

Ofwat – Guidelines for water companies in supporting residential customers pay their bill, access help and repay debts: a consultation

South East Water response

July 2021

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South East Water are a licensed water only undertaker based in the South East of the country, serving a population of 2.2 million customers.

This paper sets out South East Water's response to Ofwat's – Guidelines for water companies in supporting residential customers pay their bill, access help and repay debts: a consultation

Any queries in relation to this document should be sent to:

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Overall South East Water is highly supportive of a more pragmatic approach to ensuring that a consistent approach is being taken to support customers that are falling into arrears with water charges.

We are particularly pleased that the guidelines proposed take a more rounded view of not just debt but also considering the whole end to end activities rather than a set of guidelines purely dealing with customers when they have fallen into debt. This approach reflects many of the checks and measures that as a company we have in place to ensure that we avoid customers falling into debt.

The consultation paper asks for our views in a number of areas. On the whole we recognise that the minimum standards set out in Appendix 1, reflect the improvements that the sector has developed in terms of key activities in this area.

Do the guidelines strike the right balance between customer protection and allowing companies flexibility to recover revenue?

We support the move to a principle based approach, recognising that companies should be able to consider their actions and activities within the spirit of the principles with some level of expectations from Ofwat. This overarching approach however is accompanied by the provision of a set of minimum standards in addition to these principles.

We would particularly ask Ofwat to consider the need of not only these minimum standards as published which are significant in number, with over 100 standard elements being documented. We would question overall whether this is aligned with a principles based approach.

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

Having reviewed Appendix 1 – minimum standards, and considered in the context of current strategies, policies and processes, overall they seem reasonable (although we have questioned the presence of minimum standards relating to the publication of insight and research within these guidelines). Implementation of these guidelines will mean that our customers will continue to receive the same high levels of service and support that they receive today from South East Water.

We note that the standards in certain areas provide a clear recognition of the appropriateness of companies in providing financial advice to customers. As a company we believe that it is appropriate for advice and support to be provided by more specialist agencies for ensuring both customer and third sector confidence and would ask that any published guidelines do not breach such boundaries. For this reason our approach has been to partner with specialist agencies and why we signed up to the PACE, Money and Pensions Scheme to provide virtual debt advice through a remote network.

How can we encourage consistency of approach across the sector?

We already see strong collaboration and consistency across the sector in terms of debt guidelines. Most recently evidenced by the response to Covid-19.

As a company we work collaboratively with other water companies in the South East region in the areas of both debt, affordability and vulnerability to ensure that we work consistently and using best practice.

Additionally, the WaterUK Debt group is set up to drive best practice, improvement and consistency and so the industry already works hard to ensure consistency in approach.

With its overall industry visibility, Ofwat can play a part in sharing of best practice and highlighting to companies where there are inconsistencies.

Appropriateness of debt research and insight?

We do recognise the additional requirements of publishing materials around research and insight. This activity was already planned in our AMP7 engagement strategy as part of our wider company insight strategy.

However, this feels somewhat out of kilter to be set as part of minimum standards relating to debt, when this does not exist in other areas of the customer and consumer experience.

If expectations exist in relation to insight this would be better dealt with as a broader insight requirement (with its own principles) covering the wider area of customer experience.

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