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Trust in water

PR19 Customer Measure of Experience (C-MeX): guidance for the C-MeX shadow year 2019-2020

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Text on p34 was amended on 12 March 2019.

1. Introduction

1.1 The purpose of this document

The customer measure of experience (C-MeX) is a mechanism to incentivise water companies to provide an excellent customer experience for residential customers, across both the retail and wholesale parts of the value chain.

C-MeX will run in 2019-20, the shadow year¹ prior to the 2020-2025 period.

Following the results of the pilot which took place during 2018, the shadow year, which runs from 1 May 2019 - 31 March 2020, will provide an opportunity to further develop and test the methodology for how C-MeX will be run during the 2020-2025 period.

The objectives of this guidance are to support water companies to provide the necessary information to achieve an accurate and representative set of C-MeX results for the shadow year

To avoid inconsistency, companies should request clarification from Ofwat if they encounter any areas of doubt or ambiguity in relation to this guidance. Ofwat will either clarify the position or consult with stakeholders to inform its decision, and make any amendments to this guidance that it considers necessary.

1.2 Definitions

- **Agent** – the contractor appointed by Ofwat to run C-MeX.
- **Channel** – any route by which a consumer can contact their water company including non-digital channels and digital channels (see other definitions).
- **Contact** - A contactor is defined as an identifiable customer who makes direct inbound contact with their water company. It includes representatives such as MPs, Citizens Advice advisors or solicitors, where they are acting on a

¹ In 2019-20 (the shadow year), the new C-MeX service incentive mechanism will be run. However, this year will be a full scale dry run of the new mechanism and we will be monitoring and potentially improving several aspects. As such, no financial incentives will apply to C-MeX performance during this year. From 2020-21, the full C-MeX incentive mechanism will be operational and annual financial incentives will be in place.

customer's behalf. It also includes contacts from people (including local authority staff or non-household customers on behalf of household customers) who may not directly be customers and make contact about services. For example, to report a defective manhole cover or a leaking pipe. As self-serve customers (ie those who carry out a transaction online through their customer account NOT those who are just visiting the website) have had an interaction with their water company, albeit an electronic one, these should be included as contactors.

- **Customer/Consumer** - any household user of water and sewerage services, not only account holders.
 - **Data Protection Laws** - the General Data Protection Regulation ((EU) 2016/679), the Data Protection Act 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and related statutory instruments as amended or in force from time to time.
 - **Designated period** - the period of time specified by the appointed agent when requesting a Customer Service survey sample from the companies. It is usually the previous seven days. Where a company's operational contact rate yields a small weekly sample size, the company will be asked for contacts from the previous two weeks.
 - **Digital Channels**
 - **Email** - incoming contact via email
 - **Social media** - any platform used by consumers and businesses for the purpose of publishing comments, photos, media and text on which the company has a presence. We expect this will include, but not be limited to, platforms such as Facebook, Twitter and Instagram. A customer should only be included where they have contacted the company directly using the company social media handle, the company can identify the customer and the customer has provided further details in order for the company to follow-up with the customer. Customer comments about another customer posting should not be included
 - **Webform**
 - **Live chat**
 - **App** - where the App provides a direct means of contacting the company, and does not only signpost other contact channels.
 - Customers carrying out activities using their water company **online account** eg bill payments, setting up a direct debit etc.
 - **Identifiable** – where a customer provides sufficient information as to be identifiable for the company to either:
 - be able to respond to the customer; or
 - link details of the contact to a customer's file or account; or
 - have to store the information securely within its systems.
 - **Non-Digital Channels**
-

- **phone** (including fully automated – for example, a bill payment)
- **post**
- **in person** by visit
- **short message service**
- **automated telephony**
- **Shadow year** – 2019-2020

1.3 Background

As set out in the Final Methodology, from 2019-20, the Service Incentive Mechanism (SIM) will be replaced by an alternative incentive mechanism called C-MeX, designed to encourage water companies in England and Wales to provide better customer service for their household customers. For the shadow year, only the reputational incentives (ie no financial incentives) will apply.

C-MeX is comprised of two survey² elements:

- Customer Experience survey – a customer satisfaction survey amongst a random sample of the water company’s customers; and
- Customer Service survey – a customer satisfaction survey amongst a random sample of those who have contacted their water company.

In order to drive up customer satisfaction amongst the top performing companies, a further performance payment will be available where a company meets all of the following criteria:

- performs at least in parity with a cross-sector threshold based on an All Sector Upper Quartile (ASUQ) score arising from the UKCSI survey;³
- demonstrates satisfactory complaints performance; and
- is one of the top 3 companies by C-MeX score (if more than two companies meet the first two criteria).

² While the screening process adopted means that it is possible for a certain customer to take part in both the Customer Experience and Customer Service surveys, the likelihood of this occurring is very unlikely. In this unlikely event, customers would be included in the results of both surveys.

³ The UKCSI (UK Customer Satisfaction Index) survey is run biannually by the Institute of Customer Service. It is a national measure of customer satisfaction providing insight into the state of customer satisfaction in the UK, across 13 key sectors amongst a sample of over 10,000 consumers representative of the UK adult population by region, age and gender.

The definition of “complaint” has been widened to incorporate those made via social media and other channels where they can be attributed to a customer. This is consistent with Consumer Council for Water’s (CCWater’s) definition of a complaint.

As set out in our PR19 Final Methodology, companies will also need to offer at least 5 communication channels for receiving contacts and complaints from the start of the Shadow Year. Once in full operation, a penalty will apply to the C-MeX score if this is not realised. C-MeX is an in-period incentive and will be applied on an annual basis.

The guidance below has been informed by the pilot of the C-MeX in 2018-19 and the views of the working groups (see policy document annex 1). The final decision C-MeX guidance will be informed by the pilot, any stakeholder views and findings from the shadow year. For the avoidance of doubt, the SIM quarter 4 will take place before C-MeX shadow year.

2. Customer Experience Survey

2.1 Overview

The aim of the Customer Experience survey is to ascertain consumer satisfaction with the water company (as opposed to the sewerage provider) amongst all water users aged 18 or over who are aware of their water company – respondents do not have to be the account holder. Consumers are approached randomly by the agent, this is likely to be predominantly over the telephone. However, due to the low incidence of younger consumers with a landline telephone connection, there may be face-to-face surveys to get a robust sample of these people.

The survey will be carried out for all water companies over the course of the quarter in order to mitigate against any one-off events which otherwise might bias results. As the Customer Experience survey uses Random Digit Dial (RDD), the agent will need to ask the respondent questions about a water company who supplies them. If the same company provides both water and waste services then that is straightforward. However, if a customer has two suppliers, they would need to be asked to think about one of them when providing responses. To ensure sufficient interviews are achieved with water only companies in the shadow year the agent will ask about the company that supplies their clean water.

The questionnaire is short and focused, covering satisfaction with the water company, likelihood to recommend it, reasons for their responses and whether or not customers have had contact with their water company recently.

2.2 Guidance for Companies

In order to facilitate sampling and ensure respondents are assigned to the correct water company each company should supply the agent with full postcode information for all customers on an annual basis, prior to commencement of fieldwork. At the start of each price control year, each company should also provide a list of all local authorities covered by their area in order that the appointed agent can determine age and gender demographic information for the customers of each company and set quotas to achieve a representative sample of interviews. We will consider whether companies will be able to check the quotas of age brackets that the agent can use for accuracy and how this would work in the shadow year. The appointed agent should be informed immediately by the relevant water companies of any major changes that would affect the local authorities or postcodes served.

2.3 Guidance for Appointed Agent

In order to ensure a fully representative sample is achieved, survey respondents should predominantly be sourced through RDD, supplemented by targeted electoral roll sampling and face-to-face interviews, to ensure sufficient interviews are achieved with younger age-groups.

There will be an equal number of face-to-face interviews carried out for each water company amongst 18-44 year olds, representing 20% of all interviews (15% with 18-29s and 5% with 30-44s. This will ensure fairness across water companies.

Interviews will be carried out in 2 different locations for each water company each quarter and interviewing locations will be rotated across the water company region from quarter to quarter. Where possible, when choosing locations, a mixture of larger and smaller urban centres should be used for interviewing.

To take part in the survey, respondents must have an awareness of who their water company is which can be demonstrated with or without prompting. If they are not aware of their water company, they should be asked for their home postcode so the appointed agent can identify which company provides clean water services to their household and ask them if they are aware of that company. The interview will close if the respondent is not aware of their water company (or identify an incorrect company) upon prompting. If an incorrect identification is found after the call, respondents will be removed from the sample. Respondents do not have to be account holders, only water users of that water company. All respondents must answer the questions based on their personal experience of household (rather than non-household) supply.

Quotas are set by the agent on gender and age to be reflective of the demographic profile of customers in the area that each water company serves, based on the local authority level detail in the 2011 Census data. There are three age bands: 18-29, 30-59, and 60+. Once a quota is achieved for a particular water company, subsequent interviews falling into that quota are screened out. Final data may need to be weighted slightly by age to account for any discrepancies in age profile compared to the target.

The appointed agent will provide water companies with survey data from their customers every month in Excel and, every quarter, companies will receive a league table of overall C-MeX results (ie combined Customer Experience and Customer Service). A final league table of overall C-MeX results will be provided at the end of the year, combining results from all four quarters.

3. Customer Service Survey

3.1 Overview

The aim of the customer service survey is to capture the views of those customers who have had dealings with the company, not only through the main contact centre but to any part of the business or with a contractor, and through any channel including digital ones. It is intended to capture views on how the contact was handled using the same broad channel by which it was made (ie digital or non-digital).

The survey is carried out with a sample of customers contacting their water company during the 'designated period'. Respondents must be 18 or over and do not have to be the account holder, but should be the person who raised the originating issue with their company.

The Customer Service survey is short and focused, covering reason for contact, contact channel, whether the issue was resolved, overall satisfaction with the way the contact was handled and likelihood to recommend the company.

3.2 Guidance for Companies

The surveys are based on contact data that the company provides to an independent agent appointed by Ofwat. The data for all inbound contacts (whether or not the issue has been resolved) for the designated period is sent to the agent each month when requested by the agent. The agent will carry out the surveys for all companies.

3.2.1 Sampling dates

Each quarter's interviews will be equally split between the three calendar months comprising that quarter. The appointed agent and Ofwat will select a single week each calendar month to be the designated period.

Water companies will be notified, by email, by 10 am on the Monday morning of the week following the designated period that customer contacts for the previous week (two weeks of operational contacts for certain smaller water companies to ensure

sufficient interviews can be achieved with operations contactors⁴) should be provided to the agent by all companies by 5pm on the Tuesday of that week.

Ofwat and the appointed agent should be notified immediately if, for any reason, there are difficulties in providing samples to deadlines.

3.2.2 Collation of sample

The appointed agent will need details of the category of the contact (eg billing, water and waste water, if applicable) and, where available, the customer's phone number (or number of any representative calling on their behalf) for non-digital contact and also the customer's email address for digital contact. The full list of information to be included is outlined in Annex 1. For clarity, meter readings should be included in the billing sample, for consistency, and all other contacts related to meter readings are to be included in Water Operations. The appointed agent will remove duplicates from the data provided and select a randomised sample reflecting the balance of contact types. As with the SIM, the appointed agent will remove customers who have been surveyed and responded to the survey from C-MeX surveys for 6 months.

The selected sample will be structured to comprise:

- billing;
- water operations; and
- wastewater operations (where appropriate).

Where a company uses regional company names or frequently used third party organisations who act on behalf of the company, these may be indicated in the sample so customers more readily associate with and recall the company contact. The agent will avoid using internal jargon or codes for 'call reason', as survey agents and customers will not necessarily understand these. As with the SIM, we will not remove customers who have been surveyed from future C-MeX surveys if they have contacted the company again about another issue.

⁴ Please see the linked policy document the guidelines for HDD and its wastewater surveys, which would have severely reduced sample sizes

3.2.3 Eligibility of customers for survey

Companies should provide data for all contactors received from all channels. This includes both digital and non-digital channels (see definitions for more details).

This includes all calls to all lines, 24 hours a day, 7 days a week, regardless of whether the line is a principal advertised contact point. It also includes contacts to automated systems and agencies working on behalf of the company, such as debt collection agencies. It may potentially also include contacts from:

- Landlords;
- Customer representatives – including MPs

If the landlord or customer representatives can't answer the survey due to being unaware of the original customer and their complaint, their responses in the survey will not be recorded.

Where a company offers a call back via their website or telephony system, then the company call back should be treated as an inbound telephone contact rather than digital contact for the purposes of collating the sample.

Only household queries should be included, however, any contacts actually made in connection with a non-household matter will be screened out during the surveying using the response to Question 2 whether the customer is a business or household customer.

3.2.4 Exclusions

The company may exclude from the data provided to the appointed agent:

- a) contacts made to advise that a customer is deceased, or in relation to a deceased customer;
- b) non-customer contacts – for example, calls from contractors, suppliers and employees;
- c) non-household or private network customers;
- d) contacts dealt with by or with regard to developer services;
- e) those that the company knows to have been from a customer who has an ex-directory number;
- f) wrong numbers, including calls where a customer is referred to another company (that is, where the customer has contacted the wrong company);

- g) where the customer is calling about a non-appointed activity and the call has no connection with the appointed business – for example, insurance services and plumbing; private septic tanks/cesspits; highway gullies; hot water issues where it is confirmed there is no issue on the cold-water supply;
- h) about recreational and amenity activities which are not defined as duties imposed by the Water Act 1989 eg water skiing or angling facilities at visitor sites
- i) contacts with organisations acting as agents for the company – for example, local authority sewerage agencies, contractors and debt collection agencies can be excluded where the number of customer calls to an individual agency or contractor is below 0.5% of the total number received by the company for that particular operational area. The 0.5% is with a denominator of total calls for that particular operational area including the agency calls. eg a debt collections agencies contacts would be compared against the total number of billing contacts received including any agents dealing with billing contacts. This is to avoid undue data burden.
- j) contact in response to feedback requests – returned in response to/alongside customer satisfaction survey questionnaires/ texts / calls / webforms / cards or research exercises where the outgoing company contact is solely a survey
- k) enquiries from CCWater on behalf of a customer
- l) if the customer has opted out of marketing/research related communications from the company
- m) if there are other exceptional circumstances where it would be considered by the company, appointed agent and also Ofwat that it wouldn't be in the best interests of the customer to be contacted for research purposes (eg customers who are part of an ongoing legal case / litigation process).

In exceptional circumstances, it will be reasonable for us to ask companies to exclude customers from the samples they provide to us. Ofwat intends to keep its exclusions policy under review and may change its policy from time to time, to ensure the effective functioning of the survey.

In the case of customers who have told their companies that they do not want to be contacted for marketing or other purposes (Company DNCs), the companies are to exclude these contacts from the data provided during the shadow year. However, alongside each data submission the company must provide the number of customers excluded from the samples provided and the reasons for any exclusions eg marketing.

Ofwat intends to monitor the number of Company DNCs during the shadow year. Ofwat is able to contact Company DNC customers for the survey as long as these customers have not expressly opted out of receiving surveys from Ofwat. We intend to require companies to include Company DNCs in the data provided to the

appointed agent in the 2020-2025 period. The shadow year will give companies the time to make any preparations for this, including to refine their opt-out wording and clarify that this does not include opting out of Ofwat surveys.

Please also note, companies should not remove duplicate contacts from their sample data. The agent will do this.

Each water company will send the appointed agent two sample files in Excel containing all contactors in the designated period (whether resolved or not) – one billing and one operational. Sample files should be uploaded by means of a secure online portal (it is the responsibility of the agent to set up, secure and operate the online portal). Customer files should not be sent by email, even if password protected.

Companies should complete an audit sheet (see Annex 2) each time sample details are sent, outlining total number of contacts received through each contact channel in the designated period and the total number of customer records excluded for each channel. This should be sent to the appointed agent with the contactor sample files.

Water companies should capture customer e-mail addresses for all contact made through a digital channel. We expect companies to use every endeavour to capture these email addresses. We will monitor this during the shadow year as some water companies had an unacceptably high level of digital contactors without email addresses. If we consider this remains a problem in shadow year then we will decide how to address this issue within the 2020-25 price control period.

Sample requirements are as follows:

- Account/unique reference number
- Name
- Telephone number (needed for both digital and non-digital contacts)
- Postcode
- Email address (for digital contact)
- Top level reason for contact (billing/water/waste)
- Lower level reason for contact
- Date of contact
- Mode of contact* (telephone, written, email, webform, social media etc.) Please use the previously defined digital channel categories for consistency across the industry

There will be a weekly process of checking water company sample details against the appointed agent's list of customers requesting no further contact from previous

survey waves/sample files to ensure customers are not re-contacted. The details of customers who request no further contact from the appointed agent/Ofwat regarding the C-MeX incentive mechanism (Ofwat DNCs) will be passed on to the relevant water companies on completion of each month's fieldwork. We want to ensure that Ofwat DNCs' data is no longer processed for the purposes of the C-Mex survey, ie that they are no longer contacted for these purposes. Therefore, each company, upon receipt of this information, is required to maintain an up to date record of Ofwat DNCs and, when providing customer information to Ofwat or any agent appointed by it to carry out surveys relating to C-MeX, that company must ensure that all Ofwat DNCs are excluded from the data that the company shares with Ofwat for the purposes of running its surveys.

3.2.5 Check and Challenge

A process was developed through the operation of SIM which allowed companies to query and challenge data prior to the release of the final results of each wave of research (which is done quarterly). Raw data and recordings are sent to the companies by the research group appointed, 3 days before results are finalised. Companies have this 3 day window to query/challenge and feedback comments to the appointed agent. This process not been part of the C-Mex pilots.

For C-MeX⁵ we will be using a similar process during the shadow year to better understand the types of issues that may arise. Therefore, for the shadow year water companies may query or challenge their customers' survey data.

Companies will receive provisional anonymised data following completion of interviewing each month. At the end of the surveys we will ask customers if they object to us sharing their feedback with their water companies, so that the companies can use this to improve their customer service and also for companies to check and make sure that we have accurately recorded customer survey feedback. In these circumstances, the water companies act as separate controllers (as defined in the Data Protection Laws) of that data and as such are responsible for complying with the obligations of a controller (such as providing a privacy notice to data subjects). Water companies are not permitted to use the personal data for any other purpose (eg direct marketing) which would lead to the water companies breaching

⁵ Please note there is a different approach for D-MeX since we believe there is sufficient reason, based on the nature of the customer relationship to adopt a different process for call recordings for D-MeX and C-MeX.

the Data Protection Laws. The Data Protection Laws do not apply to anonymised data.

The water companies should delete any personal data they received from Ofwat for these purposes, to comply, as controllers, with the principle of storage limitation as provided in the Data Protection Laws.

Companies will have 3 working days from receipt of the data to review their data and submit any issues/queries. Companies can raise issues with the interview process and where they believe an interview has been incorrectly allocated to a particular 'Reason for Contact', for example.

Types of issue that might be addressed would include:

Incorrect categorisation of type of contact;

- interviews involving non-appointed activity;
- business customers;
- basing responses on the performance of external organisations not the water company or its subcontractors;
- incorrect data capture (including scores) by the interviewer.

For the avoidance of doubt, examples of the types of issues that would be not be included in this process include, but are not limited to:

- disagreements with the score given by customers (unless data was captured incorrectly)
- disagreement with the format of the questioning

Each query will be considered by the appointed agent, before responding to the water company with a decision. Data will then be finalised and re-issued if necessary.

The appointed agent is required to record the responses to all issues raised and these will be used to refine the C-MeX guidance for the 2020-25 period

3.3 Guidelines for the appointed agent

Audit sheets (see Annex 2) should be examined each month and monitored over time; any discrepancies should be highlighted to Ofwat.

Where customers have made multiple contacts during the designated period, when de-duplicating the data the appointed agent should retain only the most recent contact details as this will be freshest in their mind. The exception is that if a third party organisation contacts (on one or multiple occasions) on behalf of several different customers, these contacts should remain as separate records in the dataset.

Digital and non-digital channel contacts should then be separated and each set of data sorted by contact type, then channel. A random sampling procedure should be carried out to extract a representative sample of customers to approach to take part in the survey.

Data will need to be weighted for each company individually (on a monthly basis), based on the composition of their original sample in terms of the proportion of digital and non-digital contact within each contact type (ie billing or operations).

All contact and interviews will need to be recorded for monitoring purposes and stored securely. This information may be shared with companies as per the guidelines in Section 3.2.5.

4. Publication of Results

4.1 Publication of Finalised Results

We will send companies the results on a quarterly basis including how they have performed relative to their peers.

5. Proxy Calculation for SIM in 2019-20

5.1 Background

For PR14 all companies were required to ensure that their business plans included a performance commitment based on their annual SIM scores. This was reflected in PR14 Final Determinations.⁶

SIM is not being operated in the 2019-20 reporting year, and is instead being replaced by the shadow year of C-MeX. In 2019-20, updated CCWater complaints guidance will be released which will not include ‘unwanted telephone contacts’⁷ and adopting a measure of total complaints across a range of contact channels. This means that the existing SIM calculation can no longer be performed since the measures that make up the quantitative element of SIM will no longer be measured in the same way by most companies.

In [‘Delivering Water 2020: Our final methodology for the 2019 price review \(Ofwat – December 2017\)’](#) we said:

“SIM will not operate in 2019-20. Instead we will run C-MeX that year. Some companies have reputational incentives for SIM in 2019-20. We will use the contact survey part of C-MeX to proxy the qualitative part of SIM, and complaints data for the quantitative part of SIM. This will enable companies and their stakeholders to assess whether they had met their reputational incentives for SIM in 2019-20.”

We also communicated to companies in September 2018 via a C-MeX sub-group, that for SIM⁸, we would not require unwanted contacts to be reported in 2019-20, and that any performance commitment levels for SIM in place for 2019-20 could be reported against using a proxy for SIM derived from the C-MeX shadow year contact survey results, and a measure of company complaints data. We recognise that some

⁶ PR14 Final Determinations: <https://www.ofwat.gov.uk/regulated-companies/price-review/price-review-2014/final-determinations/>

⁷ Unwanted phone contacts: ‘the number of phone contacts received from customers that are ‘unwanted’ from the customer’s point of view. This includes a contact about an event or action that has caused the customer unnecessary aggravation (however mild). It also includes repeat or chase calls by the customer to the company. This is determined by the subject matter of the call.’

⁸ In line with recent discussions with companies, those companies that have reputational performance commitments that use unwanted contacts data should continue to record and report on these performance commitments using the old definitions in parallel with implementing the new definitions.

companies may have additional, non-SIM PCs that rely on unwanted contacts data, and which may require a different approach to ensure they can still be reported on in 19/20.

5.2 Reporting process

APR table 3D will remain in place for 2019-20, for companies to use to submit their proxy SIM data.

A dedicated C-MeX APR table template will be added for use in the shadow year (2019-20) and beyond.

5.3 The proxy calculation

The proxy calculation aims to provide a re-creation of the existing SIM calculation⁹ using the best available data being collected under the new complaints guidance. The SIM calculation is summarised in Figure 1 below:

⁹ For full details see SIM guidance – March 2015: https://www.ofwat.gov.uk/wp-content/uploads/2015/11/gud_pro201503sim.pdf

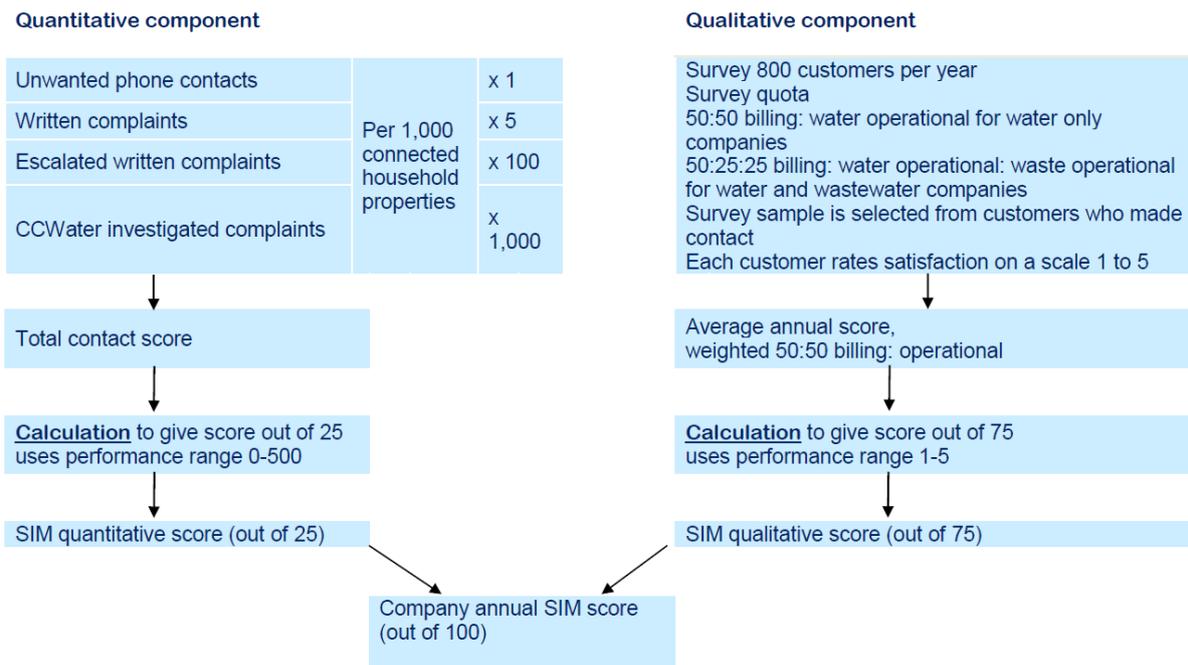


Fig. 1 Summary of SIM components and outline calculation¹⁰

The data items collected under the new guidance are laid out in the complaints submission template included in the latest version of the complaints guidance (Fig.2).

¹⁰ Source: 'Service incentive mechanism – guidance for collating customer service information for calculating the SIM score' (Ofwat – March 2015)

Column	Contact Channel*	Charging and billing		Water		Wastewater		Total	Stage 2
		Total	Stage2	Total	Stage 2	Total	Stage 2		
A	Post								
B	Email								
C	<u>Webform</u>								
D	Telephone								
E	Webchat								
F	Social media								
G	Short message service								
H	Visit								
Total									
Connected household properties									
Water only									
Water and sewerage									
Sewerage									
Metered									
Billed properties									

Fig. 2 New complaints guidance - sample complaints submission template¹¹

It is important to note that there will not be an uninterrupted transition from the reporting of unwanted contacts to telephone complaints¹². This is because companies will need time to develop and implement new reporting systems and to provide the necessary training to their complaints teams. As such, companies are not expected to start reporting against telephone complaints until July 2019.

For many companies, there will effectively be no telephone complaints data available between 31st March 2019 and the commencement of the new reporting regime in July 2019. Our current plan is therefore for companies to base their quantitative SIM component on telephone complaints between July 2019 and March 2020. The resolution of this issue however remains under review due to consideration of the quality of the data on telephone complaints. A decision on this matter will be made

¹¹ Source: Complaint reporting guidance v8.3 (CCWater)

¹² In line with recent discussions with companies, those companies that have reputational performance commitments that use unwanted contacts data should continue to record and report on these performance commitments using the old definitions in parallel with implementing the new definitions.

prior to July 2019. Written complaints, however, are still expected to be reported from April 2019 under the new guidance.

5.4 The quantitative component

The SIM quantitative component calculation is:

$$[1 - [(C - CL)(CH - CL)]] x WC$$

where:

C = total contact score (see below).

CL = contact score minimum (set at 0).

CH = contact score maximum (set at 500).

WC = contact score weighting (set at 25).

Total contact score:

$[(\text{unwanted phone contacts} \times 1) + (\text{written complaints} \times 5) + (\text{escalated written complaints} \times 100) + (\text{CCWater investigated complaints} \times 1000)] / (\text{connected household properties} / 1000)$

The 2019-20 proxy will use the same weighted calculation with the now obsolete variables replaced with their nearest equivalents under the new complaints definitions.

The variables will be mapped as follows:

Old definitions	New definitions
Unwanted phone contacts ¹²	Total telephone complaints ¹³ (Jul-Mar)
Written complaints	Total Post + Email + Webform complaints (Apr-Mar)
Escalated written complaints	Total stage 2 Post + Email + Webform complaints (Apr-Mar)

¹³ As noted above this is our current plan which remains under review.

CCWater investigated complaints	CCWater investigated complaints (Apr-Mar)
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The proxy calculation is therefore:

$$[1 - [(C - CL)(CH - CL)]] \times WC$$

where:

C = total contact score (see below).

CL = contact score minimum (set at 0).

CH = contact score maximum (set at 500).

WC = contact score weighting (set at 25).

Total contact score:

$$[(\text{telephone complaints} \times 1) + (\text{total Post} + \text{Email} + \text{Webform complaints} \times 5) + (\text{total stage 2 post} + \text{email} + \text{webform written complaints} \times 100) + (\text{CCWater investigated complaints} \times 1000)] / (\text{connected household properties} / 1000)$$

5.5 The qualitative component

The qualitative component of the SIM calculation will be calculated using the existing methodology using the results from the C-MeX customer service surveys.

5.6 Reconciliation of results

The proxy calculation is designed to produce a consistent set of results using the new complaints definitions; however, the old and new definitions are not 100% comparable and so we would expect to see a step change in the results year on year. Some companies have set themselves relative targets for their reputational SIM PC – eg to finish in the top 3, or upper quartile of industry SIM results. Such benchmarks should still be meaningful regardless of any discontinuity in the SIM results. However, a number of companies set out absolute targets (eg to meet a specific number, or for the SIM score to be increasing each year). In order to ensure these targets remain relevant in 2019-20 under the proxy calculation, Ofwat will require companies to submit, along with their proxy SIM data, an evidenced explanation of their adjusted 2019-20 target.

6. Appendix

1. Template for water company data provision for Customer Service Survey
2. Audit sheet for Customer Service Survey
3. Questionnaire for Customer Experience Survey
4. Questionnaire for Customer Service Telephone Survey
5. Questionnaire for Customer Service Online Survey

Annex 1 –Template For Water Company Data Provision

For Customer Service Survey

Parent water company

Water company brand

Account number/unique reference number

Name

Telephone number (for all contactors)

Postcode

Email address (for digital contactors)

Contact type (billing/clean/waste)

Contact channel

Date of contact (from sample)

Lower level reason for contact (from sample)

Annex 2 – Audit Sheet For Water Company Data Provision

For Customer Service Survey

Sample Requirement	No of contacts	No- explain the issue and proposed corrective action
All eligible contacts received between 12:00am Monday and 11:59pm Sunday of the relevant week		
Inbound contacts from all customer channels:	Number included	Number excluded and reasons why
Letters		
Telephone (including automated telephony)		
Visits		
SMS		
Emails		
Social media		
Webform		
Live chat/Webchat		
App		
Online account/self-serve		
Other digital contact (indicate channel)		
Contacts from all eligible calls to all lines, 24 hours a day, 7 days a week, regardless of whether the line is a principal advertised contact point (including calls to automated systems)		
Contacts received by agents acting on water company's behalf		

Annex 3 – Questionnaire For Customer Experience Survey

Q1a	Please can I just check which company supplies water to your home? DO NOT READ OUT. SINGLE CODE ONLY		
	Anglian Water	01	
	Affinity Water	02	
	Bournemouth Water	03	
	Bristol Water	04	
	Cambridge Water	05	
	Essex & Suffolk Water	06	
	Hafren Dyfrdwy	07	
	Hartlepool Water	08	Go
	Northumbrian Water	09	
	Portsmouth Water	10	
	Severn Trent Water	11	
	South East Water	12	
	Southern Water	13	To
	South Staffs Water	14	
	South West Water	15	
	Sutton & East Surrey (SES) Water	16	
	Thames Water	17	
	United Utilities	18	
	Welsh Water/Dwr Cymru	19	Q2
	Wessex Water	20	
	Yorkshire Water	21	
		----	-----
	Don't know	22	Go To Q1b
Q1b	Please could I have your postcode and I will check who your supplier should be? INTERVIEWER: Check Water Company Using Water UK Postcode Checker. Based on your postcode area, I believe your water supply company should be [Water Company]. Is that correct?		
	Yes	1	Q2
		---	-----
	No/Don't know	2	T & C

Q2	We need to speak to a representative sample of customers of each water company, so before we start can I please check your age?		
	18-29	1	Check Quotas
	30-44	2	
	45-59	3	
	60-74	4	
	75+	5	
Q3	INTERVIEWER: RECORD GENDER		
	Male	1	
	Female	2	
Q4	I would now like you to think about your experience of [Water Company]. Taking everything into account how satisfied are you with [Water Company]? Please use a scale of 0-10, where 0 = extremely dissatisfied, 5 = neither satisfied nor dissatisfied and 10 = extremely satisfied.		
	INSERT SCORE _____		
Q5	Why do you say this? PROBE FULLY _____ _____ _____ _____		
Q6a	And if you could choose your water provider, how likely would you be to recommend [Water Company] to friends or family? Please use a scale of 0-10, where 0 = not at all likely and 10 = extremely likely.		
	INSERT SCORE _____		
Q6b	Why do you say this? PROBE FULLY _____ _____ _____ _____		
Q7	Who in your household is responsible for paying the water bill?		
	Respondent only	1	
	Respondent and other	2	
	Someone else	3	

Q8	Thinking about [Water Company], in the last 3 months have you... READ OUT. MULTI CODE		
	...used their website?	1	
	...used any online account with them?	2	
	...received a bill through the post from them?	3	
	...commented about them on social media?	4	
	...received an email from them?	5	
	...received a text message from them?	6	
	...interacted with them in another way?	7	
Q9	And have you been in touch with [Water Company] at any time in the last 3 months?		
	Yes	1	
	No	2	
Q10	Which of the following best describes the main income earner in your household?		
	Higher managerial/administrative/professional	01	Close
	Intermediate managerial/administrative/professional	02	
	Supervisory or clerical, junior management/administrative/professional	03	
	Skilled manual worker	04	
	Semi-skilled/unskilled manual worker	05	
	Unemployed	06	
	State dependent	07	
	Retired - receive work related pension	08	Q11
	Retired - receive state pension ONLY	09	-
	Student	10	Close
	Don't know	11	
	Prefer not to say	12	

Q11 Which of the following best describes what the main income earner did when working?		
Higher managerial/administrative/professional	1	
Intermediate managerial/administrative/professional	2	
Supervisory or clerical, junior management/administrative/professional	3	
Skilled manual worker	4	
Semi-skilled/unskilled manual worker	5	
Don't know	6	
Prefer not to say	7	
CLOSE Thank you for your time and co-operation in this survey. On behalf of Ofwat, I would like to thank you for your time and feedback, and I hope you enjoy the rest of your day/evening.		

Annex 4 – Questionnaire For Customer Service Telephone Survey

<p>Q1a Firstly, can I confirm that you were the person who was in contact with [Water Company]?. INTERVIEWER: PROMPT RESPONDENT WITH DETAILS OF CONTACT IF NECESSARY</p>	<p>Yes 1 --- No 2</p>	<p>Q2 ----- Q1b</p>
<p>Q1b Can I speak to the person who was in contact with [Water Company] please?</p>	<p>Yes 1 No, they are unavailable 2 No one has contacted the company 3 Refused 4</p>	
<p>Q2 Could I just check, was this contact in regard to [Water Company] supplying you as a domestic water user?</p>	<p>Yes 1 --- No 2</p>	<p>Q3 ----- Thank and Close</p>
<p>Q3 What did you contact [Water Company] about? PROBE FULLY</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>IF REASON GIVEN DIFFERS FROM SAMPLE, PROMPT WITH DATE OF CONTACT AND REASON FOR CONTACT (IF AVAILABLE) AND ASK IF ALSO CALLED ABOUT SAMPLE REASON. IF SO, INTERVIEW ON THIS; IF NOT INTERVIEW ON STATED REASON.</p> <p>ENSURE RESPONDENT IS THINKING ABOUT WATER COMPANY INDICATED IN SAMPLE. IF RESPONDENT CONFUSED AT ALL ABOUT WHICH ORGANISATION THEY CONTACTED THANK & CLOSE</p>		

Q4	<p>Could you confirm how you had contact with [Water Company] on this occasion [insert date]? SINGLE CODE ONLY</p> <p style="text-align: right;">I telephoned them 01</p> <p style="text-align: right;">I wrote them a letter 02</p> <p style="text-align: right;">I emailed them 03</p> <p style="text-align: right;">I contacted them through a form on their website 04</p> <p style="text-align: right;">I contacted them through 'live chat' on their website 05</p> <p style="text-align: right;">I contacted them by text 06</p> <p style="text-align: right;">I contacted them through social media (eg Twitter/Facebook/Instagram) 07</p> <p style="text-align: right;">I contacted them through an app 08</p> <p style="text-align: right;">I visited the water company in person 09</p> <p style="text-align: right;">I completed a transaction through my online water company account 10</p> <p style="text-align: right;">Other (specify)_____ 11</p>		
Q5	<p>Do you consider the matter you contacted [Water Company] about fully resolved?</p> <p style="text-align: right;">Yes 1</p> <p style="text-align: right;">No 2</p>		
Q6a	<p>Taking everything into account how satisfied are you with your recent experience with [Water Company]? Please use a scale of 0-10, where 0 = extremely dissatisfied, 5 = neither satisfied nor dissatisfied and 10 = extremely satisfied.</p> <p style="text-align: right;">INSERT SCORE_____</p>		
Q6b	<p>Why do you say this? PROBE FULLY</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		
Q7a	<p>If you could choose your water provider, based on your recent experience, how likely would you be to recommend [Water Company] to friends or family? Please use a scale of 0-10, where 0 = not at all likely and 10 = extremely likely.</p> <p style="text-align: right;">INSERT SCORE_____</p>		

Q7b Why do you say this? **PROBE FULLY**

Q8 Whilst this survey is being carried out on behalf of Ofwat, **we share**¹⁴ your feedback with [Water Company] for it to improve its customer service and to make sure that we have accurately recorded your survey feedback. Please let us know if you object to us sharing your feedback for this purpose? If you would like more information about how the water companies process your personal data, please refer to their privacy policy.

Yes, willing 1
No, not willing 2

IF NOT WILLING, SAY:

In that case your responses will only be passed on to [Water Company] in aggregated data and will not be linked to you personally.

CLOSE

Thank you for your time and co-operation in this survey. On behalf of Ofwat I would like to thank you for your time and feedback, and I hope you enjoy the rest of your day/evening.

¹⁴ This wording was revised 12 March 2019.

Annex 5 – Questionnaire For Customer Service Online Survey

(Digital Contact With Water Company)

<p>Q1 According to our records, on [insert date] you dealt with [Water Company] online by [insert channel/carrying out a task using your customer account]. Please confirm that it was you personally who interacted with your water company, as mentioned above.</p>	<p>Yes 1 ----- No 2</p>	<p>Q1b ----- Thank and Close</p>
<p>Q2 Was this matter in regard to [Water Company] supplying you as a domestic water user?</p>	<p>Yes 1 ----- No 2</p>	<p>Q3 ----- Thank and Close</p>
<p>Q3 What was the subject of the matter that you wanted [Water Company] to deal with on this occasion? Please pick the closest that applies.</p> <p style="padding-left: 40px;">Anything to do with billing, your account or a general query</p> <p style="padding-left: 80px;">Anything to do with their supply of water</p> <p style="padding-left: 80px;">Anything to do with their sewerage service</p>	<p>1 2 3</p>	<p>Go To Relevant Section Below</p>

1 Billing/Account related queries

Amend personal details on account	01
A query about a bill	02
A query about a payment	03
Due to a recent move, or planning to move	04
Direct debit set up	05
Payment plan set up	06
Direct debit query	07
To make a payment	08
To advise that I'm unable to pay	09
To give/request a water meter reading	10
To report a problem with my meter/meter query	11
To apply for a water meter	12
To request a refund	13
To notify of a customer having died	14
To query a reminder or debt collection activity	15
The bill seemed too high	16
Payment card query	17
About a meter installation	18
Asking for a reduction/discount in bill	19
Online account problem/setting up	20
To make a query or complaint about the website	55
To make a query or complaint about a customer service issue	56
Other (Specify)_____	54

2 water related queries

About the taste or smell of the tap water (quality)	21
About the colour of the tap water	22
Because the tap water is/was making me feel ill	23
Because of a water leak/burst on the road	24
Because of a water leak/burst on my property	25
Regarding low pressure of tap water	26
Regarding a poor reinstatement	27
Regarding a blocked drive	28
Regarding a hole(s) on the footpath/road with no barriers	29
No supply/water gone off	30
Asking for water supply to be turned on or off	31
About finding the location of water pipes, meter etc	32
About flooding with clean/drinking water	33
About a leak on my meter	34
About a connection to the water supply network	35
About the Lead and Common Supply Pipe Scheme	36

Q6a	<p>Taking everything into account how satisfied are you with your recent experience with [Water Company]? Please use a scale of 0-10, where 0 = extremely dissatisfied, 5 = neither satisfied nor dissatisfied and 10 = extremely satisfied.</p> <p style="text-align: right;">INSERT SCORE_____</p>		
Q6b	<p>Why do you say this? PROBE FULLY</p> <p>_____</p> <p>_____</p> <p>_____</p>		
Q7	<p>If you could choose your water provider, based on your recent experience, how likely would you be to recommend [Water Company] to friends or family? Please use a scale of 0-10, where 0 = not at all likely and 10 = extremely likely.</p> <p style="text-align: right;">INSERT SCORE_____</p>		
Q8	<p>Whilst this survey is being carried out on behalf of Ofwat, [Water Company] is keen to learn from your answers and improve its customer service. With this in mind are you willing for us to associate your answers with your household?</p> <p style="text-align: right;">Yes, willing 1 No, not willing 2</p> <p>IF NOT WILLING, SAY: In that case your responses will only be passed on to [Water Company] in aggregated data and will not be linked to you personally.</p>		
CLOSE	<p>Thank you for your time and co-operation in this survey. On behalf of Ofwat, I would like to thank you for your time and feedback, and I hope you enjoy the rest of your day/evening.</p>		

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

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