

Information notice

14 November 2022

IN 22/04 Paying Fair request for information

Introduction

The purpose of this request is for Ofwat to collect information every quarter from all water companies on the levels of debt owed by household customers in England and Wales. Our information request includes some questions for companies – both on the metrics and units of measurement proposed, as well as any other indicators that we should be considering. We are asking for this data return and responses to our questions by **31 December 2022**.

This request builds on our [Paying Fair guidelines](#) and [decisions](#) report where we said we intended to revisit the information we collect on debt and to build transparency of data in this area.

Since we published our Paying fair guidelines, cost of living pressures have increased for many household customers. As part of our [charges information notice](#), we have asked companies to provide early information on significant bill increases which they anticipate for any customer groups for 2023-24. In our [joint letter](#) with CCW, we have asked companies to go further in supporting customers through cost of living pressures.

Information tables on customer debt

We think it is vital to develop an overall view of the impact of cost of living pressures on households and how companies are helping customers manage those pressures. Our information request consists of three focus areas, set in a format consistent with our existing PR19 and Annual Performance Report tables. We have provided a template alongside this notice to help companies to complete our information request.

Companies will need to send us information for all three focus areas every quarter.

| Focus area 1: Household customers not making a bill payment | Unit | Guidance |
|--|----------------------|--|
| 1a) Total number of households that did not make any payment in the previous 12 months | Number of households | By previous 12 months, we mean the period from 1 October 2021 to 30 September 2022. Companies should follow a similar approach as for our recent customer service data request. |
| 1b) Total debt value of households that did not make any payment in the previous 12 months | £ | See above |

| Focus area 2: Repayment plans and payment deferrals – all households | Unit | Guidance |
|--|----------------------|--|
| 2a) Total number of households in arrears that are in a debt repayment arrangement on 30/9/22. | Number of households | Please submit data on the number of households in arrears in a debt repayment arrangement on the last day of the quarter (30/09/22) A repayment plan is an agreement between the company and a customer for the customer to repay their debt to their water company according to an agreed schedule over an agreement period. |
| 2b) Total number of households in arrears without a debt repayment arrangement in place on 30/9/22. | Number of households | See above |
| 2c) Total number of households who entered a payment break / deferral as agreed with the company during the Q2 reporting period. | Number of households | Please submit data for the quarter. By quarter, we mean (Q2) the period from 01/07/22 to 30/09/22. This number should <u>not</u> include payment deferrals agreed as part of the debt respite (Breathing Space) scheme |
| 2d) Total number of households who entered a payment break / deferral as agreed with the company through the | Number of households | Please submit data for the quarter. By quarter, we mean |

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|---|--|--|
| debt respite (Breathing Space) scheme during the Q2 reporting period. | | (Q2) the period from 01/07/22 to 30/09/22. This number should only include payment breaks / deferrals agreed as part of the Debt Respite scheme (Breathing Space) |
|---|--|--|

| Focus area 3: Collection activities | Unit | Guidance |
|--|----------------------|--|
| 3a) Total number of households referred by water company to an external agency that handles the collections process where water company remains the claimant | Number of households | Please submit data for the quarter on the number of households referred to an external collections agency. By quarter, we mean (Q2) the period from 01/07/22 to 30/09/22. |
| 3b) Total number of households referred to an external agency that has bought the customer debt from the water company | Number of households | Please submit data for the quarter on the number of households referred to an external agency that has bought the customer debt. By quarter, we mean (Q2) the period from 01/07/22 to 30/09/22. |
| 3c) Total number of households subject to county court action where the water company is the claimant | Number of households | Please submit point in time data for the last day of the quarter (30/09/22) By point in time, we mean the number of customers within the court process as of 30/09/22. |
| 3d) Total number of households subject to high court action where the water company is the claimant | Number of households | Please submit point in time data for the last day of the quarter (30/09/22) By point in time, we mean the number of customers within the court process as of 30/09/22. |

Paying fair information request

In our paying fair [decisions](#) report, we set out information we required companies to submit to us by 31 December 2022. We repeat that here.

Condition G in each company's licence requires them to maintain and make available Core Customer Information. Water companies' licences require that upon request by us and in any event at least every three years they review and where necessary revise the information which they produce. This includes information relating to:

- debt collection procedures; and
- other matters such as payment methods which are covered by these guidelines.

Companies should now use our updated guidelines, as well as other relevant best practice, to update their policies and procedures. In particular, companies should submit the following

- updated core customer information to us, together with links to relevant web pages.
- The payment methods available to customers (condition G3.5 of each company's licence).
- Guidance for customers who are having difficulty paying their bills and a description of the procedures to collect outstanding debt from those customers (condition G4).

Companies should also send us a summary document on:

- the extent to which they comply with our guidelines;
- where they depart from them systematically, the justification for doing so and the evidence; and
- the areas where they are planning to change policies, procedures and systems and their implementation timings.

Companies should submit this information to us by 31 December 2022, which allows time for the required consultation with the Consumer Council for Water (CCW). This should be sent to the email ListenCareShare@ofwat.gov.uk with the subject 'Paying fair'.

Questions

We would welcome feedback on our request for information on customer debt and responses on the following questions:

- 1. Do you have any comments on this information notice? In particular, we welcome comments on the debt metrics and units of measurement we are proposing.**
- 2. Is there any additional information you think it would be worthwhile for us to collect?**

To respond to this request for information, please answer the questions above and complete [the attached template](#). We are asking companies to submit completed data reporting returns by **31 December 2022**. These returns should be sent to ListenCareShare@ofwat.gov.uk, alongside company Paying Fair submissions.

Information provided in your response, including personal information, may be published or cited by us, or disclosed in accordance with legislation on access to information – primarily the Freedom of Information Act 2000 (FoIA), the General Data Protection Regulation 2016, the Data Protection Act 2018 and the Environmental Information Regulations 2004. Under the FoIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, obligations of confidence.

If you believe that any of the information in your response should not be disclosed (for example because you consider it to be commercially sensitive), you should identify that information and explain why. We expect reasons that are specific to the information concerned. We will take such explanations into account, but we cannot give an assurance that information included in responses will not be disclosed.

Our information request is not an indication of any immediate change in our regulatory approach.

If you have any other questions about this Information Notice, please contact ListenCareShare@ofwat.gov.uk