

June 2021

Guidelines for water companies in supporting residential customers pay their bill, access help and repay debts: appendix 1

Appendix 1 Our minimum service expectations: in full

For supporting all customers

Our principles

1. Help make it easy for all customers to pay their water bill
2. Make sure customers who are eligible for help receive it when it is needed
3. Treat customers that have their accounts managed by agents as customers of the company

1. Help make it easy for all customers to pay their water bill

Ensure information about customers is correct and up to date

NEW

1.1 Have robust procedures for establishing who is moving into and out of properties being supplied – and record accurate information about the occupant and account information. This is important for:

- developing and maintaining relationships with customers;
- identifying customers that may need support at an early stage;
- checking account information;
- checking correct billing information;
- debt management purposes; and
- demonstrating compliance with the Data Protection Act 1998 and the General Data Protection Regulation (GDPR).

1.2 Where properties are rented, companies should work with landlords – including make them aware of the [Landlord and Tenant Address Portal \(LTAP\)](#) – to establish tenant details, where tenants are expected to pay water charges. Companies may also explore data sharing arrangements to better understand which properties are rented.

1.3 Learning lessons from the business retail market, seek improvements in the quality of consumption, customer and asset data to improve the accuracy and helpfulness of bills to customers.

Make payments possible from different locations

1.4 Review their network of payment locations at least once every two years to make sure that all customers have reasonable access to make payments. Companies will need to take account of the number and geographical distribution of locations and the demographic and social profile of their region. The network of available locations at which the customer can pay must accommodate both rural and urban customers.

1.5 Review the charges, if any, for making payments at the network of locations offered and offer a reasonable range of locations at which customers can make payments free of charge. This should include frequent payments, in cash, for customers who would benefit from paying weekly or fortnightly.

Offer flexible payment and billing frequencies to match customers' circumstances

1.6 Offer all customers at least the following payment frequencies:

- fortnightly/weekly.
- monthly; and
- annual/half yearly/quarterly as appropriate on receipt of the bill;

1.7 Where possible, be flexible about the date on which direct debits or standing orders are taken.

1.8 Offer or accept non-standard flexible payment arrangements so customers have the ability to make payments when they need and want to in ways that work for them. This is important for customers with irregular incomes – such as those in 'gig' employment or on zero hours contracts.

NEW	<p>1.9 Offer or accept more frequent billing frequencies to encourage customers to pay and avoid unexpected and unaffordable increases in their bills ('bill shock').</p> <p>1.10 Make information about what customers owe accessible online, by telephone and other methods appropriate to different customer groups.</p>
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Offer choice and availability of payment methods to suit customers' needs and preferences

1.11 Offer instalment payments by at least the following methods

- mobile phone
- cheque/debit card;
- cash;
- direct debit;
- payment booklet / card

1.12 Review payment methods periodically so that any advances in technology which widen the range of options offered are considered.

Encourage customers to use digital payment methods if they can

NEW	1.13 Consider encouraging customers to use – and support them to use – digital payment methods.
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Advertise payment options to all customers in a variety of formats, languages and for those with specific communication needs

1.14 Advertise the available payment options within billing communications in a variety of formats, languages and for those with specific communication needs so that the customer can choose the option which best suits their circumstances.

1.15 Companies should clearly set out the payment methods not incurring a transaction charge, and the option to pay on a frequent basis and, where possible, tailor these to individual customers' needs.

1.16 Companies should also take advantage of further opportunities to draw customers' attention to the range of options available.

1.17 Where the company is offering new payment methods, these should be advertised in billing communications at the earliest opportunity.

Use customer bills and payment transactions to improve customer experiences

NEW

1.18 Where companies become aware that a different tariff, payment level, location, frequency or method may suit a customer better than the one they currently use, they should proactively offer the option.

1.19 Consider encouraging customers to pay in bitesize instalments and offer more regular billing to customers, particularly those with low and variable incomes.

Respond efficiently to customer requests to change payment arrangements

1.20 Where a customer wishes to switch payment level, location, method or frequency, the company should try to accommodate any reasonable request as quickly as possible.

Seek better ways to engage with different customer groups

NEW	<p>1.21 Consider ways to make information about services and bills more understandable for all customers and meets their needs. This includes, for example, considering ways to:</p> <ul style="list-style-type: none">• improve customer understanding of bills;• help customers check bills are correct; and• better explain in advance why the company is changing a customer's direct debit, how it has calculated the new level of payment and how the customer can change the amount or spread payment. <p>1.22 Companies should also consider working with other organisations to reach customers in vulnerable situations, those in debt or at risk of falling into debt.</p> <p>1.23 Consider our customer information principles, 'PR24 and Beyond: Creating tomorrow, together. Appendix - Reflecting customers' preferences' (May 2021) and any future development of that policy in engaging with different customer groups.</p>
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Show customers how their views on billing, payment and support are encouraging improvements to services

NEW	<p>1.24 Monitor and help improve customer satisfaction with billing, payment and support through periodic research with customers – whether through bespoke research and/or as part of wider existing company research activities. Any research should be undertaken in a proportionate way and might include:</p> <ul style="list-style-type: none">• issues highlighted by customers in complaints with billing and charging;• how easy or difficult it is for customers to find information they understand about billing, payment and support;• how easy or difficult they find it to understand their bills;• how easy or difficult they find it to pay their bills;• how easy or difficult they find it to access support; and• how the company performs on bills, payment and support compared with other service providers in other sectors that customers may use. <p>1.25 Where possible, research undertaken should include participants who are representative of residential customers, with an additional focus on those who are most vulnerable and most in need of support. There should also be socio-</p>
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	<p>demographic information collected and reported on, to understand how knowledge, experience, and other factors differs across groups of customers.</p> <p>1.26 Companies should publish annual updates on their research. These could include qualitative and quantitative measures. Over time, the research conducted should include a variety of methods.</p> <p>1.27 Companies should consider reporting on their findings, as well as plans and changes for the coming year, to inform CCW's annual review of company debt practices. Companies should also consider different ways to communicate their findings with customers directly in a suitable way for all customer groups.</p> <p>1.28 Good practice would be for research findings to be published. And if they relate to certain communications (such as bills or website), then copies of those communications should be included in reports, to understand the full context of the research findings. Companies should also consider ways to make this information accessible for all customers, such as easy read versions.</p> <p>1.29 Consider working in partnership with others to enhance understanding of what works.</p> <p>1.30 Make sure the research is consistent with social research best practice standards and establish robust assurance of the quality of the research and use of findings to make improvements to customer services. We expect companies to use 'PR24 and Beyond: Creating tomorrow, together. Appendix - Reflecting customers' preferences' as a guide (May 2021) – particularly the annex on draft minimum standards for high quality research – and any future development of that policy.</p>
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Make payment, help and debt services inclusive by design

NEW	<p>1.31 Consider a review of customer bill, payment, help and debt options and information based on 'Inclusive design in essential services' principles published by Fair by Design and the Money Advice Trust. Companies could apply these principles to different groups of customers, including customers:</p> <ul style="list-style-type: none">• eligible for help• that have their accounts managed by third parties• in debt; and• facing debt enforcement action.
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Consider how customers' ability to pay affects their service experience

NEW

1.32 Use a consistent means of establishing customer's ability to pay.

1.33 Consider how customers' ability to pay affects their service experiences (for example, when chasing debt, or determining how long to spread repayment following payment breaks) and use these insights to improve outcomes for customers

2. Make sure customers who are eligible for help receive it when it is needed

Use all reasonable efforts to predict and support customers at risk of falling into debt

NEW

2.1 Make efforts to predict where customers might be at risk of falling into debt, and proactively contact these customers with a support offer to help prevent this where possible. For example using data on redundancies in particular areas or a customer indicating they are rationing their water use to keep cost down. A support offer could include:

- checking account and billing information are correct;
- checking consumption for signs of leaks and (if relevant) offering a free supply pipe repair and leakage allowance;
- targeted social tariffs;
- tailored water efficiency home visits;
- helping customers to do checks for financial and non-financial support provided by Government or others;
- emergency social tariffs (supported by, for example, application for certain benefits); and
- allowing customers to opt to receive reminder texts, e-mails or letters if they occasionally pay late).

2.2 Consider working with charities, local authorities or other third party organisations to develop targeted action and support based on customers' needs for certain high risk groups to help prevent debt.

Identify and support customers in vulnerable circumstances

NEW

2.3 Have specific policies, procedures and systems for proactively identifying and supporting residential customers in vulnerable circumstances. For example, the Financial Conduct Authority's ['Guidance for firms on the fair treatment of vulnerable customers'](#) suggests a range of practical actions for businesses to treat customers in vulnerable circumstances fairly.

2.4 Make sure their policies, procedures and systems reflect the latest definitions, best practice and guidance from relevant charities and other expert bodies in supporting customers in vulnerable circumstances. For example, companies could:

- help their staff understand and support customers with both mental health and debt problems – including incorporating it into their training and their processes for handling problem debt; and
- design proactive interventions that minimise psychological distress for customers with debt problems

2.5 Make sure their policies, procedures and systems are compliant with all relevant legislation. This includes ['The Debt Respite Scheme \(Breathing Space Moratorium and Mental Health Crisis Moratorium\) \(England and Wales\) Regulations 2020'](#).

Use data sharing arrangements to identify customers in vulnerable circumstances

NEW

2.6 Consider putting data sharing arrangements in place with other bodies – for example, energy companies, charities or local authorities – to help identify people in vulnerable circumstances, including those at risk of falling into debt. We would expect this data sharing to meet high standards of ethical behaviour, rulings and [code of practice guidance from the Information Commissioner's Office](#) and any legal requirements, such as the Data Protection Act 1998 and Data Protection Act 2018 (General Data Protection Regulations (GDPR)).

Communicate effectively and sensitively with customers in vulnerable circumstances

2.7 Communication methods and timing should take account of any additional support requirements for those customers who are registered for priority services and for those who may need temporary support and should comply with the provisions of the Equality Act 2010.

2.8 Make communications available to customers in accessible formats which they are able to use. Companies should offer customers with sight impairments large print or Braille bills where appropriate so that they are able to read their bills and notices. This is in line with our guidance to companies on services to customers with disabilities.

2.9 Have systems in place so that customers who do not speak English can communicate with the company.

NEW	2.10 Companies should also consider designing specific communications and approaches for those with communication difficulties
NEW	2.11 Companies should design their communications for people who struggle with literacy and numeracy.
NEW	2.12 Companies should consider approaches for supporting customers who are not able to access or use digital services.

Offer customers the option for their account to be managed by authorised third party individuals

NEW	2.13 Have an approach that protects customers from fraud while allowing properly authorised people access to help operate accounts for people who need help managing their affairs. Companies should make customers aware of options for third party bill management. For customers who do not make their own decisions, companies can use our joint guidance with the Office of the Public Guardian and the UK Regulators Network on ' Supporting customers who do not make their own decisions '. This is also relevant where companies are dealing with relatives or other parties that may need to manage a customer's account in event of their sudden incapacitation or death.
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Use approaches to debt management for customers in vulnerable circumstances that are appropriate to their circumstances

NEW

2.14 Tailor your debt management actions to be sensitive to the circumstances that make customers vulnerable.

2.15 Carry out reviews to help customers maximise their incomes and make them aware of other forms of support they may be eligible for through Government or other service providers.

Make it easy for relatives to close or amend the accounts of a loved one who dies

NEW

2.16 Have a written plan that outlines how your company will treat bereaved customers with empathy and respect. This could include the following:

- An agreed timeframe for companies to respond to bereavement enquiries and settle outstanding customer balances.
- A bereavement customer care email channel for each company, to directly handle such cases and avoid customers waiting on calls.
- Standardising paperwork needed to close an account with other companies, with a view to accepting digital documents whenever possible

2.17 Train people who come into contact with bereaved people to know how to respond efficiently and with understanding.

2.18 Streamline your processes and procedures to be simple and pragmatic. Avoid unnecessary steps and repetition.

2.19 Ensure any forms are easy to follow and only ask for information that is needed. Pass on details of where people can get practical and emotional support.

3. Treat customers that have their accounts managed by agents as customers of the company

Have clear agreements with agents

NEW

3.1 Companies that have agreements in place with local authorities, housing associations or other social housing providers should ensure that agreements are drafted in a simple way so that responsibilities are clear and how issues will be resolved in a well-managed way for tenants.

Make customers aware of their rights

3.2 All customers billed by their local authority or housing associations should be made aware of their legal status in terms of which organisation they are the 'customer' of and the implications in relation to the rights they are entitled to when compared to directly billed water customers. This may be in the form of communications specifically designed for customers billed by their local authority or association.

Consult tenants where charges are collected as part of tenancy

3.3 Where it is proposed that water charges are collected as part of a local authority tenancy agreement (and not simply as a billing agreement) a full and effective legal consultation with tenants must take place before any agreement commences.

For supporting customers in debt

Our principles

4. Be proactive in contacting customers in debt
5. Be clear, courteous and non-threatening in communications to customers in debt
6. Agree payments that are right for each customer in debt

4. Be proactive in contacting customers in debt

Be sympathetic to customers' circumstances

NEW

4.1 Treat customers fairly and in a way that is empathetic to their current situation. Companies could also use this as a further opportunity to:

- check customers' consumption, billing and account details to make sure they are correct; and
- make sure customers who are eligible for help receive it, and quickly.

Proactively offer other alternative payment options to customers in debt

4.2 Highlight the available payment options in further correspondence sent to customers in debt, either in the text of letters or enclosing a separate leaflet or their code of practice on debt.

4.3 Proactively offer customers who are in debt and in receipt of eligible benefits the option to pay using the 'Water Direct' scheme.

4.4 Where companies themselves wish to [apply for 'Water Direct' on behalf of the customer](#) they must make reasonable efforts to inform the customer of their actions before doing so.

4.5 Companies should also work with local JobCentre Plus and Pension Service offices to build effective working relationships.

4.6 Once a customer has been placed onto Water Direct, other debt collection activities should be frozen.

NEW

4.7 Companies should engage with customers on Water Direct – or about to be placed on it – directly. In particular, companies should communicate with customers about:

- them being placed on the scheme;
- the timing of future payments;
- how the company will keep the level of their payments consistent; and
- when they will come off the scheme.

Send clear reminders that provide advice and next steps

NEW

4.8 In a water company's first written or oral communication with a customer, the company should send a statement that free debt counselling, debt adjusting and credit information services are available to customers and that the customer can find out more by contacting the Money Advice Service; and on its website provide [a link to the Money Advice Service website](#) – and [it's money navigator tool](#). Signposting to another free debt advice organisation is also acceptable.

4.9 At least two prompts (including the bill) for the customer to contact the company before progressing to debt recovery action.

4.10 Customers should be given reasonable time to pay their bill before a reminder is issued (this is especially important if using second-class post). Good practice would be to allow a minimum of 14 days following the date the bill was due for payment before issuing a reminder.

4.11 Each reminder should set out what will happen and when action will be taken if the customer fails to respond. The various actions the customer can take should be set out along with a clearly signed contact number and website address. To encourage contact, companies should consider offering online chat and freephone debt helplines in addition to their standard geographic telephone numbers.

Contact customers using different methods and stop chasing them if they are getting debt advice

4.12 A variety of communication methods should be considered to establish contact (such as web chat, texts, telephone calls, mail and visits) using the customer's preferences.

4.13 The timing of attempted repeat contacts should be varied where possible.

4.14 Communication methods and timing should take account of any special requirements for those customers who are registered for priority services and should comply with the provisions of the Equality Act 2010.

4.15 The timing, frequency and manner of contacts should not be oppressive, misleading or threatening, and should conform to [accepted good practice, including that set out in the Financial Conduct Authority handbook](#).

4.16 Make sure that sufficient resources are available to handle any contacts received, particularly at times of bulk debt related mailings. Companies should also document all contact attempts made, regardless of whether or not the contact was successful.

NEW

4.17 Cease chasing contact with the customer where the company is aware the customer is actively engaging with a known debt advice provider.

Make sure the company is accessible to the customer

4.18 Any new approaches or systems should not reduce opportunities for customers to approach the company.

4.19 Communications should encourage customers to communicate effectively with their supplier or collection agency.

Tailor debt recovery strategies and review them for suitability, fairness and empathy

4.20 Debt recovery strategies should be reviewed on a regular basis. Where these reviews result in changes to a company's debt recovery strategy, the company should consult with CCW on changes to their Code of Practice on debt recovery. Billing systems, digital channels and incoming calls should be used, wherever possible, as an opportunity to identify customers in difficulty. This would include, for example, recording customer details that might indicate that the customer is vulnerable to falling into debt or flagging up where regular payers suddenly default.

NEW

4.21 Debt recovery strategies should include a consistent approach reflecting the action to be taken for each increasing level of a customer's debt.

4.22 Segmentation of customers should be used wherever practicable, to tailor debt recovery to particular debtor groups. This is particularly useful in the absence of knowledge of individual customers' circumstances.

Demonstrate quality service

4.23 Companies will need to keep records showing how many times they have tried to telephone, visit or contact individual customers (whether attempts were successful or not), and the dates of reminders and notices, along with any actions occurring as a result.

CCW may wish to be assured that the water company has made a reasonable number of attempts to contact customers whilst at the same time adhering to the provisions of the FCA Handbook.

NEW

4.24 Consider highlighting customer outcomes and testimonies on resolving debt problems to encourage other customers to contact them.

5. Be clear, courteous and non-threatening to customers in debt

Design the content of communications around customers' information needs

5.1 All communications – including texts, emails, letters and reminders – to customers who have fallen behind with payment should be clear about when payment is due and what will happen if the customer does not pay. We would expect letters which previously could be applied to either household or commercial customers to have now been replaced by more tailored correspondence.

5.2. The code of practice on debt must be enclosed with reminders or details given on how a copy can be obtained.

5.3 Any correspondence should encourage the customer to contact the company and if necessary to seek appropriate free expert advice.

5.4 Where one is available, the customer should be advised of a company's charitable trust or debt restart scheme.

5.5. The customer should be given a clear indication of the length of time they have in which to act and a contact number to use in the event of requiring further information.

5.6. If notices or letters themselves do not list the customer's options for payment arrangements, they should be accompanied by communications which do, or should clearly detail where the customer can obtain this information.

Tailor the language of communications to customer's needs

5.7 All communications – including text, emails, letters and literature – should be in plain language, although the tone and style may need to vary according to the individual debtor.

5.8 Consider the appropriate format for customers requiring priority services, those who do not use English as their first language or have communication difficulties.

Use fair tools for encouraging payment

5.9 Companies must not threaten to disconnect (whether directly or by implication) for non-payment any property in which someone has their only or principal home. Particular care is needed when dealing with mixed-use premises so that customers' rights are respected.

5.10 Void property notices should not be used as a debt collection tool by companies or by debt collection agencies.

Explain the implications for customers at risk of enforcement action

5.11. If the customer is at risk of enforcement action after a judgment has been obtained in the county court, the company should explain the implications of such action simply, fully and jargon free but without being misleading. Many companies take enforcement action in relation to judgments obtained by applying third party debt orders, charges on property, order to obtain information, warrants of execution or attachment of earnings. In these cases, the company should explain the terms and processes and advise the customer that processes are subject to a court judgment first being made. The consequences of such action should also be clearly set out along with a contact telephone number for where further information can be obtained.

Use enforcement action as a last resort

NEW

5.12 Use enforcement action as a last resort, once all other options for repayment have been exhausted

5.13 Any enforcement action taken or charges added should be proportionate and reasonable in relation to the circumstances of the customer and the size of the debt.

NEW

5.14 Exclude customers known to be in vulnerable circumstances from any form of enforcement action where appropriate

Respond quickly, fully and appropriately to disputes or queries about debts

5.15 Where debts are queried or disputed, the company should respond promptly, fully and appropriately to the customer's enquiries.

5.16 Collection activity should be put on hold whilst investigating a reasonably queried or disputed debt.

Regularly review and update debt communications learning from feedback and complaints from customers

NEW

5.17 Regularly review and update debt communications using feedback and complaints from customers.

5.18 Give CCW an opportunity to comment on the design and text of any substantive changes to debt recovery communications, and be required to outline all changes during CCW debt audits.

NEW

5.19 Make sure that the debt code is kept up to date, reflects operating practices and is available online or in hard copy. Companies should consider consulting customers in making changes. CCW should be consulted as a minimum.

6. Agree payments that are right for each customer in debt

Double check the customer is in debt

NEW

6.1 Check the customer is in debt or whether (for example) they:

- should have received help earlier;
- have a leak; or
- there is an error in their account information.

6.2 Investigate promptly where the customer disputes their debt.

Establish each customer's ability to pay and allow customers to consider payment proposals

6.3 Make reasonable enquiries as to the customer's ability to pay when setting up instalment arrangements and take account of the information given. This may involve using some kind of 'income and expenditure' form or 'standard financial statement' (for example, the [standard financial statement promoted by The Money Advice & Pensions Service](#)) completed by the customer or a debt advisor to use in assessing realistic payment options. Companies and their agents should retain an appropriate record of enquiries made.

NEW	6.4 Make sure a consistent means is used for establishing each customer's ability to pay.
NEW	6.5 Support instalment payment proposals, where the customer has worked with a debt adviser who has prepared a budget using The Standard Financial Statement (SFS), a methodology promoted by The Money Advice & Pensions Service. 6.6 Consider aligning affordability assessments to the SFS where possible.

6.7 Allow the customer sufficient time to consider any payment proposal and seek free and independent debt advice.

Refer customers to company's charitable trusts or restart schemes for help

6.8 Where a charitable trust or a restart scheme is in place, companies should, where appropriate, tell customers about them or refer customers to a relevant contact.

6.9 Companies who do not have such schemes should consider the value of establishing them independently or jointly with other companies or utilities.

Help customers reduce future charges

6.10 Be able to demonstrate that consideration has been given to whether the customer would benefit from support measures (see support package suggestions in expectation 2.1). For example:

- switching to a water meter;

- applying for a social tariff where available, or other forms of affordability support or
- implementing some water efficiency measures.

6.11 Where relevant, the company should advise the customer that they may be able to reduce their future charges and offer information about these options.

Agree repayment levels that are realistic, understandable and regularly reviewed

6.12. Set repayment levels which are realistic and sustainable given the customer's circumstances including taking into account all outgoings. Customers should not be pressured into paying the debt in full or in unreasonably large payments.

6.13 Try to agree an instalment plan with the customer at a level which recovers the level of the current year's charges and wherever possible also pays towards the previous years' arrears (accepting that in most cases payments received will be used to pay off the arrears). This is so that the level of debt does not get progressively worse. However, companies may need to take a long-term view of the period over which customers can clear their debt, based on their knowledge of the customer's circumstances. Wherever possible, they should try to avoid allowing the debt to increase unless they are convinced that in the customer's situation it is appropriate to accept any small amount in order to encourage a payment habit.

6.14 Accept any realistic offer of payment that a customer or the customer's authorised money advisor makes. Call operators should have the authority to agree payment plans with customers over the phone. Any agreements made should then be confirmed in writing to remind the customer of the commitment made. The level at which direct payments from benefit are set can be a useful guide to setting an appropriate payment arrangement for some customers. However, in cases where the customer has multiple debts, liaison with or referring customers to local advice agencies will be important.

6.15 Companies are not expected to provide financial advice, but should make it clear to customers whether payments received will be used to pay current charges or towards arrears.

NEW	6.16 Ensure the customer understands their new payment arrangements (including when the debt will be repaid and what to do if they experience difficulties with the arrangement).
NEW	6.17 Monitor arrangements after they have been set up to make sure the customer is content with them

NEW

6.18 Regularly review and adapt repayment plans as a customer's situation changes

Refer customers to local advice agencies, charities or voluntary organisations for further help

6.19 Establish and maintain good relationships with local advice agencies, charities or voluntary organisations (for example, by offering a dedicated helpline number or direct access for such agencies) and recommend customers consult these agencies where appropriate. If the customer agrees, arranging direct contact with a suitable advice agency could be helpful. This is particularly important where company staff are not trained in debt counselling.

6.20 Where a customer advises a company of their intention to approach a fee-charging company, the company should advise the customer of the existence of similar services that do not make a charge.

6.21 Offer all customers in debt holistic debt advice. Refer customers to independent, non-charging debt advice agencies, and give full consideration to payment plans that such agencies offer. Where a customer has formally authorised a debt advice agency to negotiate on their behalf, the company should agree to this and should not bypass the agency by contacting the debtor directly.

Re-engage with customers over missed instalments and make sure follow up action is proportionate

NEW

6.22 Make efforts to re-engage with the customer after an initial occurrence of a failed repayment arrangement

6.23 Action taken when instalments are missed should be proportionate.

For supporting customers facing debt recovery action

For customers facing debt recovery action

7. Treat customers facing debt recovery action by debt recovery agents with care

7. Treat customers facing debt recovery by debt recovery agents with care

Treat customers facing debt recovery action fairly

NEW

7.1 Treat customers facing debt recovery action with care, sensitivity and the same quality of service as other customers – regardless of their payment and debt history.

Ensure the needs of priority service register customers are met

7.2 Those customers registered by companies as requiring priority services should not have their accounts passed to debt collection agencies where an agent is not able to provide the service which the customer requires. Where a debt is passed to an agent and it becomes apparent that the customer requires priority services which the agent cannot provide, the account should be returned to the water company.

Use reputable debt collection companies that treat customers fairly and in line with agreed levels of service

7.3 Engage a reputable company to carry out debt collection and who abides by industry codes of practice such as that of the Credit Services Association and the guidance on debt collection issued by the Financial Conduct Authority in its handbook.

7.4 It is expected that companies will have systems and processes in place to ensure that its contractors are acting in compliance with its Code of Practice and meet the standards set out in the [Financial Conduct Authority handbook](#). We would encourage companies to ensure that these requirements are reflected in the contracted terms and arrangements when employing any third party to act on their behalf

7.5 Make sure that individual accounts are passed to one debt collection agent at a time. This will avoid confusion for the customer and potential duplication of effort by agencies.

7.6 Make sure that a full and accurate history of the debt is passed to the debt collection agent.

Regularly and robustly check customers facing debt recovery action are treated sensitively

7.7 Be able to verify on a regular basis that customers whose debt is managed by a debt collection agency are sensitively dealt with through a robust audit process. This may include regular reports from the agent on the progress of customers' accounts and payments.

7.8 To satisfy themselves that their customers are receiving the appropriate level of service, water companies are expected to hold copies of standard communications materials sent by debt collection agents and make sure that these conform to the standards expected of the water companies themselves.

Continue to communicate directly with customers facing debt recovery action

7.9 Make sure that customers whose accounts have been passed to debt collection agents are kept informed of this action. Customers should not find themselves in a position where it is harder to agree payments than if they were dealing directly with the water company. The debt collection agent should offer the same range of payment options as the company wherever it is practical to do so.

7.10 In some cases, it may be necessary to treat a customer's current charges separately from any arrears. The company may wish to agree payment terms for the current bill directly with the customer while leaving the collection of debt in the hands of the agent. If this is the case, it is important to make sure that the customer fully understands that payments are due to both parties. Ideally, all charges should be collected together in order to avoid confusion for the customer.

Retain access to the customer's account

7.11 Retain access to the management of the customer's account, should the need arise, as the debtor will typically remain the customer of the water company. Good practice will allow water companies to be able to obtain access to the customer's account and details such as the amount which a customer has agreed or has been asked to pay, should they be approached directly by the customer or by third parties acting on behalf of the customer, such as debt advisers. Regular and effective communication systems should be in place between the company and agent to share information regarding payments made or other activity on the account when necessary.

Allow customers to raise disputes involving the agent with the water company

NEW

7.12 Make sure that customers who are unhappy with the way the agent has dealt with them are:

- aware that they can raise their concerns directly with the water company;
- how they can do this; and
- that it is easy for them to do so.

Speak to local authorities to find alternatives to evictions where non-payment of water charges could result in evictions

7.13 Where eviction for the non-payment of water charges is a possibility, companies should have effective channels of communication in place with local authorities to make sure that such cases are discussed with a view to alternative solutions being found.

Only sell debt to reputable parties and where other recovery activities have been exhausted

7.14 Companies that choose to sell debt to a third party should only do so when all other debt recovery activities have been attempted.

7.15 Make sure that you only sell debt to a reputable agent who abides by industry codes of practice such as that of the Credit Services Association and the guidance on debt collection issued by the Financial Conduct Authority in its handbook.

Demonstrate service levels to CCW

7.16 Show CCW that customers whose accounts have been placed with agents are not receiving a lower level of service than customers whose accounts remain with the water company. CCW will also wish to confirm that companies have effective quality control arrangements in place. At audits it is desirable for CCW to have:

- access to the agent and their documentation, including copies of standard communications materials; and
- the option to meet the agent, visit the agent's premises or look at individual cases as part of their regular assessments of companies' debt recovery operations.

7.17 The code of practice under which the agent operates and the service agreement or equivalent document should also be made available to CCW, provided there are no confidentiality concerns.

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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