

December 2019

# PR19 final determinations

**Reporting guidance – Common performance  
commitment for the Priority Service Register**

## **PR19 final determinations: Reporting guidance – Common performance commitment for the Priority Service Register**

## 1 Introduction

This guidance has been developed to enable all companies to report annual performance for their Priority Service Register (PSR) reach and data-checking as required by our common performance commitment on priority services for customers in vulnerable circumstances (**the PSR performance commitment**). This is to facilitate consistency of reporting by companies and comparisons of performance by customer representatives, regulators and other companies. We require all companies to follow this guidance in reporting for the PSR performance commitment.

The PSR performance commitment requires companies to<sup>1</sup>:

1. Achieve a minimum level of 7% of households on the PSR by 2024-25;
2. Achieve actual contact with 17.5% of households on the PSR in the first year of the 2020 to 2025 period (based on one year's data) and 35% of households on the PSR every two years for subsequent years of the 2020 to 2025 period; and
3. Attempt contact with 45% of households on the PSR in the first year of the 2020 to 2025 period (based on one year's data) and 90% of households on the PSR every two years for subsequent years of the 2020 to 2025 period.

In addition, we require companies to report on the different types of services that households are receiving and the number of households added and removed from the PSR each year. We provide further details on these requirements below.

We expect all companies to have high-quality, well-documented processes in place for engaging with customers in households on the PSR, managing customer data and reporting on this measure. During the period we may request information about approaches to customer engagement and data management to help us better understand companies' approaches and any further improvements they need to make.

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<sup>1</sup> Data checking targets will be reduced by half in the first reporting year (2020–21) to avoid requiring companies to report performance in the year before the performance commitment is introduced.

## 1.1 Key Principles

There are several key principles applied in the compilation of the guidance:

- Reporting of priority services for customers in vulnerable circumstances shall be subject to each company's assurance process which is applied to all measures reported annually;
- The measure assumes a clear and simple approach that can be understood by customers and regulators.
- The essential reporting requirements for reporting on priority services for customers in vulnerable circumstances are set out.
- Companies have a methodology or procedure in place for reporting of priority services for customers in vulnerable circumstances. The procedure is reviewed as part of their assurance process.
- Where a company is not able to meet any part of the guidance then it is required to explain any shortfalls and its plans to address this.

## 2 Performance commitment level

The PSR performance commitment measures the number of households on the company's PSR as a proportion of all households in the company's region. We understand companies may include customers who receive support from one of their financial support schemes (e.g. social tariffs) on their PSRs. For the purposes of this performance commitment, companies should count only households who are registered for non-financial vulnerability services or households that are registered for both financial and non-financial vulnerability support. Companies should not report customers who are registered for financial support only as part of their performance levels for this performance commitment.

For the 2020 to 2025 period, we have set a common performance commitment level for all companies to register a minimum of 7% of households (**the PSR reach**) on the PSR by 2024-25<sup>2</sup>.

In order to meet this performance commitment, companies must comply with two criteria on **data-checking**:

1. Companies will attempt to contact a minimum of 45% households on the PSR in the first year of the 2020 to 2025 period (based on one year's data) and 90% of households on the PSR every two years for subsequent years of the 2020 to 2025 period. This represents an '**attempted contact**'.
2. Companies will need to ensure that details, including any change in circumstances, are reconfirmed for at least 17.5% of households in the first year of the 2020 to 2025 period (based on one year's data) and 35% of households every two years for all subsequent years of the 2020 to 2025 period. This represents an '**actual contact**'.

A company will not have met its performance commitment level if it fails to meet one or more of the above requirements.

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<sup>2</sup> Note: Performance commitment levels for PSR reach vary by company and are set out in each company's 'Outcomes performance commitment appendix'.

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### 3 Definitions

#### PSR reach

The PSR reach is defined as the percentage of households that the company supplies with water and/or wastewater services which are registered on the company's PSR. This is calculated as follows:

$$\left( \frac{\text{Number of households on the PSR (recorded on 31 March)}}{\text{Total number of households served (recorded on 31 March)}} \right) \times 100$$

#### PSR data-checking

For companies to meet the requirement on PSR data-checking, there are two different types of contact; 'attempted contact' and 'actual contact'.

**'Attempted contact'**: is defined as a 'proactive attempt' to engage with a customer in a household on the PSR, or a representative of the customer, (for example, their attorney or nominated third party contact) to establish whether they are still receiving the right support'.

The percentage of 'attempted' contacts is calculated as follows:

$$\left( \frac{\text{Distinct households on the PSR which the company has attempted to contact over a two year period (recorded on 31 March)}}{\text{Total number of households on the PSR over a two year period (recorded on 31 March)}} \right) \times 100$$

'Distinct households' are the number of different households that have been contacted over the two year period. This means that if one household has been contacted more than once over the two year period, it will only count as one 'distinct household' for the purposes of the calculation.

For the avoidance of doubt, households that have been put on the PSR within the last two years up to 31 March, will be excluded from this exercise. This means that if a household was registered in year 1 (2020–21), we would not expect this household to be contacted until year 3. This does not, however, preclude contact being made with these types of households during this period, if their circumstances warrant more frequent contacts, only from recording these households for the purposes of this reporting performance against this measure.

We have not set out in detail what we consider an ‘attempted contact’ to be. This is because we consider it the company’s responsibility to ensure its approach is tailored to customer preferences (e.g. method of contact) and that it satisfies itself that it is using reasonable endeavours to make contact with relevant households. We have set out in the table below what we do not consider to be an ‘attempted contact’ for the purposes of this measure. This is not an exhaustive list, but gives some high-level guidance. We expect companies to have documented, third-party assured procedures on what an ‘attempted contact’ is.

Where a company is using a third-party to carry out ‘attempted’ contacts with a customer, the company must satisfy itself that the third-party’s processes for carrying out ‘attempted’ contacts aligns with the guidance we have set out below. Regardless of whether an ‘attempted contact’ is undertaken through the company or a third party, we require all performance to be reported as part the single ‘attempted contact’ measure in the company’s overall performance reporting to Ofwat.

Irrespective of the approach used, we expect companies to be sensitive to customer circumstances when developing their approach to contacting customers, including that their approach does not cause any undue stress.

**Table 1: Examples of what is not considered an ‘attempted contact’**

Example	Why
An attempt to reach the customer is made only once during the reporting period.	The customer may not have seen the contact during this period or may have forgotten about the contact due to other priorities at the time.
An attempt to reach the customer is made but no instructions are left on how they can contact the company or the instructions are difficult to understand or overly complex and time consuming.	Customers are unlikely to contact the company where the process has been made difficult and is therefore unlikely to result in an actual contact.
An attempt to contact the customer is made using a form of contact that is not in line with their preference (in cases where the company has this information). For instance, the company sends the request via email when the customer has indicated they do not have ready access to a computer.	A customer is either unlikely to see the contact or unlikely to respond where the customer does not use the form of contact.
An indirect attempt to contact the customer is made. An indirect contact could be one where the company has included additional information on the bill.	Customers may not read the additional information on their bill so prominence of the request could be low.

At the point at which a customer responds to a request, that household can be counted as both an ‘attempted’ and ‘actual’ contact, regardless of the approach used. This also applies to customer updates made on a reactive basis, where the customer makes contact with the company.

We do not expect households to be removed from the PSR automatically if the company has failed to make contact with them. If households have been removed due to non-contact, we would expect the company to provide a rationale for why it was appropriate as part of the annual reporting for the PSR performance commitment.

**Actual contact:** an ‘actual contact’ refers to a circumstance where the company has made a proactive attempt to engage with a customer in a household on the PSR, and has received a response which has allowed it to re-confirm personal information and update its PSR where necessary, to improve the accuracy of customer data that it holds.



It also includes instances where the company has received confirmation from a third party that a customer in a household on the PSR has been contacted, and the refreshed information is used by the company to update its own records. A third-party contact could be another organisation or person representing the interests of a customer. While data updates from third party organisations are permissible for reporting towards the target, these must comply with relevant data protection legislation and align with data sharing best practice.

An 'actual contact' could also refer to a circumstance where a customer in a household on the PSR has contacted the company directly, and the company has been able to re-confirm personal information and update its records as a result.

The percentage of actual contacts is calculated using the following equation:

$$\left( \frac{\text{Distinct households on the PSR where the company had actual contact over a two year period (recorded on 31 March)}}{\text{Total number of households on the PSR over a two year period (recorded on 31 March)}} \right) \times 100$$

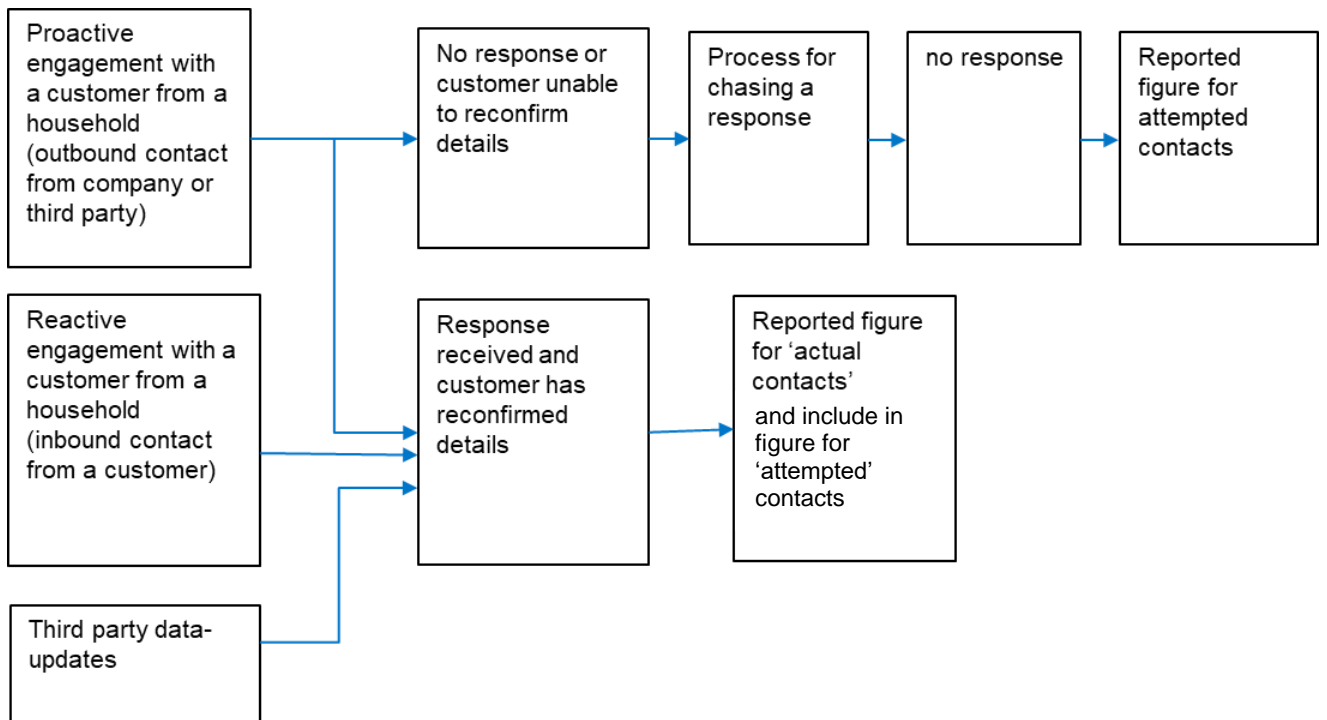
As with 'attempted' contacts, households who have been added to the PSR within the last two years will be excluded from this measurement.

Regardless of whether an 'actual' contact is undertaken through the company or a third party, we require all performance to be reported as part of the single 'actual contact' measure in the company's overall performance reporting to Ofwat.

### **Process diagram for classifying contact types**

Figure 1 summarises the process for classifying different types of contacts between 'actual contacts' and 'attempted contacts'. This follows the definitional guidance above.

**Figure 1: process diagram for classifying contacts**



## 4 Exclusions

There are no exclusions from the calculation of the PSR reach.

On PSR data-checking, we consider it appropriate to exclude households that have been added within the last two years on the company's PSR. This is because these entries should be up to date and therefore we would not expect companies to attempt to contact households until after they have been on the PSR for over two years.

### 4.1 Policy and procedures

We expect companies to have documented policies and procedures in place for contacting customers in households on the PSR and for reporting all data that is required for this performance commitment in their annual performance reporting.

Companies will ensure that all data reported on this performance commitment is subject to third party assurance. They should also satisfy themselves that data received from any third-parties has been subject to appropriate oversight, quality assurance and is accurate and reliable. All companies should comply with this guidance. Where a company is unable to fully comply with any of the data requirements for the PSR performance commitment, it must set out in its Annual Performance Report what impact this has on its reported performance and what steps it is taking to ensure compliance in the future.

### 4.2 Reporting

We expect companies to report their performance commitment levels on the PSR reach, 'actual' contacts and 'attempted' contacts on an annual basis as part of their submission through the annual performance reporting.

As part of this process we also expect companies to provide the following information:

- **PSR reach:** companies will present PSR membership by separately reporting annual figures for households registered to receive support through PSR services for a) communication, b) support with mobility and access restrictions, c) support with supply interruption, d) support with security, and e) support with other needs.

Where a company has provided 'support with other needs' the company will explain what types of needs have been included in this category.

- **PSR data-checking:** Companies will report the number of households added and removed from the PSR if the data is not available on the number of individuals. Where possible, the company should report the corresponding figure for individuals alongside this.

In addition to the data requirements outlined above, companies are free to report data for PSR registrations at an individual level should they consider this information valuable for their customers and stakeholders.

In the interests of consistency, when publicly reporting on their PSR membership, companies should align with the definition set out on page 2 of this guidance.

### 4.3 Publishing information

This performance commitment is reputational only for the years between 2020-21 and 2024-25. Given its significance, we expect companies to report their performance against each of the measures for this performance commitment on ['Discover Water'](#) as well as through their annual performance reporting. This should include company performance on the PSR reach and data-checking aspects.

Companies should consider other ways in which they can enhance the reputational incentives around this performance commitment. They should also consider how they can educate and raise awareness both inside and outside their organisations about the importance of priority services and their performance relative to the rest of the industry.

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