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Trust in water

Practitioners' pack for water companies

To accompany Ofwat's vulnerability
focus report

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About this document

This practitioners' pack consolidates the research, advice and resources gained throughout the course of the research conducted for our vulnerability focus report. It is not intended to act as a set of rules that we expect water companies to follow when assisting customers in situations of vulnerability. Instead, the aim of this pack is to help companies to:

- define their starting point when it comes to working with customers in circumstances that make them vulnerable;
- identify the key areas to focus on;
- provide examples of what good looks like when it comes to dealing with specific customer needs; and
- provide examples of practices that water companies have found useful in assisting their customers who have found themselves in circumstances that make them vulnerable.

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1. Context

This practitioners' pack accompanies our vulnerability focus report ('the report')¹, which aims to broaden understanding and stimulate interest and debate around customer vulnerability in the water sector. We commissioned London Economics and Risk Solutions to provide supporting research for the report.

The work that London Economics and Risk Solutions carried out included interviews with:

- 18 water and sewerage and water only companies in England and Wales;
- two water sector experts engaged as advisors to the study; and
- representatives from water company customer challenge groups (CCGs)².

The study also included focus groups with third party organisations, including:

- customer protection groups;
- the Consumer Council for Water (CCWater);
- water industry associations;
- other regulators; and
- government departments.

The research sought to gather the sectors' views on what customer vulnerability means, recognising the need to move away from an understanding based solely on certain customer groups³.

The report also gathered stakeholders' views on what water companies could do to better identify customers who may be in, or at risk of entering, situations of vulnerability. Based on the evidence gathered, the report suggests some 'triggers' or signals that water companies could look out for in their customer interactions.

¹ <http://www.ofwat.gov.uk/publication/vulnerability-focus-report/>.

² As part of the 2014 price review (PR14) process, we required companies to set up customer challenge groups (CCGs). Their role was to challenge and assure the quality of the companies' customer engagement and the degree to which the results of this engagement were reflected in business plans.

³ The full list of stakeholders consulted as part of the study is set out in our vulnerability focus report.

The stakeholder engagement also sought views on:

- the barriers to identifying and assisting customers in situations of vulnerability; and
- possible solutions and examples of practices that water companies have found helpful in identifying and assisting their customers in such situations.

Chapter 1 of the report identified the following six key findings.

- 1. Anybody can find themselves in circumstances that make them vulnerable, and this situation may not be permanent.**
- 2. Water companies play a key role in supporting customers in circumstances that make them vulnerable – this is integral to good customer service.**
- 3. Partnership and adopting good practice is important, whether with other utilities or third party organisations.**
- 4. It is essential for company leadership to have an understanding of all its customers' needs and this should be embedded in the companies' culture.**
- 5. There is a need for effective horizon scanning and impact assessments.**
- 6. Sharing data, information and resources is helpful when supporting customers.**

Given the triggers, barriers and solutions that stakeholders raised, as well as the direction of travel in the water sector – also discussed at the Water UK Consumer Vulnerability Innovation Hub event in November 2015⁴ – stakeholders identified the following three principles that water companies could consider in their approach to customer vulnerability.

⁴ <http://www.waterukevents.co.uk/consumervulnerabilityinnovationhub.php> (accessed 25 January 2016).

- 1. Excellence in customer service for all customers.**
- 2. Using data effectively to understand customers, and identify and support customers whose circumstances make them vulnerable.**
- 3. Partnering with other water companies, utilities and other third party organisations to identify and assist customers in situations of vulnerability.**

2. Defining the starting point

The understanding and definition of customer vulnerability has evolved, and the water sector is responding to this change. Definitions based on specific customer groups such as the elderly or the young, people with disabilities, low-income groups or people living in remote rural areas, are too restrictive on their own.

A broader understanding has developed which recognises that customer vulnerability can arise because of a customer's personal characteristics, their circumstances or a combination of the two. Vulnerability also relates to marketplace conditions or the broader economic and social policy environment. So, customers can move in and out of situations of vulnerability as their personal circumstances change, or when there are significant changes in society or the wider economy.

While a rigid definition of customer vulnerability is not practical, as companies need to respond to the different circumstances in which individual customers find themselves, a definition can help water companies to identify the key areas to focus on – and to develop guidance on best practice when dealing with the needs of customers whose circumstances make them vulnerable.

Based on the evidence collected during the course of the research for the report, we propose the following definition of vulnerability.

“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.”

3. A case for excellent customer service for all – what can 'good' look like?

Our [forward work programme for 2015-16](#) set out a vision of trust and confidence in water and wastewater services. Excellent customer care and service is one of the pillars in establishing trust and confidence. As stakeholders engaged through focus groups and interviewed for the study pointed out, and as speakers at the Water UK Consumer Vulnerability Hub event agreed, such service must be inclusive and available to all customers.

Moreover, stakeholders engaged through the study also pointed out that there is a business case for companies to provide excellent and inclusive customer care. Participants at the Water UK Consumer Vulnerability Innovation Hub event added that not providing excellent customer care had far-reaching effects on a company's reputation.

- A **well-targeted, well-administered social tariff** or debt write-off scheme is not only cheaper to administer, but has a higher return: that is, it is **more likely to reach customers in circumstances that make them vulnerable**.
- This will not only help struggling customers out of debt, but will help to ensure that **these customers at least pay what they can**.
- This, in turn, **minimises companies' bad debt**, as well as the amount that other customers need to pay to subsidise customers whose circumstances might make them vulnerable.

Beyond these findings that are informed by the interviews London Economics carried out with stakeholders for the report, research from the Institute of Customer Service (ICS) highlights that offering excellent care to all customers – including those who might be in circumstances that make them vulnerable – can offer further benefits to both companies and customers.

- ICS research published in 2011 examined (among other things) which activities lead to a customer service return on investment (ROI) and how that ROI in customer service is a developing discipline. The ICS found that customer service contributes to an organisation's success, and that strong customer relationships are the key to success and profitability. Frontline staff play a critical role in forging close customer relationships and delivering this success. Also, although soft, relational dimensions of customer service are difficult to measure, they are increasingly important and overall customer satisfaction remains a reliable indicator of business performance⁵.
- ICS also publishes the UK Customer Satisfaction Index (UKCSI) twice a year. This is the national measure of customer satisfaction and rates customer satisfaction at national, sector and organisational level across 13 sectors of the economy – individually rating many of the leading organisations in each sector. It is based on 10,000 customer responses and is representative of the UK population. This research found clear and positive correlations between customer satisfaction and trust and loyalty. The happier customers were with the service they were provided, the more they trusted a given company and stayed loyal to it⁶.

3.1 Areas to explore

As highlighted above, using this broader understanding of vulnerability, our report identified three key principles. Below we set out a number of focus points that water companies could explore within each of the three key areas to improve how they identify and provide assistance to customers in situations of vulnerability. We then set out in the following sections a further discussion of the evidence collected in each of these categories.

⁵ Institute of Customer Service, 'Return on investment in customer service: the bottom line report, 2011'.

⁶ <https://instituteofcustomerservice.com/research-insight/research-library/ics-ukcsi-exec-summary-jan16-final> (accessed 4 February 2016).

3.1.1 Excellence in customer service for all customers

- Many stakeholders observed that companies that successfully identify and assist customers in situations of vulnerability often have a **culture of good customer care**, with 'buy-in' at the top levels of the organisation to drive change where necessary.
- When developing policy, companies may find it useful to consider **benchmarking** against best practice (or using the protocols set out in guidance/standards such as BSI 18477: 2010, 'Inclusive service provision. Requirements for identifying and responding to consumer vulnerability'), performing a **gap analysis** and developing strategies to ensure a **consistent approach** across the business.
- Stakeholders agreed that it is valuable to **train and empower frontline staff** to recognise customers in situations of vulnerability and offer flexible support.
- Stakeholders also observed that it is useful to **encourage customers in circumstances that make them vulnerable to disclose their needs**. Companies can do this by offering **sensitive and empathetic support**, and by **listening** to customers' needs. Another way is to find methods of engaging with customers who do not ordinarily engage – for example, by offering home visits.
- Stakeholders stressed the importance of **offering flexible arrangements**, ensuring that companies meet the particular needs of customers in situations of vulnerability. This includes offering:
 - flexible channels of communication (such as by post, through webchats or over the phone);
 - payment options; and
 - access to information (such as online, in person or through intermediaries).
- Stakeholders also emphasised the importance of ensuring **clear, consistent, 'plain English' communication to customers**, at all stages of the service – for example, billing, payment plan information and application procedures for social tariffs.

3.1.2 Partnership working

- Stakeholders agreed that it is valuable for water companies to **partner with other utilities and third party organisations**. They considered that partnering can help to:
 - train company staff;
 - give a better picture of the help companies can provide for a customer's specific needs;
 - signpost customers who are struggling with more than one utility bill; and
 - provide the best solution for the customer.
- Stakeholders across many groups pointed out that it was **useful to share good practice** (both within the water sector and outside) to better help customers in situations of vulnerability.

3.1.3 Data sharing

- Stakeholders also raised the need for water companies to **use data to get a richer understanding** of the customer's situation. Data sharing could also help to identify and assist customers before they enter into difficulty.

3.2 Examples of what good service could look like

Apart from the case studies presented in section 5.1 below, stakeholders consulted as part of the report research identified the following as examples of good practice.

- **Flexible options to contact the company** (online, over the phone, by post or through webchats). Stakeholders also pointed out that not everyone is comfortable going online and may prefer to discuss their circumstances over the phone or by post. Similarly, some customers may be more comfortable about using a webchat to discuss their worries, and it is valuable for companies to allow for multiple options. Some water companies already do this, while others use face-to-face visits to be proactive about reaching customers who may not otherwise engage with them.

- **A range of payment options and flexibility should a customer's circumstances change.** CCG representatives pointed out that not everyone has access to direct debit or mainstream credit. However, it gives customers confidence to know that they can make payment arrangements based on what they can afford to pay in a situation of vulnerability, rather than paying nothing. This reduces the bad debt that companies carry and can minimise poor payment records for customers that may affect their credit rating, and that if their situation changes, the company will be able to accommodate them. Many water companies have policies in place to empower frontline staff to offer some flexibility to customers who are in difficulty because their circumstances have changed – for example, because of unemployment or sudden illness. So, many companies offer flexible payment schemes if customers report that they are facing financial difficulties in the short term. Such schemes enable customers to pay less than needed to towards their bills for an agreed period with their company, and catch up with payments later.
- **Tailored arrangements, suiting the customer's needs as an individual.** Some water companies indicated that they trained and empowered their staff to:
 - listen and understand the customer's overall situation;
 - think of each person as an individual rather than a member of a rigidly-defined group; and
 - tailor the response and solutions to that customer's situation.

Some companies mentioned using triggers in their systems, while others used customer questionnaires to get a better understanding of each customer's needs and respond appropriately. For example, if a customer is temporarily in a period of difficulty, the company could arrange to move that customer on to a flexible payment scheme (as outlined above). But if the customer showed signs of being in a longer-term position of difficulty, then some companies explore options such as seamlessly transferring the customer to an advice agency, or discussing moving the customer onto a tariff or a payment plan that might be better suited to their individual needs.

- **A sensitive approach from a trained individual.** Stakeholders considered it important for customers to feel that they are being listened to by someone who cares about their needs and is either **authorised to offer them support**, or can **efficiently and discreetly refer them** to someone who can. Some companies train their staff to offer a “warm, listening ear”, while others evaluate their staff based on “quality, not speed”. Others use [British Standards Institution standards for inclusive service](#) or the [Action on Hearing Loss](#) charter to assess whether the service that they offered was sensitive and inclusive.

- **Clear, transparent information in 'plain English'**. It is important that customers receive information that is free from jargon that they may not be able to understand, and that may make them hesitant about approaching their water company. Some companies said that simplifying their communications when promoting affordability programmes was linked to an increase in the take-up of those programmes. For example, one company reported that take-up was higher when affordability programmes were communicated using the phrase, "Save money off your water bills", rather than "Be Waterwise". A CCG representative pointed out the need to reduce or simplify the calculations that customers needed to make – for example, customers may find it easier to understand a discount on their annual bill rather than a discount for each unit of water used. Some companies reported partnering with third party organisations to ensure that their communications were simple, clear and transparent to customers.

4. A 'trigger-point'-based approach to identify customers in circumstances that make them vulnerable

Excellent customer service can drive improved outcomes for customers, and establish trust and confidence in water and wastewater services. Identifying customers who may be in need of assistance can be difficult, as these customers may not explicitly say they are in difficulty or ask for help. Based on the research completed for the report, we have proposed a number practical 'triggers' or signals that water companies could look for when engaging with customers. These are not prescriptive, but stakeholders have identified them as useful.

We **have posed these triggers as questions** that frontline staff could ask themselves when dealing with customers. They include questions about:

- a **customer's personal characteristics** (for example, their age, income, health or disability); or
- their **life situation** (for example, unemployment, increases in caring responsibilities, or divorce or separation).

They also relate to **changes in policy** (such as changes in benefits entitlements) or **economic conditions** (such as redundancies in the region).

Many stakeholders pointed out that **these triggers are not rigid or definitive**; given the right circumstances, any customer could be vulnerable. Water companies may also find some of these questions more useful than others, or consider others that may be better suited to specific cases. The table below aims to provide a point from which companies can explore which triggers may be useful for their staff and customers.

Table 1: Triggers helping to identify customers whose circumstances make them vulnerable

| Trigger | What risk of harm could this trigger indicate? |
|--|--|
| Triggers primarily relating to the customer's personal characteristics | |
| Is the customer receiving income assistance? | <p>Financial vulnerability.</p> <ul style="list-style-type: none"> Customers on lower incomes may (although not always) be in a position where they cannot put aside savings to cushion themselves against sudden cost increases, policy changes, life events or supply interruptions. Customers on lower incomes are also more likely to have issues with affordability. Customers on lower incomes may also have access issues relating to digital access, access to 'digital authentication' (by which a customer cannot adequately prove identity or credit history), which in turn leads to a lack of access to mainstream credit. |
| Is the customer over a certain age – for example, over the age of 60? | <p>Many stakeholders pointed out that age in and of itself does not mean that a customer is in a situation of vulnerability.</p> <p>However:</p> <ul style="list-style-type: none"> age may be related to specific needs – for example, health issues, potentially requiring additional consumption of water; and older customers may also find it difficult to access information, resources or assistance – for example, electronic information and resources⁷. |
| Has the customer reported a health condition (especially one requiring them to use high volumes of water)? | <ul style="list-style-type: none"> This could be a trigger of not only specific needs, but could also suggest that a customer may find themselves in financial difficulties. |
| Has the customer reported a disability? | <ul style="list-style-type: none"> Customers with a disability may have difficulty asking for, or accessing, information, advice or resources. Disability could also affect the customer's domestic situation or job. They may also find themselves in a position of financial difficulty. Depending on the nature of the disability, the company may need to make arrangements with a carer or nominated third party. |

⁷ Older customers are less likely to be internet users. Eurostat figures show that individuals aged between 55 and 75 are less likely to use the internet on a regular basis. See http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Internet_use_statistics_-_individuals (accessed on 21 January 2016).

| Trigger | What risk of harm could this trigger indicate? |
|---|--|
| Triggers relating to changes in life events | |
| Has the customer recently been hospitalised? | <ul style="list-style-type: none"> • This could be a signal of long-term health issues (which may also related to a situation of employment, domestic or financial difficulty). • Depending on the nature of the health issue, the customer could also find it difficult to access and act on information, advice and resources, or arrangements may need to be made with a carer or nominated third party. |
| Has the customer reported a change in employment status – for example, loss of a job? | <ul style="list-style-type: none"> • This could be a signal of potential financial difficulty. • It could also affect other areas of the customer's life – for example, job loss could affect a customer's domestic situation or physical/mental health. |
| Has the customer reported a change in domestic situation – for example, divorce/separation or moving from another country? | <ul style="list-style-type: none"> • A change in domestic situation could affect other areas of the customer's life (such as employment, physical or mental health) which in turn could also signal potential financial difficulty. • A change in domestic situation could also signal safeguarding issues (such as abuse). • Non-UK homeowners may not be used to paying utility bills in accordance with the systems in England and Wales, or may not be familiar with water efficiency and metering messaging. • New customers and homeowners can be vulnerable when it comes to understanding and managing their new responsibilities and budgets. |
| Has the customer reported an increase in caring responsibilities? | <ul style="list-style-type: none"> • This could signal changes in other areas of the customer's life (such as employment, physical or mental health, or potential financial difficulty). • The company may need to work out arrangements on behalf of the person for whom the customer is caring. |
| Have there been changes in economic conditions that may affect customers – for example, sudden increases in bills/interest rates, layoffs/closures across the country, or in the region served by the company, or other changes affecting access to credit for customers? | <ul style="list-style-type: none"> • Changes in economic conditions could put customers at risk of financial difficulty either directly (for example, inflation may affect customers' savings, especially customers on fixed incomes), or indirectly (for example, through unemployment). |
| Have there been any policy changes that may affect customers whose circumstances make them vulnerable, or put customers at risk of difficulty – for example, changes to benefits entitlements? | <ul style="list-style-type: none"> • Policy changes could put customers at risk of financial difficulty, and/or may affect other areas of customers' lives and put them in need of specific assistance. |
| Triggers of multiple potential risks | |
| Does the customer systematically miss payments? | <ul style="list-style-type: none"> • This may be a trigger of financial vulnerability, as well as a potential sign of social isolation or mental health |

| Trigger | What risk of harm could this trigger indicate? |
|--|---|
| | problems (as pointed out by third party representatives in the focus groups). |
| Has the customer who normally pays on time stopped paying, or become irregular in paying? | <ul style="list-style-type: none"> • This could signal a change in the customer's life situation (such as illness, hospitalisation, unemployment or separation/divorce). • It could also signal mental health problems, which can make it difficult for the customer to engage. |
| Does the customer seem to have difficulty in understanding or accessing information – for example, “I can't understand all these bills and numbers”, or “I don't like these number menus”? | <ul style="list-style-type: none"> • If a customer reports difficulty understanding information, this could be a signal that they may have limited literacy (including financial literacy) or numeracy, or learning difficulties. • If a customer finds it difficult to access information in particular formats, this could be a sign that they may have access or understanding issues in other areas – for example, because of age, learning difficulties or mental health problems. • Depending on the nature of the condition, the company may need to make arrangements with a carer or nominated third party. |
| Is the customer confused by and forgetful of details? | <ul style="list-style-type: none"> • This could be a sign of either anxiety or a potential physical or mental health problem. Forgetfulness in an elderly customer could be a sign of dementia, for example. |
| Are there signs that a customer is struggling with their life circumstances? Does the customer sound worried or stressed over the phone? | <ul style="list-style-type: none"> • These could be signals that a customer may be in financial difficulty (such as losing a job), or that changes in life situations have put the customer at risk of financial or non-financial harm – for example, because of an increase in family size or caring responsibilities). |

Source: London Economics stakeholder interviews, focus groups and desk-based review.

5. Overcoming barriers – solutions and innovative good practice

Working from the starting point of a broader definition of customer vulnerability and the three key principles identified in the report, we asked water companies to identify practical examples of solutions they have in place or are trialling to improve the identification of and assistance provided to customers in situations of vulnerability.

The examples presented here are not exhaustive or definitive – and many companies will have good practice in place that were not identified through the consultations carried out for this study.

5.1 Case studies in excellent customer care

Some companies reported that they have embedded good customer care into their company cultures, emphasising the importance of sensitivity, flexibility and a tailored approach to finding and helping customers in situations of vulnerability. Below, we summarise four examples of companies' customer care approaches.

Good practice – offering excellent customer service

Potential barriers. Difficulties in identifying customers in situations of vulnerability; reliance on customers to volunteer information; lack of trust in water companies and other institutions; reluctance of customers to acknowledge they are in a situation of vulnerability.

Recommendation. Focusing on listening to and engaging with customers helps companies to understand their circumstances better, and builds relationships based on trust.

Case Study 1: Wessex Water's 'Go the extra mile' and affordability action plan

Wessex Water has adopted a policy of ensuring excellent customer care to all of its customers, without rigidly defining groups as being 'vulnerable' customers. With the aim of providing a service that is "inclusive and accessible to all", the company trains its staff to spot signs of financial difficulty and mental health awareness. And its 'Go the extra mile' initiative encourages staff to achieve the best outcomes for customers.

Also, as part of its affordability action plan, Wessex Water carries out geographical mapping of areas of deprivation compared with take-up of social tariffs, and makes this

available to Bristol Water through its Affordability Action Plan Steering Group. This enables both companies to better target the promotion of affordability assistance.

Because of these initiatives, Wessex Water has seen an increase in the take-up of its affordability schemes of about 25%. It has also:

- achieved the British Standard for inclusive services (BS 18477);
- achieved the Louder than Words charter mark from Action on Hearing Loss; and
- retained its Government Customer Service Excellence Award for achieving distinction in its affordability work.

Case Study 2: Southern Water – proactively finding and assisting customers in circumstances that make them vulnerable

Southern Water is the first company in the water sector to provide specialist advisors to help customers complete application forms in their own homes. The service is aimed at customers with long-term debt issues. Traditionally, the sector's approach has been to leave application forms for the customer to fill in on their own. But this can be a barrier to customers in situations of vulnerability receiving help, particularly for those with low-level literacy/numeracy skills or mental health problems. In 2015, Southern Water provided 14,000 households with this service.

The company also offers a free service to every customer who applies for a support tariff to check their benefits entitlement. Over the five years the service has been on offer, Southern Water has helped customers access an additional £3 million in benefits. And it provides a conditional payment match scheme for former customers who have moved out of the Southern Water region but who still owe money. While most companies offer a three-month repayment period to former customers, Southern Water does not limit the repayment period because it recognises that customers whose circumstances make them vulnerable may require a longer time frame.

Finally, Southern Water has introduced a billing innovation to educate customers about water efficiency, improving its billing systems to use a simple 'thumbs up' or 'thumbs down' symbol to show each customer how water efficient they are compared with other customers.

Case Study 3: Anglian Water – 'Know Your Customer'

Anglian has a questionnaire for frontline staff to use to identify customers in need of special assistance. It reviews and quality assures its phone interactions, and has ongoing training of agents to spot customers whose circumstances make them vulnerable.

Case study 4: Dŵr Cymru – 'Face to Face' home care visits

Dŵr Cymru recently piloted a scheme that involved staff making home visits to customers who had previously not engaged with it (such as those with low literacy and numeracy

skills). The company reported that the success of this pilot has led to an extension of the trial in North Wales, using a third party organisation to engage with customers.

Dŵr Cymru indicated that one of the benefits of this pilot has been to identify customers who need even more support – for example, in the form of home visits on a monthly basis. Following the success of this scheme, the company is now procuring the services of a partner to provide these visits on its behalf – possibly by a small core of directly employed 'community agents' who will visit customers with more complex circumstances that require a greater degree of ongoing support.

5.2 Case studies in using customer data to identify and support customers in situations of vulnerability

Some companies use innovative data sources to understand their customer base, and to find and assist customers in situations of vulnerability. In many cases, these schemes are going through a pilot phase or are already in progress. As such, it may be too early to determine the impact these schemes have had on customer outcomes.

But, in their stakeholder interviews and in evidence submitted for our [2014-15 affordability and debt report](#), water companies mentioned that they find data sharing to be a barrier to finding and assisting customers in vulnerable situations. Some of the examples below may contain potentially useful areas to explore when addressing this.

Good practice – effective use of data

Potential barriers. Lack of effective data sharing arrangements; data protection concerns; ineffective use of existing systems.

Recommendation. Research good practice for data collection and analysis in the water and other sectors. Take advantage of the opportunities that exist to engage in symbiotic data sharing agreements.

Case study 1: United Utilities – using multiple data sources to identify customers in situations of vulnerability

United Utilities carries out a demographic analysis of housing areas to determine which householders are most likely to be in situations of vulnerability. It also subscribes to

Equifax to get insights into the household finances of its customers⁸. The company then uses the data as a cross-reference to determine the most appropriate debt recovery paths for customers, depending on whether they can't pay because of reduced financial circumstances, or won't pay despite having the financial means to do so.

United Utilities also uses Acorn customer classification data⁹ (mainly used by the retail industry) as another potential identifier of customer vulnerability. The company stressed that many data sets are required to identify those customers who do not engage, so external data is very important.

Case study 2: Yorkshire Water – using customer data to prevent indebtedness

Yorkshire Water has an affordability strategy that models different customer groups in order to offer social tariffs whenever appropriate¹⁰. When customers phone for help, the company has placed a trigger in its data system, which can indicate eligibility for a social tariff. It then uses credit reference agencies to verify the customer's financial situation^{11 12}. Yorkshire Water offers social tariffs as a preventative measure if profiling shows that a customer might otherwise default on payment.

Case study 3: Bournemouth Water – using customer data to profile 'at risk' households

Bournemouth Water uses credit reference data to identify customers who are in financial difficulty and cannot pay their bills because they are in circumstances that make them vulnerable, to separate them from customers without visible financial difficulties who are not paying their bills (that is, they 'won't pay'). The company also builds a geographical profile to identify 'at risk' households.

One way of adding to a richer understanding of customer vulnerability is to use data on leading indicators of vulnerability. Bournemouth Water monitors local statistics for measures such as unemployment, on a quarterly basis. It also monitors national policy movements regarding benefits and taxation changes.

⁸ <http://www.unitedutilities.com/personaldetails.aspx>.

⁹ <http://acorn.caci.co.uk/>.

¹⁰

https://www.yorkshirewater.com/sites/default/files/24496%20Customer%20Strategy%20WEB%20v2_0.pdf.

¹¹ <http://www.experian.co.uk/assets/decision-analytics/case-studies/case-study-yorkshire-water.pdf>.

¹² <https://www.yorkshirewater.com/watersure>.

5.3 Case studies in partnership working

In their interviews and focus groups, water companies stressed that partnership was key to training staff, and reaching and assisting customers in circumstances that make them vulnerable. Some companies have involved government agencies, third party intermediaries and other utilities to support these customers.

Good practice – partnership working

Potential barriers. Lack of common understanding of issues relating to customers in vulnerable circumstances; resource constraints; partnerships are unable to align interests.

Recommendation. Given that there is a business and moral need to address the concerns of customers in vulnerable circumstances, it is crucial to find innovative ways to develop and maintain valuable partnerships that provide for a customer's specific needs; this enables companies to arrive at the best solution for the customer.

Case study 1: Northumbrian Water – partnering with other utilities and third party organisations

Northumbrian Water is a member of Infrastructure North, a coalition of Northern Powergrid, Yorkshire Water, Northern Gas Networks, and Northumbrian Water, which have joined forces to help tackle some of the key social issues affecting people in the north of England.

The company also collaborates with third party organisations with expertise in reaching out to groups of customers whose circumstances make them vulnerable. For example, 'Know Your Money' is a service for 16-24 year olds in Middlesbrough, which provides financial life skills education.

Northumbrian Water gets involved with projects like this to listen to customers and to offer help. For example when the SSI steelworks in Teesside closed down in October 2015, the company collaborated with local Citizens Advice Bureaux, and is currently exploring support options aimed specifically at SSI workers¹³.

Case Study 2: Southern Water – partnering with third party organisations

Southern Water builds relationships with organisations including social housing providers, tenants' groups and advisory bodies. It also runs campaigns to engage local communities,

¹³ <https://www.nwl.co.uk/your-home/your-account/Difficulty-paying.aspx>.

such as a recent big drive on blocked drains in the Margate area. And it provides help with translation schemes for customer groups who may have a high incidence of water debt. Southern Water has an ongoing relationship with organisations such as Citizens Advice, StepChange, and the local DWP office.

Case Study 3: Wessex Water – reaching customers in circumstances that make them vulnerable without breaching data protection requirements

Wessex Water works with the DWP to send information to customers who are on benefits in the company's region to promote affordability schemes.

Case Study 4: Dŵr Cymru – signposting to specialist help

Dŵr Cymru has a specialist team to whom customer care staff can refer customers with particular vulnerabilities. The company also works with organisations like StepChange on a mutual referral basis. And it has links with the Welsh Government energy efficiency scheme, NEST. When NEST agents identify customers who might need help with water payments in the course of performing energy assessments, they refer the customers to Dŵr Cymru.

Case Study 5: Wessex Water and Bristol Water – joint billing for customers

Bristol Water and Wessex Water formed a joint billing company called 'Bristol Wessex Billing Services Limited' in 2001. It provides a seamless billing service for more than half a million customers that receive water services from Bristol Water and sewerage services from Wessex Water. The companies work closely together to harmonise their customer policies where they can to deliver a consistent customer experience for all.

This way of working enables customers to receive one bill and have one point of contact. This is particularly beneficial to those customers who are more vulnerable.

The companies also work together to offer extensive support for customers in financial difficulty. Customers can access the same social tariff or debt repayment schemes from both companies. More recently, they worked together to develop and research a new social tariff that will offer pensioners on low incomes a discount on their bills from April 2016. The companies work collaboratively to raise awareness and increase take-up of their affordability assistance.

Appendix 1: Useful references

Good practice guides and practitioners' packs

As a way of sharing best practice, we set out below a list of sources that water companies may find helpful when developing their strategies to identify and assist customers in circumstances that make them vulnerable. This list is not exhaustive, but it does provide indications of good practice that companies may find useful.

- The **Financial Conduct Authority's 'Occasional Paper no.8: Consumer Vulnerability'**¹⁴ contains a wealth of research into the drivers of vulnerability, along with problem areas and policy options to explore. While the paper is geared towards financial services provision, it contains transferrable insights for the water sector, especially when discussing what 'good' can look like.
- The **British Standards Institution BS 18477: 2010 Inclusive service provision** sets out requirements for identifying and responding to consumer vulnerability. It also discusses how suppliers can identify customers in situations of vulnerability, and provide fair and inclusive service to all. The guide covers policies from frontline customer service, sales, promotion and marketing, and channels through which to contact providers and access information. Companies may find the section on triggers to identify customers in circumstances that make them vulnerable particularly useful¹⁵.
- **Macmillan Cancer Support's 'Counting on your support – how the banking industry can improve the service it provides to customers living with cancer'** is geared towards financial services providers, but contains transferrable recommendations for staff on supporting customers living with cancer¹⁶.

¹⁴ <http://www.fca.org.uk/your-fca/documents/occasional-papers/occasional-paper-8>.

¹⁵ <http://www.bsigroup.com/LocalFiles/en-GB/customer-service/BSI-Providing-fair-flexible-and-inclusive-services-a-business-perspective-EN-UK.pdf>.

¹⁶ <http://www.macmillan.org.uk/Documents/GetInvolved/Campaigns/Costofcancer/Countingonyoursupport-MacmillanBankingReport.pdf>.

- The **Direct Marketing Association's 'Guidelines for call centres dealing with vulnerable consumers'** contains practical guidance for practitioners to identify customers in circumstances that make them vulnerable, as well as guidance for companies that want to follow best practice guidelines¹⁷.
- The **Employers' Forum on Disability's 'Your call is important to us – Best practice charter: contact centre quality commitment'** contains guidance on accessible and inclusive service and information for customers with disabilities¹⁸.
- **Citizens Advice's 'Access for all: the importance of inclusive services'** sets out principles of good practice for companies when providing inclusive service¹⁹.
- **Mind's guides 'In the red' (2008) and 'Still in the red' (2011)** include recommendations for the energy and water sectors on improving the experience of customers with mental health issues (for example, training for frontline staff on recognising and sensitively dealing with customers in debt who have mental health issues)²⁰.
- The **Money Advice Trust** offers resources for practitioners to identify and deal with issues around customer vulnerability²¹.
- The **Money Advice Liaison Group and Royal College of Psychiatrists, 'Appropriately processing data from individuals with mental health problems under the Data Protection Act (1998) (Briefing Note 4)'**²².
- The **Institute of Customer Service, 'Are You Being Engaged: Employee engagement and its influence on customer satisfaction on buying behaviour'**, (2012).

¹⁷ http://dma.org.uk/uploads/call-centres-vulnerable-consumers_final_53d7c237289c1.pdf.

¹⁸

https://app.pelorous.com/public/cms/261/564/62/192/Your%20Call%20is%20Important%20To%20Us%20_generic_2010.pdf?realName=HMw4c2.pdf.

¹⁹ https://www.citizensadvice.org.uk/access_for_all_final_word_for_web.doc.

²⁰ See www.mind.org.uk/media/273469/in-the-red.pdf and www.mind.org.uk/media/273468/still-in-the-red.pdf.

²¹ For example, see <http://www.moneyadvicetrust.org/training/creditsector/Pages/Vulnerability-training-for-enforcement-agents.aspx>.

²² [http://www.rcpsych.ac.uk/pdf/MALG%20Briefing%20Note%20\(4\)%20-%20DPA%20and%20mental%20health%20\(13_04_29\).pdf](http://www.rcpsych.ac.uk/pdf/MALG%20Briefing%20Note%20(4)%20-%20DPA%20and%20mental%20health%20(13_04_29).pdf).

- The **Institute of Customer Service, 'Return on investment in customer service: the bottom line report'**, (2011).
- The **Institute of Customer Service, UKCSI**²³.

²³ <https://instituteofcustomerservice.com/research-insight/research-library/ics-ukcsi-exec-summary-jan16-final> (accessed 4 February 2016).

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