



South Staffs Water

Green Lane, Walsall WS2 7PD
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By email to: customerfocus@ofwat.gov.uk

6 July 2023

Dear Sir,

South Staffs Water response to customer focused licence condition consultation

Thank you for the opportunity to respond to the above consultation.

Overall we are supportive of the ambition to replace the existing condition G which identifies the key requirements for company to publish key customer related facts, with this broader reaching condition.

Our position on the industry C-MEX measure and our complaints performance are strong indicators of our focus in this area placing the customer in the centre of our decision making.

We are happy to work with our colleagues in the industry and both Ofwat and CCW regarding this proposal and look forward to Ofwat's assessment of the consultation.

Our response relating to the specific questions in the consultation are set out in this letter. Please let me know if you wish to discuss anything further.

Yours faithfully,

Philip Saynor,
Director of Regulation
South Staffordshire Water PLC

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

The licence condition is primarily and rightly focused on being beyond individual customer problems or complaints, which will continue under the well-functioning processes delivered by companies and CCW. What is unclear in the current consultation document is what the triggers are that will be applied to identify a challenge under this licence condition?

The examples that have been used focus on customer impacts that relate to retail activities, and we believe if it is considered that the licence condition may be used on customer impacts outside of purely retail processes that examples should be used that reflect this.

The example relating to non-delivery of bottled water service during a disruption has been flagged as an example of bad practice. It is unclear how this could be classified as a failure when the company appears to have met its legal obligations as well as its promise to the customer. There is a risk that customer service over and above requirements (such as in this example) may become the standard expectation rather than company choice.

We would recommend a review of the examples developed to support a better understanding of how Ofwat intends this condition to be used.

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

Overall we do not have comments on wording but welcome the opportunity for future wording review as part of the implementation process.

3) 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.

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

We currently cannot see any material impacts that would suggest this as not being the most appropriate approach.

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

As a company and working with the wider industry, Ofwat and CCW, we have been focused on cost of living, debt and vulnerability. These are all areas where ordinarily we would be recommending that these areas be prioritised as these are areas where customers can be at the highest risk and highest potential for impacts.

Based on the ongoing activity that has been carried out to date, we do not consider that there is a need beyond these areas to prioritise guidance, although it is important that the requirements of the current licence condition are subsumed into the new guidelines where possible. It may be appropriate to prioritise into guidance.

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

A key area of increasing focus is the area of both bottled water stations and to those at risk through direct delivery of bottled water.

Companies PSR registers are growing to the extent that the industry may be increasing expectations that may cause additional risk in the event of large disruptions such as Freeze Thaw events and disruptions to those customers most at risk.

Guidance relating to this service provision would help to ensure that a consistent service approach could be ensured for customers across England and Wales whilst also agreeing approaches for risk management in the event of significant disruptions or events.

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

CCW is an important partner to all water companies. Through the complaints process, quarterly reports and other deep dives and requests for information, we work hard to keep CCW updated with our key customer journey's, any relevant challenges and the management of our customer processes.

We believe that there could be a potential challenge for CCW to be a consultee which relates to any relevant process changes. This is due to the high level of evolution in this area on an ongoing basis within our company which we assume is replicated across all other water companies.

We would therefore recommend that only when companies are proposing a material change in the relevant area or customer policy should there be a requirement to consult with CCW.

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

The ability to report key measures in some way will help to better understand how companies are performing. CCW already undertakes quarterly reporting in this area including:

- Complaints (including channels)
- Vulnerability
- Affordability
- C-MEX (including channels)

Predominantly where companies are failing to deliver on customers service expectations, we would suggest that the focus on insight can be drawn through working with companies on their complaints analysis which will help CCW and Ofwat to better understand if particular companies are outliers whilst also providing insight from customers.

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

We believe that the implementation of a maturity assessment approach would enable Ofwat to gain insight into company performance. The ability to see maturity analysis for periods of time will help to see the view of company focus and evolution over time in different areas of the assessment.

The approach could also provide commentary from companies on each area and expected improvements. South Staffs Water would be happy to co-create the maturity assessment framework.

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

We do not have any issues with the proposed timeline. If implemented in Q3 of 2022-23 we would recommend that the first compliance checkpoint be delayed until the end of March 2024 to enable systems and processes to be fully implemented.

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

We would recommend that the elements contained within section G of the licence (relevant to the required publication of customer information) should be moved into an area of guidance to enable clarity for companies once the current condition is removed.