

28 July 2021



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Dear Ofwat

We welcome the opportunity to be involved in the consultation on guidelines for water companies in supporting residential customers pay their bill, access help and repay debts. It is imperative in the current environment that we focus on the support water companies can provide to those customers that need it most.

It is critical in the industry that Ofwat continually review their guidelines and seek input from the industry on the changes and additions that need to happen. As customer needs change, we need to ensure we are evolving and adapting to support them.

Throughout the guidelines it is clear that flexibility is key to success and to allow individual water companies to use the appropriate tools to effectively manage debt and affordability.

In our response outlined below, we have focused on the key changes we see that will benefit the industry, whilst providing feedback on amendments and additions.

We look forward to the output of the consultation and supporting the progression of how the industry manages debt and affordability.

Yours faithfully

Matthew Hamilton
Chief Customer Officer

Question 1	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?
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The guidelines offer various positive changes in the protection and support to individual customers, specifically highlighting the need for more accurate data, focus on a pro-active relationship from suppliers and offering flexible payment terms. As the guidelines rightly point out, a lot of customers are not aware of the support they can receive from their water provider and this is something we need to change. However, we do have concerns over the overall protection of customers and the focus just on vulnerable customers. There needs to be clear guidelines around customers who have faced financial difficulty or vulnerability that no longer need support. If a customer has the ability to pay their bill, they should do so to ensure there is equality within the industry.

Question 2	What impact do you think our guidelines will have on customer experiences in terms of payment, help and debt?
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We are encouraged by the focus on making water companies more accessible to customers and offering a diverse range of support to customers. The guidelines acknowledge the needs for technology-based advancements to further support customer experience, this is critical to ensuring that all customers are able to pay their bills that suit their individual needs. What needs to be factored into these thoughts are the timelines needed to implement these systems and the cost associated to them. It should be acknowledged that taking a more pro-active approach in both offering support and chasing debt will likely result in an increase of customer dissatisfaction. Although this may only be an initial impact and deliver longer term advantages, it needs to be highlighted.

Question 3	Are the minimum service expectations set out in the guidelines appropriate? Do any need to be added, removed or changed?
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As a water only company, we feel there should be specific guidelines in place to working with other parties to effectively manage customers that need support and/or are in a payment plan scheme with one or both service providers.

The guidelines provide ways to manage customers paying by Direct Debit and how companies should manage failed/bounced/cancelled Direct Debit's. There should be a robust and pro-active process on how we deal with these to ensure customers don't fall into debt and are aware of the support available.

More guidance should be available on effective schemes that have been deployed in the industry and recommendations of improvements that could be made. An example of this would ways of adopting a digital first strategy on debt and affordability and how this will drive improvements across the board.

Question 4	How can we encourage consistency of approach across the sector?
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Ofwat to provide a list of approved suppliers/vendors in the support of debt and affordability, this could be across DCA's, system suppliers etc. We should be able to see some level of output from these suppliers, whether it is debt collection performance, customer experience measures (CMeX, NPS etc.), PSR take up etc.

Regular knowledge sharing sessions between companies to share progress, performance, celebrations and challenges. It is key that as an industry we are sharing our learnings and working together to drive the right results.

Question 5	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.
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We are always keen to improve our bill layout, to make it more accessible and simpler for customers. We review all feedback from customers on their opinions on our bill content. We also compare our bills layouts with other service providers.

Historically we have specifically engage with customers when we are significantly revising the structure and content of our bill.

Whilst the Ofwat suggestions are helpful as a guide, we are not currently planning any wide scale research exercise into this issue. We do intend to include a section related how we communicate with you / how you communicate with us in our forthcoming PR24 research programme. We will use this checklist to structure that part of any research.

Question 6	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.
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We are currently reviewing our debt collection strategy and as part of that review we want to increase the prompts we provide to customers on paying their bills. We have acknowledged the need to increase our digital reminders to customers by implementing additional SMS and e-mail prompts through our collection plans. As part of this customer journey, we are proposing to add a more digitised customer journey where our research points to customers being more comfortable and open about their circumstances with a faceless interaction.

Two written reminders should be sufficient enough to prompt a customer for payment or further support, but the guidelines shouldn't restrict companies to send additional notifications. We feel the focus on a digital first approach in opening up channels and platforms to customers with additional prompts would be the best course of action.