

Ofwat Payment Help & Debt Guidelines Consultation 2021

Please find below a response to this consultation. Unfortunately, we only became aware of this when the deadline for responses was upon us, so we have not been able to go through it in as much detail as would have been preferable, and the responses are very brief as a result.

Consultation questions

- Do our guidelines strike the right balance between offering sufficient protection and support for individual customers, while allowing companies flexibility to recover revenue for the benefit of all customers?

There appears to be a good level of content aimed at protecting the customer. You mention 'water leaks' at various points. There needs to be more pro-active customer contact where it looks like there is a leak due to the unusually high level of water usage. I know of someone who ended up with a bill of some £5000, when they had only been in a property a few months. The situation had to be unravelled. It was clear that the water company suspected a leak before they moved in, but nothing was said at the time of notifying their occupation of the property.

- What impact do you think our guidelines will have on customer experiences in terms of payment, help and debt?

The hope would be that customers have a more positive experience, with options being explored, help offered and any vulnerability uncovered, before enforcement action is commenced.

- Are the minimum service expectations set out in the guidelines appropriate? Do any need to be added, removed or changed?

With the limited time that we have had to look at this, we can only say that they seem appropriate.

- How can we encourage consistency of approach across the sector?

Water companies need to engage with this, so maybe through a code of conduct, and through an obligation on water companies to obtain customer feedback.

- Our expectations for companies to 'Show customers how their views on billing, payment and support are encouraging improvements to services' (see expectations 1.24 to 1.30)

include companies reporting on the findings of their customer research. We would welcome views on whether this is appropriate – and (if so) the format and frequency.

Although I have referred to ‘customer feedback’ already, this can be difficult to obtain, as often people do not want to engage with feedback requests, however the reasons might be framed. This is probably best as a short questionnaire in tick-box format on an annual basis. This could be online, and also by post with a reply-paid envelope for older customers. But not to be included with the annual bill, as it will probably end up getting lost or thrown out.

- We have had feedback and received customer testimonies that companies can sometimes quickly move from payment prompts to debt recovery action. Should companies give three prompts rather than two (see expectation 4.9) for customers to contact their company? We would also welcome views on whether companies should send prompts by different means to avoid errors in contact details causing customers to fall into debt unnecessarily.

There is a problem with moving to debt recovery too quickly, and involving High Court Enforcement Officers (HCEO) in the process. This seems an unnecessary step. In the event of obtaining a County Court Judgment (CCJ), use of an HCEO may seem to be more effective enforcement method, but this adds higher costs and more pressure on customers. Vulnerability of a customer needs to be known.

In terms of prompts, then three prompts would be better than two. Different methods of delivery should be looked at, assuming that water companies have the relevant contact information. Water companies need, therefore, to obtain such information.

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