

Our Ref: KT/LAT/Ofwat

Your Ref:

26 July 2021



**SES Water**

London Road  
Redhill, Surrey,  
RH1 1LJ

Telephone: 01737 772000

Facsimile: 01737 766807

Website: [www.seswater.co.uk](http://www.seswater.co.uk)

Email: [contactus@seswater.co.uk](mailto:contactus@seswater.co.uk)

Ofwat  
4th Floor  
21 Bloomsbury Street  
London  
WC1B 3HF

Dear Ofwat

**Ofwat's consultation on guidelines for water companies in supporting residential customers pay their bill, access help and repay debts**

Many thanks for the opportunity to respond to the above consultation paper issued in June 2021.

Supporting all our residential customers, and those in vulnerable circumstances in particular, in paying their bill and managing their debt is of great importance to SES Water. Our commitment to this has seen us support over 20,000 customers financially during the past year and we are very supportive of cross sector efforts to continuously raise performance in this area.

Overall, we welcome Ofwat's focus on this topic and how it builds on the work published earlier this year by CCW with regards to customers who are struggling financially. The principles proposed in this paper and the broader Listen Care Share report to which they relate are a helpful contribution and we have summarised our response to the specific questions asked in this consultation below.

As always, we are very happy to clarify or discuss any matters noted in this response further with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kate Thornton'.

Kate Thornton  
Chief Customer Officer

**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?**

Overall, we welcome the move to principles-based regulation which provides a clear framework for companies to operate within while allowing us to tailor our approach to customers' needs. We believe that it is in both our interests and those of our customers to provide a supportive approach to revenue collection that recognises individual circumstances and is realistic and affordable.

In the spirit of a principles-based approach, we note that it is important to strike the right balance between the number of minimum services expectations set and allowing companies to apply the principles as appropriate to their own customers' circumstances. Where minimum standards are set, in some cases we would ask Ofwat to further clarify the language used. For example, we would suggest that it is more beneficial to our customers for us to be empathetic with, rather than sympathetic to, their circumstances. By showing sympathy, we may in fact end up not treating them fairly and do more harm to their long-term financial situation whereas by being empathetic we can make them aware we are there to help and find the right outcome for them.

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

As noted above, we already do considerable work in this space. In fact, we already deliver or have active plans to introduce many of the minimum expectations set out in this document. Nevertheless, the principles as set out are helpful in terms of confirming that we are taking the right approach to this important topic and can help drive consistency across the sector.

We particularly welcome the focus on a proactive approach in contacting customers in debt - this is correctly on prevention as opposed to cure which will lead to an enhanced customer experience and better relationship with our customers.

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

In the main we agree that the expectations are fair. However, some of the service expectations would benefit from further clarification. For example, where the document suggests that we should continue to communicate directly with customers facing debt recovery action, this could lead to confusion whilst a customer is with a Debt Collection Agency (DCA) and/or lead to a bad experience or cause an increased level of anxiety so this could be re-worded to reflect that.

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

Ofwat should support the recommendations already published through the CCW Review of Water Affordability that talk to this point. For example, CCW recommend the development of unified descriptions for all support schemes that should be promoted consistently across England and Wales.

Simplifying the design of performance commitments related to this subject with a focus on driving a consistently high standard of outcomes for our customers would further assist with this. Within this the removal of "league table" based performance commitments related to the service delivered to residential customers would further support more collaboration and, through that, more consistency of approach across the sector.

A review of language to remove any ambiguity as referenced in earlier answers would be another way of achieving this.

**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.**

Overall, we support a culture of listening to our customers and providing transparency on how their views have shaped all of our activity. This is part of the way that we build our ongoing engagement with our customers, and we agree that it is appropriate for their views on billing, payment and support to be part of this. The frequency and format should be aligned to our wider engagement strategy and built around an understanding of how different customers want to see this information. If Ofwat wish to set a minimum standard around frequency, we would suggest once a year.

**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.**

We agree that a minimum of three prompts would be fair as part of any approach to ensure that customers are aware that there is an outstanding bill, why it is outstanding and what they need to do.

Sending prompts through different channels may also be appropriate in some circumstances, although we need to balance this with respecting customers' preferences. For example, where a customer has indicated that their preferred contact method is via email, sending letters may result in lower engagement levels and make the customer feel they have not been listened to. We also note that a focus on data quality for all of our customers at all times as well as our work to build customer engagement over time is important to reduce the number of instances in which this is a problem.