

**Arrangements for when supply is not restored**

**1. Adjusting the levels of compensation for when supply not being restored under the GSS arrangements**

- a. Should the levels of compensation for supply not being restored under the GSS arrangements be maintained or increased?
- b. Could an increase in the minimum level result in companies paying less compensation to customers than they currently do by encouraging them to not exceed a higher minimum? If so, how could this be addressed?

Part a) **We feel that the amount should be maintained. We have never had a customer complain or debate the GSS payments we have provided.**

Part b) **Arguably, the result of an increase in the minimum GSS payment would be that the company pays less in the long run to customers as they are encouraged to not exceed a higher minimum.**

**There is the potential for this to be addressed by having a tiered system of GSS payment which is comparative to the duration that supply is not restored for – i.e.**

- 1 -2 hours £50**
- 2 – 6 hours £100**
- More than 6 hours - £150 etc.**

**2. Payment thresholds and exemptions for supply not being restored**

- a. Should these thresholds be changed in any way (e.g. brought forward, reduce the length of time between graduations)? If so, how and why?
- b. Should compensation increase by a larger amount the longer disruption lasts (i.e. exponential)?
- c. Should there be any changes made to the current exemptions to the GSS for supply not being restored?

Part a) **There is some sense in reducing the length of time between graduations for GSS payments to encourage companies to do more to restore a customer’s supply sooner.**

Part b) **We would agree that compensation should increase by a larger amount the longer the disruption lasts. This doesn’t have to be a complicated process – but customers should expect to receive payments based on length of outages.**

Part c) **The current exceptions for GSS payments seem reasonable and are focused on areas which would be outside of the water company’s control in the main. This seems reasonable to not penalise companies for something that they are not in control of.**

**3. Other areas to consider relating to compensation for supply not being restored**

- a. Should GSS be expanded beyond supply interruptions to cover supply restrictions, such as temporary use bans?
- b. Are there any other changes to the arrangements we should consider relating to payments for supply not being restored to ensure that customers receive fair, fast and free from hassle compensation?

Part a) **It would involve a large piece of work but we consider that work affecting access/experience for customers (e.g. limiting access to shops due to work ongoing, extreme noise affecting the customer’s own customer experience) could be considered in this instance.**

Part b) **As above – consideration for customer experience.**

**Arrangements for all payments under the GSS**

**4. Adjusting all payments under the GSS by inflation**

- a. All payments could be increased by inflation retrospectively from 2001 when the levels of compensation were last changed. Would this approach be reasonable and proportionate?
- b. All payments could be price inflated automatically in future. Would this approach be reasonable and proportionate?

Part a) **The GSS payment is a payment due to a delay in service provision. As it is not reimbursement of any lost financial costs, we do not consider inflation will anymore fairly serve the customer by being included**

Part b) **If Ofwat were to propose a regular review timescale for the GSS, we believe it should be less frequently than annually. For inflation costs, point as above.**

**5. GSS arrangements for different types of customers**

- a. Should the arrangements differentiate between compensation for businesses of different sizes (e.g. big businesses and SMEs)? If so, what approaches could be adopted in order to differentiate fairly?
- b. Should there be different compensation arrangements for customers in vulnerable circumstances? If so, what approaches could be adopted in order to differentiate fairly?

Part a) **The financial impact for a delay in serviced does not fluctuate depending on the type of customer enough to warrant any differences in the GSS payment amounts. Customers can make compensation claims due to loss of business on top of standard GSS payments – there is no need to change or complicate this.**

Part b) **The definition of “vulnerable” in the NHH world is too broad. Things such as hospitals, care homes etc. should be on the Wholesaler’s radar anyway. Other businesses that consider themselves as vulnerable have the option to sort contingency plans etc. with their nominated Retailer.**

**6. Are there any other changes to the arrangements we should consider relating to all compensation payments under the GSS to ensure that customers receive fair, fast and free from hassle compensation?**

The speed with which we are contacted, as a Retailer, varies massively from Wholesaler to Wholesaler. It is reasonable to expect the Retailer to receive both the notification AND the payment from the Wholesaler before sending this payment onto the customer. This can mean considerable delays between the outages and the GSS payments, and, as the contact to the customer comes from the Retailer, this can be seen as a poor customer service experience due to the time between the incident and the payment. Stricter regulation on Wholesalers having to provide Retailers information in a certain time frame (i.e. within 5 working days) would increase customer experience and create a level playing field across the market.

There is an argument that clearer Ofwat guidelines and communications on GSS payments, types and amounts would be beneficial in the new Non-Household market, setting out clear lines of responsibility and monitoring and reporting mechanisms.