

Information notice

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Empowering water and sewerage customers through information

Ensuring a fair deal for customers is central to our role as the economic regulator of the water and sewerage sectors in England and Wales. This is why our approach for setting prices in 2014 puts customers, not the regulator, at the heart of companies' decision-making.

Improved understanding of and responses to customers' information needs is an important part of this greater customer focus. Good quality information helps customers lower their bills and secure better quality services.

Our new, less prescriptive regulatory **approach** gives companies the freedom to be more innovative, and significantly more responsive, to customers' rapidly changing information needs. However, with this freedom comes more responsibility for delivery – developments that both companies and consumer groups have welcomed.

In line with our primary duty to protect consumers, we will be concentrating our regulatory efforts on monitoring and addressing those areas – and

companies – where poor information provision risks causing customers significant harm.

And, as part of this move to a better regulatory approach, we will be both transparent and accountable in our regulation of companies' performance.

Our changes:

- protect and empower customers;
- give greater clarity about our expectations to companies;
- encourage the companies to take full responsibility for

Our revised approach – at a glance

Ofwat will:

- provide the **high-level information principles** for companies to use – in addition to the obligations in their licences – to provide quality information to their customers;
- apply a **risk-based system for reviewing** companies' approaches to providing information to their customers, taking action to protect customers where appropriate; and
- further clarify expectations and reduce unnecessary regulatory burdens through our **licence simplification work**.

Each company will:

- provide information to customers which empowers them to secure the lowest possible bills and best possible service;
- **involve customers and representatives** in preparing, changing and implementing its information provision approach; and
- consider its adherence to our information provision requirements in its **yearly risk and compliance statement** and demonstrate this to Ofwat if required to do so.

This is a formal document that alerts our stakeholders to a change in the way that we regulate the water and sewerage sectors in England and Wales.

- delivering what their customers want and need and for demonstrating compliance;
- give ownership to companies, supporting more innovative approaches – for example, by using customer blogs or telling stories through brand-building campaigns to share information with customers, as happens in the communications sector;
- enable companies to adapt their approach to suit their customers' rapidly changing needs;
- encourage variation for the needs of different groups of customers (for example, hard-to-reach and vulnerable customers);
- reduce unnecessary regulatory burdens by requiring less frequent routine scrutiny of how companies are meeting their obligations;
- target regulatory oversight on the more risky areas or companies;
- are supported by companies and consumer groups; and
- adopt best regulatory practice.

We summarise each of the changes below. More detail can be found in our [information provision compliance requirements webpages](#).

Our information principles

Customer information should be:

- accurate;
- transparent;
- clear;
- accessible;
- timely; and
- customer-led.

Information principles

We expect the information that each company provides its customers to be consistent with our [information principles](#).

In [written responses to our consultation](#) and at our [workshop about our proposals](#), stakeholders provided a number of examples of how the companies could be consistent with these principles.

A tailored code of practice

Companies' licence obligations currently require them to submit to Ofwat a code of practice containing, as a minimum, specific information for customers. However, this information does not need to be packaged separately to reflect the three licence conditions. Companies have freedom to design their code in a way that best meets customer needs as long as they meet their information provision obligations in their [licences](#) by reference to the information principles.

Customer engagement

In preparing, reviewing and implementing its information provision to customers, we expect each company to [engage with its customers](#) – and their representatives – to get their views about what best meets customers' needs.

Demonstrating compliance

Each company will consider its compliance with our information provision requirements in its [yearly risk and compliance statement](#) and

be able to demonstrate that if required to do so. We have provided high-level information principles to support the obligations in companies' licences to provide quality information to their customers.

Risk-based review

We will adopt a [risk-based approach](#) to reviewing companies' information provision. We will use intelligence to help us determine whether there are any significant risks to customers – and whether we need to take action to protect their interests. We will publish the conclusions of our reviews on our website.

Next steps

We expect each company to have taken steps to ensure compliance with its licence conditions by reference to the information principles by 15 July 2013.

As part of our work to simplify companies' licences, we will consider other changes that further support our move to a principles-based framework for companies. And, given the importance of good customer information, we will continue to keep this area under review. We will consider what else we, or the companies, need to do to make sure that customers have the right information at the right time.

Further information

If you have any questions about our approach please send them to frances.ward@ofwat.gsi.gov.uk.

More information

'Empowering water and sewerage customers through information – Ofwat's approach', May 2013

[Information provision compliance requirements webpages](#)

[Responses](#) to 'Empowering water and sewerage customers – consultation on changing our approach to information provision'

[Customer information webpages](#)

'Empowering water and sewerage customers', research, October 2012

'Empowering water and sewerage customers – consultation on changing our approach to information provision', October 2012

[Empowering customers through information workshop](#), November 2012

[Company licences](#)

[Risk and compliance statement – guidance](#)

'IN 10/01: Regulatory compliance – introducing a risk-based approach', December 2010



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Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We are responsible for making sure that the water and sewerage sectors in England and Wales provide consumers with a good quality and efficient service at a fair price.