

By email to: Customerfocus@ofwat.gov.uk

Customer Service Policy team
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Dear Customer Service Policy Team

Service for all – Ofwat's draft vulnerability guidance for water companies supporting customers who need extra help

We welcome the opportunity to respond to this consultation and support the introduction of standards to ensure all customers have access to the same level of help when in vulnerable circumstances.

As laid out in the 'Putting water customers first' consultation, we are committed to providing an inclusive and high standard of service to our customers, particularly those that may need a little extra help. We however continue to have concerns regarding the timescales of implementation of both the guidance and licence condition. Introduction of licence conditions should only be implemented following proper statutory process as set out in the Water Industry Act 1991.

As explained in our previous response, references to the draft guidance that by its nature will be updated could therefore circumvent or amend requirements which are not clearly set out in licence and are considered inappropriate or require time to implement.

We consider it would be appropriate to provide an implementation period to allow all companies to update where necessary the required changes in their processes and procedures to ensure compliance can be met.

Yours sincerely

Rebecca Froud

Director of Customer Experience

Response to consultation questions:

1. Do you agree that we should retain the vulnerability definition we set out in our 2016 Vulnerability Focus report?

We support the continuation of the definition of vulnerability as laid out in the 'Focus report'. The definition and approach will provide consistency across the sector and ensure a common understanding for companies and customers alike.

2. Do you agree with our approach to nomenclature, particularly our use of the term 'extra help'?

We recognise the importance of updating the terminology used in identifying those at most risk of 'vulnerability' and in providing clarity in relation to the support that customers who need extra help can expect.

We support the move away from 'vulnerable customer', this can have negative connotations and in particular circumstances it can deter those that need additional help or assistance from accepting it, particularly in transient situations.

3. Do you agree with our proposed approach to applying the guidance to new appointees and the Welsh non-household sector?

In order to ensure all customers can receive the same level of support, every company which holds an instrument of appointment as a water or sewerage undertaker should be held to the same standard.

We accept that where a new appointee may only supply a small number of properties the manner of help may be different. It is important however that all customers have access to help in times of need and are not detrimentally impacted by the nature of their provider.

4. What impact do you think our draft guidance will have on the experiences of customers who need extra help?

We have processes and procedures in place that are specifically designed and delivered to support customers who need help. We continue to focus on supporting these customers in different ways, most appropriate to their circumstance.

The guidance will provide focus on ensuring the right outcomes and provide clarity for all customers as well as supporting partners and organisations who can provide customers' extra help and advice. The guidance should ensure more consistency and understanding across the board.

5. Are there further lessons from other regulated sectors that could be incorporated into our draft guidance?

We are not always aware of services currently offered by the other regulated businesses that are significantly different to those provided by the water sector.

We note however that Energy UK has set out a vulnerability good practice guide which companies can voluntarily sign up to. Similar may be translated into the water sector to provide confidence to customers of their providers' commitments and potentially push companies to go further than the minimum standards laid out in the guidance. This could also provide aspirational ambitions for companies to work towards.

Energy UK release a best practice report each year within which they award gold star rating to up to three suppliers in recognition of outstanding practise or progress in supporting vulnerable customers. The report also showcases projects of note undertaken in the year to support customers who need extra help.

[Energy-UK-Vulnerability-Commitment-Good-Practice-Guide-Dec-2022.pdf](#)
[Vulnerability Commitment - Energy UK \(energy-uk.org.uk\)](#)

6. Do you agree with our proposed approach to enforcing our customer-focused licence condition by reference to our draft guidance?

In general, we support the proposal to have less prescriptive conditions with principles and that the guidance be used to support alignment and compliance with the conditions.

However, as explained in 'putting water customers first' we consider that the proposed drafting of licence condition G is unclear and requires strengthening. Specific reference to draft guidance (which by its nature is subject to change) does not allow sufficient understanding of the conditions to which a company is signing up to.

Whilst guidance documents are a useful tool, they by their nature are continually updated and amended. Continual changes of this nature could in effect continually update a statutory condition without due process.

It would also be useful to understand if Ofwat intends to review the current existing guidance documents to ensure that they remain consistent and still valid; removing overlaps, inconsistencies and incompatibilities with the new vulnerability guidance. Differing guidance could create confusion for companies to

understand which documents have priority and consolidation would make it easier for companies to follow and understand their various obligations and definitive outcomes. Without this, adherence to a new licence condition may prove difficult.

7. Do you agree that our draft objectives cover the broad areas of vulnerability support activities that companies should be considering?

Yes, we agree that the objectives provide the right focus for supporting customers who need extra help.

8. Do you agree with the proposed list of minimum expectations we have set out?

We welcome the agreement of minimum expectations. We are also glad to see that companies are encouraged to own their approach to addressing the needs of their customers with outcomes rather than outputs.

Clearly laid out expectations will provide clarity to customers and companies of the help available.

9. Do our draft minimum expectations offer a good balance between making clear the minimum standards we expect from companies, and challenging companies to innovate and find new ways to meet the needs of their customers?

We agree that the right balance has been met between minimum standards and the need for companies to have scope to adopt equivalent practices for the benefit of customers. We know from experience that one size doesn't always fit all and flexibility to tailor the needs of our customers to their specific circumstances is essential to provide an effective service.

10. Do you agree with the proposed approach and timeline around companies' vulnerability strategies? (June 24)

We welcome the opportunity to work with Ofwat and other companies in developing vulnerability strategies. However, we are concerned that the timescale for implementation will be challenging. Without knowing the final wording of (the guidance) and licence condition we are unclear what actions and process will be required to ensure compliance. We strongly suggest a period of time to allow companies to fully implement the licence condition and guidance and make the necessary changes to policies and processes. This would also provide Ofwat with time to develop the guidance further post final consultation. We believe that this approach will ultimately benefit customers and give companies sufficient time to develop and publish their vulnerability strategies.

We raised this point previously in the 'putting water customers first' consultation response in January 23.

11. Do you agree with our proposed approach to how water companies should use our guidance?

We support the consultation and desired outcomes together with a principles-based approach and detailed guidance for companies. We believe that this will focus companies on delivering the best service for customers whilst giving them sufficient flexibility to develop their own policies and processes to meet customers' needs.

12. Do you agree with our proposed approach and timelines for setting out our detailed expectations around the design of priority services registers in a separate standards document?

There are currently many different guidance documents, and with further guidance to follow, confusion may arise over which have priority. With the Priority Services Register updated guidance to be agreed after vulnerability strategies have been written there is risk that compatibility issues may arise. As noted above, it would be sensible for an implementation period to be agreed. This will allow for time for compliance against licence conditions to be established and also allow for potential changes to the PSR guidance to be incorporated into strategies and procedures without incurring a potential failure to comply with the various obligations.