

From the Customer Challenge Group (YourVoice), on
behalf of United Utilities

Outcomes consultation

Water 2020

OFWAT

Centre City Tower

7 Hill Street

BIRMINGHAM

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30th January 2017

For attention of Cathryn Ross

Dear Cathryn

Thank you for giving us the opportunity to respond to the consultation on the outcomes framework for PR19.

The YourVoice panel discussed the document at its meeting on the 16th December 2016, and appointed a subcommittee to look in more detail at the issues raised. The group was anxious to comment to you on the complexity of the document, which was technically very dense and not easy for non-sectors expert readers. You clearly are looking for the views of customer challenge groups, which we applaud, but feel that some type of executive summary, drawing out issues within the remit of CCGs and their work with customers would have been helpful.

We support the continued evolution of outcomes, but would emphasise that these must be transparent and be easily understood by customers. The group encouraged United Utilities in their annual performance report to make material accessible to customers and straight forward as possible, and were pleased that the final document received the Plain English Crystal Mark. However, this standard was only given for the narrative of the document, not for the tables and diagrams showing numeric information, which was very difficult to simplify.

In terms of penalties and rewards we support this approach, providing that these reflect customer's priorities and have been arrived at following triangulated research.

We see the value of providing comparative information between water companies, but feel that careful scrutiny should be given to ensure that this information is accurate and compared on a like-for-like basis. We appreciate that

regional differences may need to be taken into account. YourVoice would find this comparative information helpful in holding the company to account, and the group would like be able to review company and sector progress.

YourVoice have concerns about the proposed move to in-period ODI adjustments, as customer views indicated that they preferred stable bills and not large fluctuations, up or down, year-on-year. We presume that Ofwat will not be too prescriptive on this subject, and leave some discretion to companies and their CCG's.

We appreciate that the industry needs to review its Service Incentive Mechanism to reflect the different communications channels now available to customers and improve the level of statistical reliability of SIM research. A new measure could include further customer segmentation, for example, priority customers. However we think that SIM has been catalyst to improving service quality. Certainly United Utilities undertakes significantly more customer feedback research to help aid continuous improvement in this area, and the CCG support this approach and the information it provides on customer views.

We hope these observations from the YourVoice group are of interest to you

Yours sincerely

A handwritten signature in black ink that reads "Bernice Law". The signature is written in a cursive, flowing style.

Bernice Law – Chair of ODI subgroup

YourVoice, Customer and Stakeholder Challenge Group