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Customer-Focus Team
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Dear All,

Putting water customers first – a consultation on introducing a customer-focused condition into the licences of all water companies in England and Wales – ESPW response

Thank you for the opportunity to respond to your consultation. I can confirm that this response is not confidential. As you know, ESP Water Limited (ESPW) is a new NAV having been appointed in July 2022 for our first development. We are growing quickly and have already been appointed to 23 NAV sites across England and our portfolio of future projects is similarly growing rapidly.

We are very supportive of this update to the Licence to include a customer-focused condition and wholeheartedly support the outcomes as described in the consultation document. Good customer service is at the heart of our multi-utility business, and we are very familiar and supportive of the concepts that you raise here.

As a NAV who operates bulk supply networks, we are reliant on incumbent water companies to inform us of events impacting the supply of water to our networks. Our responsibilities under our Licence; to inform and provide guidance to our customers, make us dependent on the communication channels of the incumbent water companies. We believe that NAVs, and outcomes for NAVs, should also be considered when developing this licence condition and would welcome explicit inclusion of this critical relationship in the licence condition.

We have included your questions from the consultation in **bold** and our response inline below:

1. Do you have any comments on the outcomes or examples?

We support a principles-based approach and agree with the outcomes and examples suggested in this consultation. As noted above, in many instances where there is an impact on customers, we are reliant on incumbent water companies for the appropriate communications to achieve these outcomes.

2. Do you have any suggested changes to the proposed wording of the principles to meet our specified outcomes for households?

We are happy with the wording in all the six principles; however, we consider that an explicit reference to NAVs as “customers” to whom these principles apply, would ensure the same focus on good outcomes can be applied to end users on NAV supplied networks. This could be included at G.1:

This Condition requires the Appointee to adopt high standards of customer service and support for the full diversity of customer needs. It requires the Appointee to deliver the six principles set out at paragraph G4 in relation to the Appointee's customers, including to any NAV companies and their customers connected downstream of the Appointee.

3. Do you agree with our proposed approach to exclude non-households from the condition relating to customers struggling to pay or in debt, consistent with corresponding non-households served by a retailer?

Yes we agree with this approach.

4. Do you agree with our proposed approach that the remainder of the licence condition apply to non-household customers without a retailer?

Yes we understand the rationale for this approach.

5. Should any areas of customer service be prioritised in our development of the guidance? If so, which areas?

We would welcome guidance on consistency and transparency in GSS schemes for England and Wales. We operate right across England and Wales and have observed that there is a wide range of service levels provided dependent on geography, which inevitably leads to some customers receiving a lower standard of service than others.

6. Which matters / company activities will benefit from having more detailed guidance, and which less?

We think the guidance detailed in Table 5 is satisfactory and have not identified one activity over another requiring more detailed guidance at this stage.

7. Do you agree with our proposal to include reference to CCW as a consultee within guidance?

Yes, we are supportive of this approach, and we would propose that clear SLAs are in place for CCW to respond back to companies in a timely manner. It would be helpful to understand which “specified matters” Ofwat is proposing CCW should be consulted on.

8. How can we gather further insight on company performance in this area?

We are familiar with Ofgem’s approach to undertake “deep dives” and we feel that this could be a good way for Ofwat to gain a more detailed understanding of relevant topics. Continued engagement with CCW will also be important to understand where any potential for customer harms emerge.

9. What are your views on annual reporting requirements to monitor compliance against the licence condition?



We agree there needs to be regular reporting against performance measures and we are supportive of G3.3, which asks companies to explain how they are meeting the principles. We also welcome the commitment Ofwat makes to ensure that this remains proportionate to the size of the company.

10. What are your views on our proposed timescales for implementation?

We are supportive of these timescales.

11. What are your views on consequent changes to other conditions in licences and are there any other changes we should make?

We agree with the approach to streamline other conditions in the licence and include the current requirements of condition G and J in guidance.

Please do not hesitate to contact me on catherine.fearon@espug.com should you wish to discuss our response or have any further questions.

Yours sincerely,

Catherine Fearon
Head of Regulatory Compliance (Water)