

Date: 26 July 2021

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Dear Colleagues

## **PAYMENT, HELP AND DEBT GUIDELINES CONSULTATION 2021**

Thank you for providing South West Water the opportunity to respond to your consultation on the plan to set a series of principles and minimum standards for water companies in supporting residential customers to pay their bill, access help and repay debts.

We believe we have a unique role to play in supporting the lives of people and we know that water companies have a duty to support customers who may be struggling to pay their bills and to be helpful, flexible, and empathetic when they need some extra help. This has never been more important on the back of the global pandemic, where many more customers may face financial hardship, and some for the first time in the lives, because of the impact on the economy, jobs, and reduced incomes.

So, we welcome this timely consultation and intent to ensure all water companies are treating customers fairly, with compassion and to a set of minimum standards that align clearly and simply to the principles that underpin the expectations.

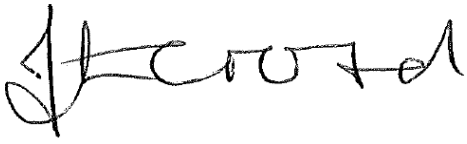
We have reviewed in detail the principles and minimum standards and service expectations and undertaken a gap analysis against our existing policies, systems, and processes. I am pleased to confirm that South West Water already meets the vast majority of the requirements and in many areas exceed them. Where we have slight gaps, I can confirm that these had largely already been identified as areas for improvement through process reviews and feedback from our customers and plans are advanced to close those gaps out.

In your consultation guidelines you asked for us to respond to some specific questions and I am pleased to share our responses in the attached appendix to this letter.

I hope my letter provides you with positive support for the principles and minimum standards laid out in your consultation and confidence that we operate to and beyond your expectations.

if you have any further questions though, or require any further detail or clarification, please do let me know.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jo Ecroyd'. The signature is fluid and cursive, with the first letter 'J' being particularly large and stylized.

**Jo Ecroyd**  
**Customer Service Director**

**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?**

At South West Water we understand the unique role we have to play in supporting the lives of people and we see the application of the proposed guidelines as an opportunity to ensure all companies are delivering better services to customers, making it easier for everyone to pay their bills – particularly those struggling to pay, in debt, or in other vulnerable circumstances; and put themselves in their customers' shoes recognising the diversity of customers experiences and circumstances.

We believe the guidelines draw the right balance between allowing companies sufficient flexibility to devise, manage and improve the way they recover money for the benefit of all customers, and reasonable protection for individual customers.

The principles and minimum standards are consistent with how we would want to treat our customers and be there to help them when needed. In our experience, being flexible and supportive helps build a trusted relationship with customers and this leads to positive engagement, a willingness to pay and clear debts and adherence to flexible payment plans. Purely taking a hard-line approach to recovery practices can be counterproductive, reducing engagement and the probability of a debt being repaid.

We believe the principles and standards reflect sound business practice and the moral duty we want to deploy by being supportive and respectful whilst providing us with the continued ability to deploy the appropriate commercial recovery mechanisms and statutory instruments when required.

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

We agree it is essential that water companies should understand the issues faced by customers and to be flexible to their evolving needs. This is especially important on issues of affordability and for customers who may be in vulnerable circumstances.

Making the guidelines clear and consistent will provide customers with the confidence that they will be able to engage with their water company and be treated fairly, with empathy and with respect at a difficult time. This will lead to greater engagement and hopefully earlier in the debt cycle, where help can be provided to prevent the escalation of debt balances and reduce the level of anxiety that customers feel when they face financial hardship.

Engaging earlier and more positively will also reduce the cost of debt to water companies, in terms of providing for that debt and the cost of recovery processes.

This will also lead to more customers being able to access additional services, such as affordability tariffs, water efficiency advice to reduce costs and support to maximise their income through benefits entitlement checks and signposting to other potential grant services, either directly or through partnerships.

At South West Water we are proud of the support and flexibility we provide to our customers in need and equally importantly the way that our customer service teams do that, showing empathy and making the process easy for them. We believe the principles, minimum standards and guidelines will ensure that all customers receive that level of service and support.

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

We think the service expectations are fair and appropriate. It is important to recognise these are “minimum” standards and this should not prevent companies from doing more and this will certainly be the case at South West Water. We believe engaging with our customers positively and helpfully is the right thing to do and is aligned to our desire to be a trusted and valued provider of essential services. Our reputation will be enhanced by the way we serve and support our customers.

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

We believe setting clear principles and the minimum service standards is a great starting point to ensure a consistent level of behaviour and service delivery. Consideration should be given to an appropriate mechanism for companies to share best practice and innovation in this space to ensure approaches, services and support continue to improve and adapt to changing needs and environments.

**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.**

We believe it is essential to seek feedback from customers on our services, including how we can improve our online services, safe access to billing and payment information, bill formats and payment channels.

At South West Water we routinely seek feedback through a number of mechanisms including complaint feedback and root cause analysis, customer satisfaction surveys, outbound contacts either by e-mail or phone and through bespoke customer research at regular points in time and in support of specific projects, initiatives or investment decisions. Our methodologies ensure our research aligns with best practice and is representative of residential customers, with additional focus on those who are most vulnerable and most in need of support.

We would be happy to both publish annual updates on research on this topic and share our findings and plans for the coming year with CCW to inform their annual review of company debt practices.

For South West Water’s New Deal 2020-25 business plan, we also reviewed our established WaterShare approach to ensure we continue to build on our relationship with our customers. Through our WaterShare+ programme customers are now able to attend a South West Water annual general meeting, and quarterly meetings chaired by the independent WaterShare+ Advisory panel held in public.

We believe our WaterShare+ approach will drive further engagement with our customers by ensuring our performance is visible and allowing them a say in how the business is run. Representatives from regulators and regulatory bodies, including the CCW, have also been asked to attend the meetings in public as Expert Advisors to the Panel. We believe this approach provides a different way to communicate findings on various topics, including affordability.

**We have had feedback and received customer testimonies that companies can sometimes quickly move from payment prompts to debt recovery actions. 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 absolutely agree prompts should include the flexibility to contact customers by their preferred channel (letter/e mail/text/call) and also the ability to tailor message tone and content accordingly.

We believe there should be the flexibility for companies to set different prompt and collection pathways depending on the customer circumstances and their payment history. As an example, customers who will not pay when they can pay may require one approach, a vulnerable customer who we know needs specific care and support will need something different.

We believe the principles, their intent and the minimum standards should provide customers with the confidence that companies will deploy prompts and collections activity fairly and consistently and that they should be the guidelines for companies to behave correctly whilst tailoring their processes to strike the balance between fairness and the ability to recover money for the benefit of all customers.

The important thing is to encourage customers to engage and at the earliest opportunity to ensure the help that is available to them is offered and that actions are taken to avoid the build-up of debt unnecessarily.