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Portsmouth Water: Customer Licence Condition Consultation Response

Dear Customer Focus Team,

We are pleased to be able to provide our response to your consultation paper, 'Putting water customers first – a consultation on introducing a customer-focused condition into the licences of all water companies in England and Wales.'

Portsmouth Water are committed to the services that we provide to our customers and our communities and for many years have had a strong company ethos in delivering for our region.

We have a value-based culture that has always empowered our people to "do the right thing" in delivering our essential services and supporting our local communities.

Our commitment in this area can be clearly seen in our performance in the following areas:

- **C-MeX** – The industry measure of customer experience, in which we were ranked 2nd in the industry in 2022/23 and have always been ranked in the upper quartile.
- **Priority Services Register** – We have achieved an industry-leading reach of our customer base as well as achieving the targets for all data revalidation measures.
- **Complaints** – We remain upper quartile in industry performance and reduced our per 10,000 complaints number from previous years.
- **Accreditations** – We have continued to retain the Institute of Customer Services ServiceMark standard.

This strong service ethos being embedded into our DNA means that we do not believe that for us there are any areas of our activities that we would need to change to meet this licence condition. Nonetheless we will of course ensure that we can demonstrate that we meet the expectations of the guidance once published.

Our specific comments in relation to the consultation questions are:

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

Having reviewed the examples that are used within the consultation we feel greater clarity for the industry could be achieved through considering wider group failures. It is unclear how the single events included in the examples can escalate to being a breach of the licence condition.

The term the Appointee's customers could be taken to include, developers and users of other services provided by the Appointee, such as property searches. We do not believe that is the intention, so it would be helpful to clarify the definition.

2) Do you agree with our proposed approach to exclude non-households from the condition relating to customers struggling to pay or in debt?

We agree with the approach suggested by Ofwat in relation to excluding non-household customers who are struggling to pay or in debt.

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

We would however ask for Ofwat to clarify that this excludes non-household customers who hold a self-supply licence and act as their own retailer. Whilst we believe the wording acts as intended, it would be better to make this intention explicit.

4) Should any areas of customer service be prioritised in our development of the guidance? If so which areas?

Ofwat, CCW and the companies have already been prioritising areas which for customers provide the most risk. We would ask that Ofwat consider the position relating to vulnerability and any absolute requirements that Ofwat would expect in relation to service delivery.

As a company, we are aware that 18% of our population are registered as disabled; adding the additional age and young children categories could send company positions through to 30% of their customer base. Customer need will mean in the future that services go way beyond bottled water delivery during incidents and that not everyone on the PSR needs delivery of bottled water based on their needs and support infrastructure. We believe Ofwat should continue to prioritise work in this area particularly to better understand any potential tensions.

5) Which matters / company activities will benefit from having more detailed guidance and which less?

Companies' abilities to meet and exceed standards and guidance should be set as minimum expectations for companies and will need to align with our legal requirements.

The key risk area for customers that we believe would benefit from detailed guidance is vulnerability. Affordability is a current risk due to the current cost of living crisis, but Ofwat's Paying Fair guidelines provide adequate guidance in this area currently.

6) Do you agree with our proposal to include the reference to CCW as a consultee within guidance?

As with most companies we work hard to keep CCW updated with all changes that are relevant to them already through quarterly meetings between organisations and ad-hoc deep dive sessions.

The proposal for CCW being a consultee for significant policy changes is one we agree with.

As an organisation and more widely across the industry there are many continual and ongoing process changes that are undertaken with amendments to customer services. We do not believe that Ofwat intends that CCW should be a consultee on every process change due to the high volumes that already exist.

Amendment to this wording may be appropriate such that the onus is placed on companies to establish if there could be any negative impact on customers by the change or the change is material. Self-assessment and review are something which is well established across other customer areas such as Data Protection. This approach would help focus the aspects that are important for CCW to be involved with and to understand. We also recognise that this will support CCW with its complaint work.

We would also suggest that the requirement to consult with CCW is removed from the face of the licence condition to allow for this more targeted approach within the guidance. As currently drafted the condition would require us to consult CCW on all policy changes.

7) How can we gather further insight on company performance in this area?

Ofwat and CCW already have clear views of our service measures in our key customer areas through the CCW quarterly report, complaints analysis and journey as well as the C-MeX and D-MeX

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

Ofwat should consider the ability for companies to assess and report through the annual return against a common reporting framework. This approach would enable companies to be assessed against a standard mechanism but most importantly a trend of improvement over time.

9) What are your views on our proposed timescales for implementation?

We do not have any issues with the proposed implementation timescale but would ask Ofwat to consider the ability to meet any reporting requirements that are implemented in Q3 of 2023-24 and any required reporting (if any) in the 2024 annual return.

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

The new licence condition under G4.5 and G4.6 requires that companies provide adequate support for customers in vulnerable circumstances, including those struggling to pay. The current Condition E may be seen to cause companies a constraint in providing such financial assistance, which may constitute undue discrimination in charging. We would ask Ofwat to confirm it intends either to apply greater flexibility in the interpretation of Condition E in relation to helping customers that are struggling to pay, or to make clear that the requirement under G4.6 is subject to the restrictions of Condition E.

Overall, we remain highly supportive of the implementation of this licence condition as a high performing company in all our activities. We look forward to working with Ofwat further in the detail of implementing this condition.

Kind Regards,

Matthew Hamilton
Chief Customer Officer