

Customer Measure of Experience (C-MeX) for PR19:  
C-MeX Working Group 2

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Engagement

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3 October 2017

<b>Timing</b>	<b>Item</b>
10:00 – 10:15	Welcome and housekeeping; roundtable introductions
	Recap and today's aims
10:15 – 10:45	Discussion 1 - Questions from last working group and actions from previous working group
10:45 – 11:30	Group discussion 2 – Incorporating NPS in C-MeX
11:30 – 12:00	Discussion 3 - Complaints
12:00 - 12:30	Discussion 4 - Experience Survey
12:30 – 13:15	Lunch
13:15 – 14:00	Discussion 5 - Pilot Spec
13:50 - 14:00	Summary and Next Steps
14:00	Close

## Recap

C-MeX Working Group Kick-Off meeting 7 September, Wessex Water, Bath.

Purpose of Working Group: **to aid the implementation of C-MeX** (an incentive mechanism rather than a diagnostic tool), and facilitate the development of the pilot and final guidance that water companies will apply from 2020-2025.

Includes discussing methodological details, helping to resolve practical issues, and undertaking some fact-finding tasks as required. Ofwat remains the decision maker on the policy and implementation.

- Established this group and tried different discussion formats.
- Discussed several issues, including from consultation responses
- decided to include many aspects of the research methodology in the spec for the pilot.

## Today's meeting

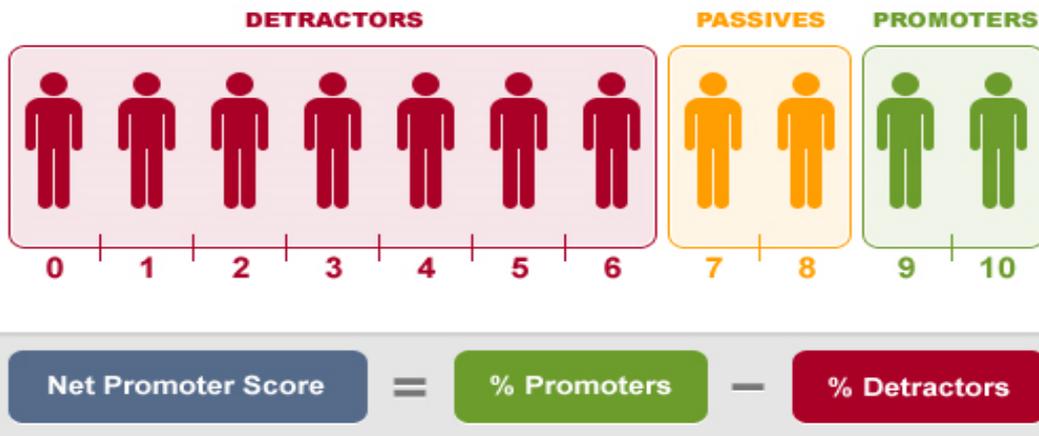
- Discuss some of the outstanding C-MeX design issues (ahead of December 2017 statement), and ideas emerged through our governance
- start discussing the pilot spec aims

1. **C-MeX to UKCSI score translation:** Requests in consultation responses for how we propose to do this.
2. **“Resolved contacts”** discussion. Comments that if the customer service survey asked about satisfaction with the handing and resolution of the matter, this could lead to a biases and inconsistencies as companies have to decide when the contact is resolved and submit only resolved contacts.
  - Can this survey be done without necessarily restricting the sample to customers who have had a resolution?
3. **Channel prescription:** We consulted on stipulating that companies must offer at least four communication channels to receive customer contacts and complaints, including at least two online channels. We had some comments that this did not go far enough and that we should be more prescriptive.
  - How can this be done – e.g. should we stipulate which channels? If so which? What about social media being one? How many is sufficient?
4. **Request:** could a member of the group look into the practicalities of matching customer contact preferences for the contact survey?

**Consultation Option 3** comprised:

**40% customer service** satisfaction survey results +  
**40% customer experience** survey results +

**20% NPS results** using data submitted by companies on a monthly basis.

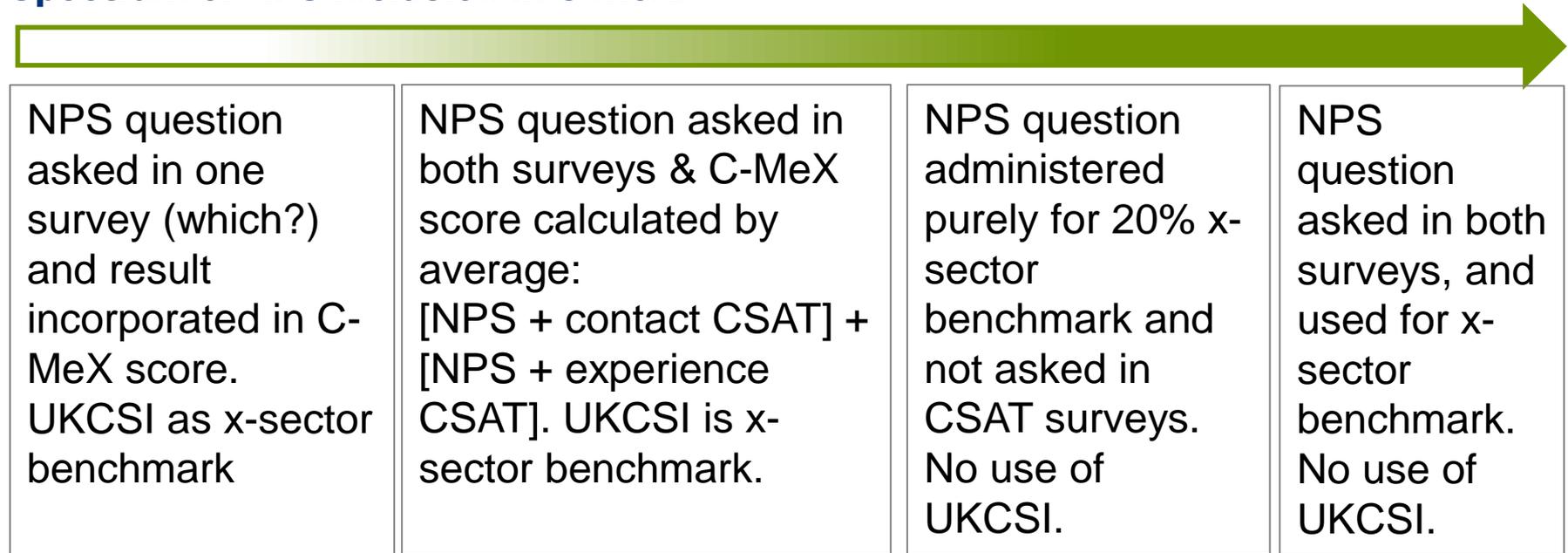


Source: Checkmarket.com

## Arguments and consultation responses on NPS

Pros	Cons
<ul style="list-style-type: none"> <li>✓ Survey often sent by text message and is close in time to the interaction;</li> <li>✓ Likelihood to recommend is arguably a more demanding test than satisfaction;</li> <li>✓ Credible and widely used, even in similar / monopoly contexts in other sectors, e.g. NHS;</li> <li>✓ NPS <i>“could easily be collected as part of the experience and customer service surveys”</i> and serve as an alternative cross sector challenge to UKCSI - how?</li> </ul>	<ul style="list-style-type: none"> <li>× Recommending a water company <i>“may not be relevant to customers in monopoly cases”</i></li> <li>× Economic Insight concluded that NPS has shown evidence of unexplained fluctuations that may make it less reliable than a satisfaction survey</li> </ul>

### Spectrum of NPS inclusion in C-MeX:



### Implementation options to discuss:

1. What proportion of companies currently collect NPS? Could anyone share their experience - how often, which channels and using what criteria to survey?
2. If we used NPS as the source of the cross sector challenge, as a standalone measure and alternative to UKCSI, how would that work in practice? Examples:
  - a) Third party provider sends to database of customers on a random basis
  - b) Companies collect data and submit – not a favourable option at last meeting
3. If we were to only include the NPS question in surveys - which survey, or both?

- 1. Mitigating complaints risks:** Our preferred option was that complaints should be subject to a reputational incentive. This would include complaints made via social media and the new definition of 'complaint' which does not include unwanted phone contacts as SIM does. All complaints in the same way, regardless of the contact channel. To mitigate against the risk of complaints increasing there are some options:
  - a) apply a gate to the higher rewards based on complaints.
  - b) Stronger reputational incentive by publishing complaints twice per year
    - What are the groups views on these?
- 2. Request:** could one or two members of the group please explore:
  - a) Internally the practicalities of logging complaints made via social media and identifying customers?
  - b) how other sectors record and manage complaints made via social media?

We consulted on the customer experience survey being a quarterly satisfaction survey via phone of customers who have not contacted their company.

This is very similar to CCWater's **Water Matters** research, which is an annual survey, using random digit dial, and is based primarily on those who have not contacted their company.

- What are the groups views on using the results of Water Matters as the 'customer experience' element of C-MeX?
- What practical issues would we need to consider if we were to do this?

### The objectives of the pilot are:

1. To advise on the following aspects of the methodology for C-MeX surveys: Sample sizes (what is the 'right' size for in-period ODIs?), survey scale, survey channel and question mix
  2. To advise on the pilot questionnaires and recommend improvements to the questionnaires where appropriate
  3. To trial all aspects of the methodology and practicalities for the survey;
  4. To recommend ways to improve practical aspects / the methodology of the project to enable Ofwat to adopt the survey as a key regulatory measure
  5. Advise where possible on cross sector benchmarking and GDPRs
- What are your views on these objectives?

**Request:** Is anyone able to look into response rates by channel from their own surveying activities?

Stage	C-MeX timing
Consult on concept and timelines	July - August 2017
Convene a working group to discuss details of the methodology: how to implement the measure and compare company performance in a fair and consistent way	September - October 2017
Methodology statement	Mid-December 2017
Design pilot	December - January 2018
Procurement process	February – April 2018
Conduct pilot / test proof of concept	April 2018 - April 2019
Work through changes, draft guidance, pilot revised approach	April 2019 - March 2020
Publish final guidance	March 2020

**Thank you for attending!**