



**Empowering customers through
information workshop
Delegate pack**

**10 Greycoat Place, Victoria, London, SW1P 1SB
Thursday 8 November 2012
10 am to 1 pm**



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Empowering customers through information workshop

Agenda

10 Greycoat Place, Victoria,

London, SW1P 1SB

Thursday 8 November 2012

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10.00 Registration and coffee

Introduction to consultation

10.15 Welcome Georgia Klein, Ofwat

10.20 What information do customers want?
What are the objectives of Ofwat's
consultation? Fran Ward, Ofwat

Consumer perspectives

10.30 CCWater's perspective Colin Lench, CCWater

10.40 Citizens Advice's perspective Anne Pardoe,
Citizens Advice

10.50 Panel question and answer session
Georgia Klein (Ofwat), Colin Lench (CCWater)
and Gillian Cooper (Consumer Focus)

11.10 Coffee break

Implementing our approach

11.40 Table discussion on principles Fran Ward

12.00 Feedback

12.10 Table discussion on regulatory process Fran Ward

12.30 Feedback

12.40 Closing comments Georgia Klein



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Empowering customers through information workshop

List of attendees

10 Greycoat Place, Victoria,
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Table 1

Georgia Klein	Ofwat
Angela Easton	Dee Valley Water
Steve Forster	Northumbrian Water
Jill Jones	Thames Water
Phill Marshal	Bristol Water
Anne Pardoe	Citizens Advice

Table 2

Gail Harris	Ofwat
Fran Ward	Ofwat
Gillian Cooper	Consumer Focus
Gethyn Howard	Inexus Water
Jackie Knight	Civil Aviation Authority
Kathryn Waugh	Northumbrian Water
Nick Waugh	Citizens Advice

Table 3

Simon Smith	Ofwat
Rachel Barber	South Staffs
Colin Lench	Consumer Council for Water
Oliver Martin	South East Water
Margaret Melbourne	United Utilities
Martin Young	Severn Trent Water

Table 4

Hanif Jetha	Ofwat
Lynne Gibson	United Utilities
P McMahon	Water UK
Suzanne Parkin	Albion Water
Nina Parnell	South East Water
Neil Smart	Office of Fair Trading

Table 5

Dave Roberts	Ofwat
Sue Benyon	SSE Water
Caitlin Graham	Which?
Claire Graham	Southern Water
Sue Lyndsay	Wessex Water
Erin Matthews	Thames Water



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Consultation on changing our approach to regulating companies' information provision

Fran Ward, Senior Policy Analyst
Georgia Klein, Head of Social issues
8 November 2012

1

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Agenda



Introduction

- 10.00 Registration and coffee
- 10.15 Ofwat introduction – what are consumers' requirements and purpose of consultation?

Consumer perspectives

- 10.30 CCWater
 - 10.40 Citizens Advice
 - 10.50 Panel questions and answers
- 11.10 Coffee

Implementing our approach

- 11.40 Table discussion on principles
 - 12.30 Table discussion on regulatory process
- 12.40 Close

2

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Empowering consumers



What is empowerment?

Giving consumers the right tools and information to be able to get the services they want and need

Why?

Consumer protection duty
Benefits to customers, companies and the economy

How?

Ensure they get the information they need from companies about the services they provide

3

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Benefits of quality information provision



To consumers...

Better decision making
Companies held directly to account
Improved service standards
Improved customers satisfaction
Better value services

To companies...

Avoid unnecessary disputes (SIM)
Avoid costly complaints resolution
Improve reputation
Improved financial position

To the economy...

4

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Current challenges



- Rapid developments in communications technology**
- Rising consumer expectations**
- Significant changes in the sectors**
- Poor information provision**

5

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Licence condition obligations



- Licence condition G**
Describe "the nature of the services to domestic customers"
 - Licence condition H**
"give guidance to domestic customers who have difficulty paying their bills"
"describe the range of procedures... to collect outstanding bills"
 - Licence condition I**
Give information that relates to leakage on supply pipes including the right to leakage allowances
- We are not proposing licence condition changes**

6

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What do customers want to know about?



Anything that affects them financially

How can I check my bill is correct?
Do I have the option to have a meter?
When am I entitled to compensation payments if services are not provided?
What support is available if I can't afford my bill?
What am I responsible for?



Their rights

What service standards am I entitled to?
What are the company's responsibilities?
What happens if I have a leak?

7

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What do customers want to know about?



What to do in an emergency

Who do I contact?
How quickly can they respond and restore services?
Is there specific support for customers with particular needs?



Complaints handling

What is the process for raising a complaint?
What are the options for contacting the company?
How long will it take?
What if I'm not happy with how my complaint is handled?
What independent help is available?

8

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What customers told us

Customer responsibilities

"I'd want to know if I was responsible for something because at the end of the day, if you are responsible for it and you don't know about and it goes pear shaped, you being responsible, you could be forking out for financial penalties." (Pre-family, ABC1)

Company responsibilities

"I had a blocked drain last week so I sent for an un-blocker which he did...he said to me, 'by the way, this will cost you so much', but if I had been in touch with the water people they would have done it for nothing. Now I didn't know anything at all about that." (Retired, C2DE)

9

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What customers told us

Customer rights

"If you don't know, you can't question it, can you?...
...No, if you carry on paying the bill for ages and ages when it's wrong, I had that. I was paying way over, I built up a great big credit. They didn't give me the credit back, they just dropped my payments until it all levelled out again. If I owed them..." (Post-family, C2DE)

Customer rights

"I've been arguing for a meter for the last two years and they keep telling me that they are becoming compulsory for everybody, but as yet like, there's only me and my partner in the house and everybody says if there's less people in the house than there are bedrooms, you should have a meter you know..."

10

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How do they want to get this information?



Phone – the preferred channel

Customers expect to be able to access information through telephone helplines



Bill – the gateway channel

Needs to signpost to information available



Website – the sleeping channel

Not often used – but recognised could be much more useful if they knew what was on there

11

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What form should the information take?



Targeted information

Relevant and meaningful headings

Easy-to-read font

Plain English

Website material designed for this channel

12

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Consumer perspectives



We want stakeholder views on...

What are the information provision **challenges and opportunities** facing customers and companies in the water and sewerage sectors?

How do you think companies can **best understand** their customers' needs?

What **role** might consumer representatives, including the Consumer Council for Water (CCWater) play in this?

Do you have any suggestions or examples of **good practice** which could help companies make sure the information they produce is accessible to customers?

(questions 1,3,4)

13

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CCWater's perspective

Colin Lench, Consumer Services
Policy Manager, CCWater

14

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Empowering Consumers Information Provision CCWater Perspective



Challenges

What customers want

Good practice

CCWater's role

Colin Lench
Consumer Services Policy Manager

Challenges



Engaging customers

Delivering the right information in the right format and
when customers want it

Changing customer expectations

Changing technology

What Customers Want



That is for the companies to identify /
find out from their customers

The water industry is information rich

Don't see this as a chore

Don't offer the minimum service

Good Practice



Innovate

Use technology

Be clear

Most importantly - well trained staff

CCWater's Role



Help not regulate

Identify good practice

Improve communication

Help CCWater do its job



Citizens Advice's perspective

Anne Pardoe, Energy Policy and Liaison Officer,
Citizens Advice



Good practice in information provision

Anne Pardoe – Citizens Advice

8th November 2012

The Citizens Advice Service

- The CAB service aims to:
 - ensure that individuals do not suffer due to a lack of knowledge about their rights **and**
 - use the experiences of our clients to campaign for change at a local and national level
- We give advice from 3,400 locations and deal with 5.2 million problems per year
- Most CAB clients are from lower income groups or are vulnerable in some way

Overview

1. Why is providing information to customers challenging?
2. Case study – energy
3. What does good practice look like?



Why is providing information so challenging?

- The information being communicated is often complex and not particularly interesting to consumers!
- Broad spectrum of consumer knowledge and engagement
- Legal requirements
- ‘Nudging’
- Difficult to reach a balance between giving customers the information they need to take appropriate action without making messages too complex



Case study – energy

Complex market with suppliers required to provide their customers with a large number of communications including:

- Bill/statement
- Annual Statement
- Price Increase Notification
- Notice of rights/ standards of service
- Best Deal
- Priority Service Register
- Gas Safety Information
- Fuel label
- Policy statement
- Complaints handling procedure
- Consumer checklist

Citizens Advice 

Case study – energy

- Huge number of communications, often complex information
- Consumers don't understand the energy market or the communications they are being sent – disengagement



Citizens Advice 

Case study – energy

- Ofgem's Retail Market Review proposals
 - Simpler, clearer, fairer energy market
- Far more prescriptive information requirements
 - Very prescriptive new look annual statement, including a tariff information label containing key contractual terms (e.g. standing charge and unit rate)
 - Summary box on bills with prescribed format



What does good practice look like?

- *How to do the right thing* by the Addressing Financial Difficulties working group looked at this question
- Focus on debt collection but good advice for all sectors
- Creditors, advisers and consumers have to work together
- Good practice promotes engagement between consumers and creditors
- If messages are confusing consumers become confused, frightened and disengaged



What does good practice look like?

- Communications must be clear, concise and in plain language and allow the consumer to understand:
 - What the communication means in 'real terms'
 - Why they are being contacted
 - What they are being asked to do
 - How they can ask a question or put something right
 - How they can access free, impartial and independent advice



Contact details

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Consumer perspectives



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(questions 1,3,4)

31

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Implementing our approach



Based on customers' views

Minor initial adjustments

Focus on what customers want, not what the licence requires

Non-prescriptive principles-based framework

Companies' responsibility to find accessible, timely and effective solutions that meet customers' needs and improve sector efficiency

Minimum regulatory burdens

No licence condition changes

32

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Principles



Accuracy
Clarity
Accessibility
Timeliness
Inclusivity

33

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Do the principles work?



We want stakeholder views on...

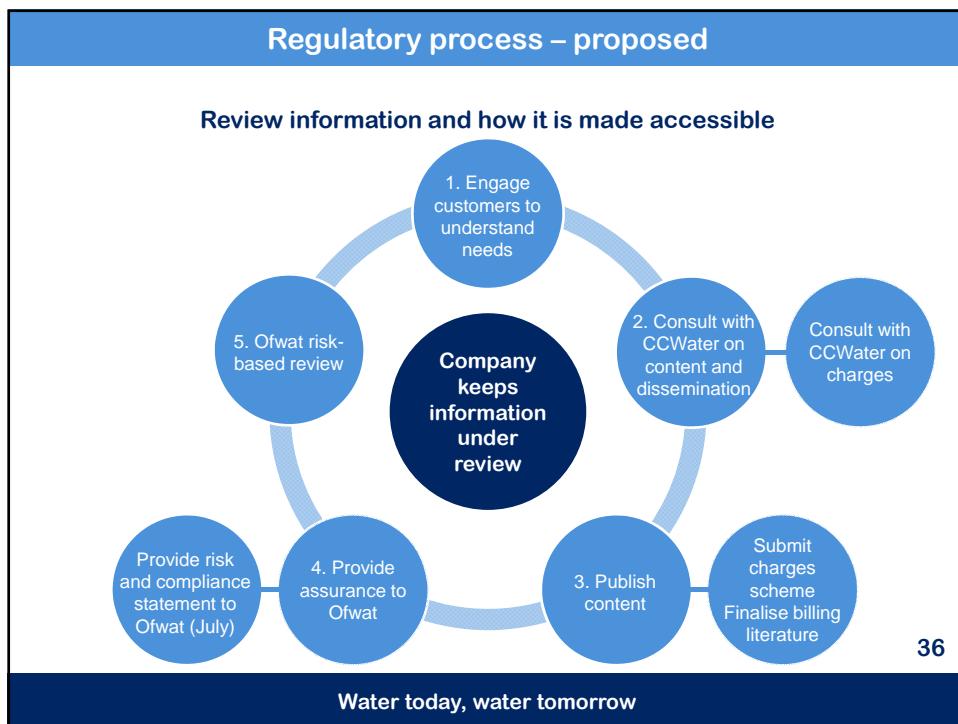
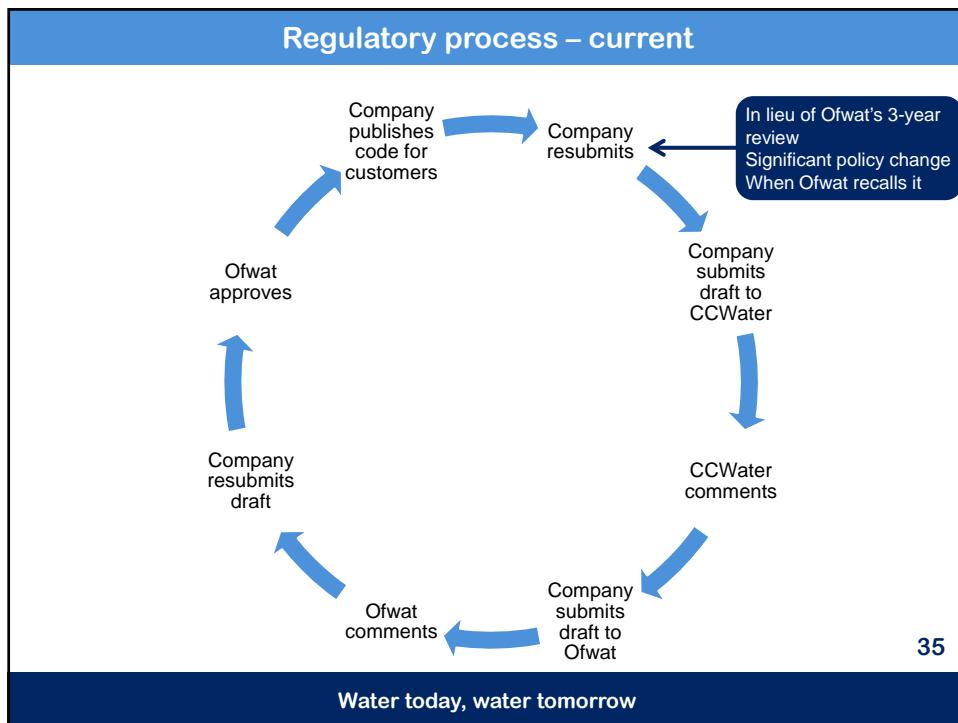
Do you think that a move to a principles-based approach is a good first step in encouraging companies to deliver improved information to customers?

Is anything missing?

(question 2)

34

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Implementation starts now



Companies can consider how best to approach their information reviews

Where codes have been approved during 2012, a more limited review will be needed

For other companies, a more widespread review may be appropriate

Companies' obligations have not changed so this work should be happening already

37

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Regulatory process



We want stakeholder views on...

Do you agree that our **risk-based approach** to intervention will help drive better information provision to customers?

What **risk factors** should we take into account?

Are there any **other actions** needed to support adequate information provision?

Have you any **further suggestions** that would support the adoption of best practice and compliance with proposed information principles?

What works well in **other sectors** and what does not?

(questions 5,6)

38

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Empowering consumers



Companies need to take action
This is good for customers and good for you
We will keep company performance under review

39

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Thank you

40

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