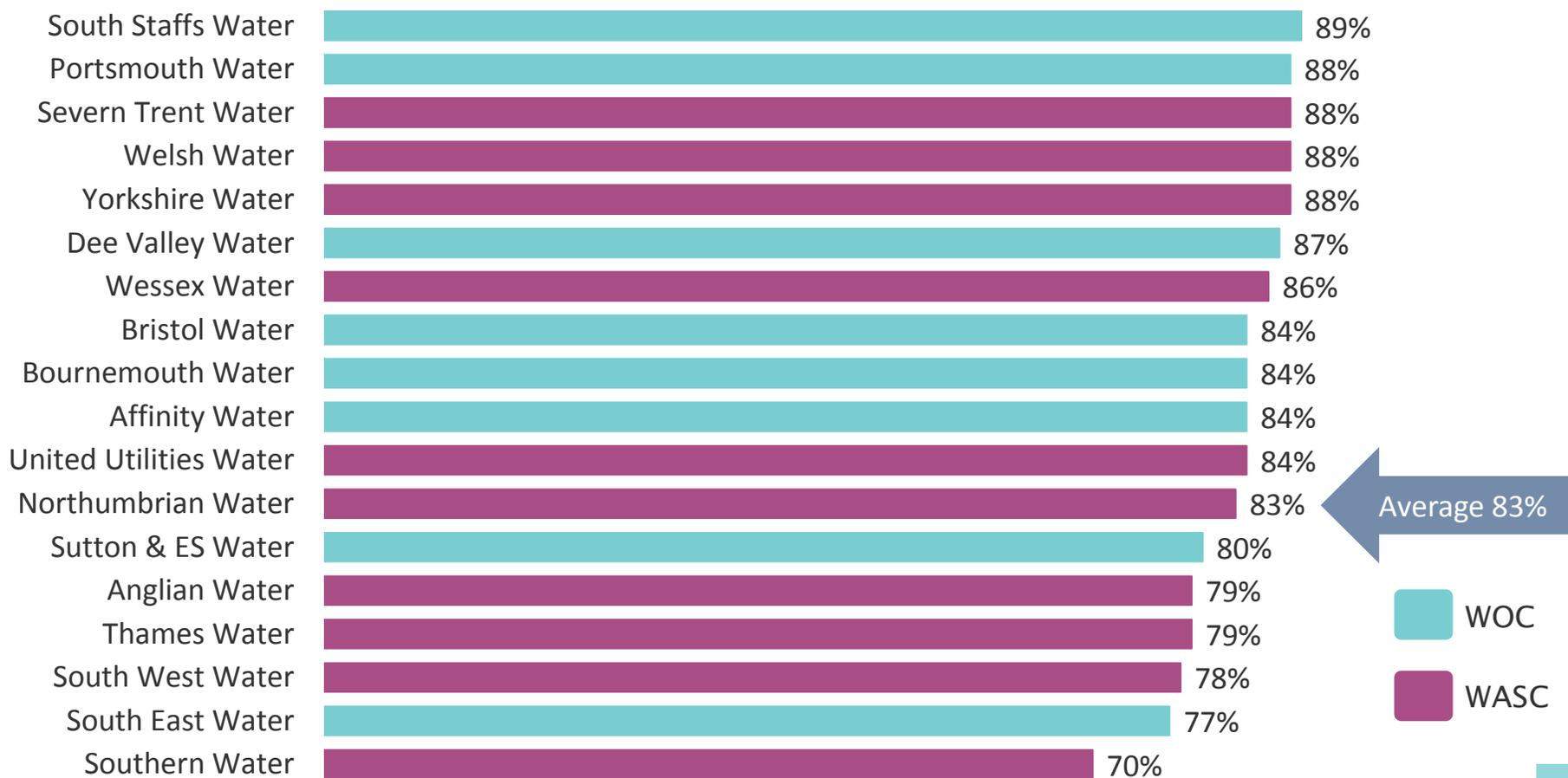
Proportion of Resolved Contacts

Portsmouth Water had the highest proportion of customers who felt their query was resolved and Southern Water the lowest.



Proportion of Resolved Contacts – Billing Only

South Staffs Water had the highest proportion of customers who felt their billing query was resolved.



Areas Where Water Company Could Have Done Better

Over half of customers could not think of anything that their water company could have done better. This figure was significantly higher amongst those with Billing enquiries.

A quicker response and/or resolution was the main area that customers would like to see improved, followed by being kept informed of progress.

	Number of Respondents	Proportion of Respondents	Billing (a) 	Water (b) 	Waste (c)
Nothing	8,129	55%	63% ^{bc}	47%	51% ^b
Quicker response	666	5%	2%	7% ^a	7% ^a
Quicker resolution of problem/query	612	4%	2%	7% ^{ac}	5% ^a
Keep in contact/progress reports/updates/outcome	463	3%	1%	5% ^a	5% ^a
Given a full explanation/more information/answers	457	3%	3%	4% ^{ac}	2%
Fixed the problem/sorted the query (not necessarily quickly)	433	3%	1%	4% ^a	6% ^{ab}
Better communication	387	3%	2%	4% ^{ac}	3% ^a
Prevent the error/problem happening in the first place/happening again	371	3%	1%	2% ^a	8% ^{ab}



Areas Where Water Company Did Well

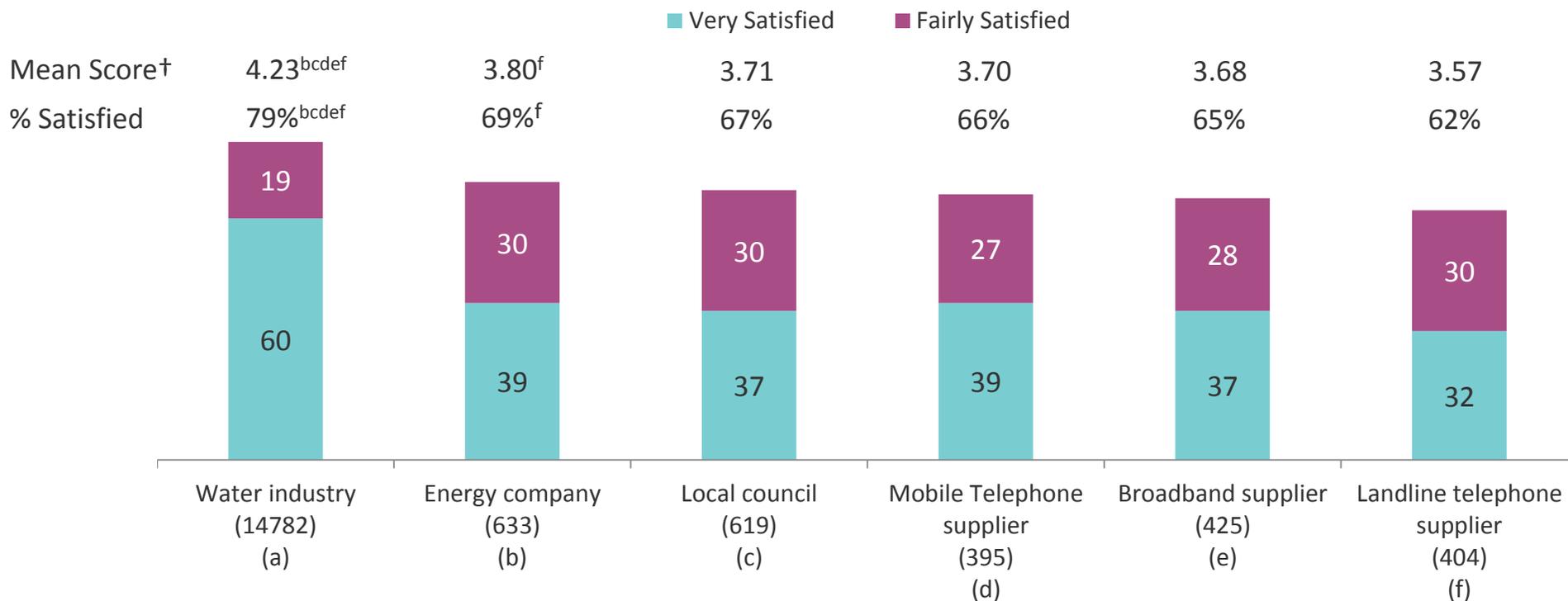
Speed of response and politeness of staff were the key areas highlighted by customers when asked what they thought their water company had done well. Maintaining good communication and providing an informed response were also valued by customers.

	Number of Respondents	Proportion of Respondents	Billing (a) 	Water (b) 	Waste (c) 
Nothing	1,886	13%	16% ^{bc}	11% ^c	9%
Speed of response/prompt/quick to act	2,547	17%	10%	20% ^a	29% ^{ab}
Polite/friendly/good telephone staff	2,040	14%	17% ^{bc}	12%	11%
Called me back/kept me informed/good communication	1,837	12%	5%	18% ^a	18% ^a
Informative/expained everything/answered questions/ good advice	1,661	11%	11% ^c	13% ^{ac}	8%
Helpful	1,447	10%	11% ^{bc}	9% ^c	8%
Solved the problem quickly/work carried out quickly	1,218	8%	7%	10% ^a	10% ^a
Handled the situation/query well/dealt with the issue	992	7%	8% ^{bc}	5%	6%
Solved the problem/answered the query (not necessarily quickly)	864	6%	3%	8% ^a	8% ^a
Polite/friendly/good workmen	776	5%	1%	7% ^a	11% ^{ab}
Good service/customer service	770	5%	6% ^b	4%	5%
Efficient	755	5%	6% ^b	4%	5%



Industry Comparison

In Wave 1, 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

Unweighted data. Base sizes in brackets



Conclusions



Conclusions

Due to the changes made to the survey format since the 2013/14 SIM survey, it is not possible to make direct comparisons with previous results. However, it is clear that the inclusion of unresolved contacts has resulted in a slightly reduced customer satisfaction score across the board, with the change having more of an impact on some water companies as opposed to others.

Overall, WOCs achieved a significantly higher SIM score than WASCs. WASCs made up three of the top five companies, but also the bottom three.

The inclusion of unresolved contacts for this survey has inevitably led to a fall in the proportion of customers considering their matter to be resolved, now three quarters of all customers, falling to 65% in the case of Waste Water enquiries.

Customers who consider the matter to be resolved are significantly more satisfied than those who do not. Similarly, respondents who consider their query to be a complaint are significantly less satisfied than those who do not.

Significantly higher SIM scores were seen for Billing queries than either Clean Water or Waste Water queries.

The length of time elapsed between the initial contact and date of interview was found to have no impact on satisfaction levels, therefore we believe there to be no significant advantage or disadvantage to those water companies who are required to provide more than one week's sampling data.

A prompt response and keeping customers informed were the areas where customers were most likely to feel their water company had done well. Where customers felt their water company could have handled the matter better, a quicker response, quicker resolution time and keeping customers better informed were mentioned most frequently.

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 – 79% of water customers are satisfied compared to a maximum of 69% of those contacting other types of organisations.

ML McCallum Layton

Defining a clear direction for

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