

christians
against
poverty

CAP

Service for all - Ofwat's consultation on draft vulnerability guidance for water companies supporting customers who need extra help.

CAP's official response to Ofwat's
consultation on draft vulnerability
guidance supporting customers who
need extra help.

October 2023

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Summary

Christians Against Poverty (CAP) is one of the UK's largest providers of free, face-to-face adult financial education.

CAP supports people in debt and poverty across the UK by equipping local churches to serve their community, empowering them to provide financial education, job clubs and support through award-winning debt help and community groups. CAP has over 25 years' experience supporting people in debt and poverty, and as a result has seen the impact that low income has on people across the UK and is happy to feed into this call for evidence.

CAP welcomes firms and regulators working towards ensuring that their services meet the needs of customers who need extra help. At present, CAP is currently supporting around 400 clients per month who need enhanced support to complete their journey out of debt.

Key points:

- CAP welcomes the consultation and would encourage Ofwat to set out strategies for innovation and excellence in this area.
- Barriers facing individuals who require extra help often stem from not knowing or understanding what is available to them, therefore any additional assistance must be available publicly and easily accessed by every customer.
- Extra help needs to be offered to equip and support all individuals to receive services that suit their needs, and to have access to all options.
- As there is no competition in water suppliers, Ofwat needs to ensure that companies who are not adhering to the guidelines are subject to discipline and regular checking.

Questions

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

Yes, CAP agrees broadly with the definition as set out. However, we suggest that Ofwat also includes the phrase 'potential customer' and considers how to guide people into the process if they are new customers. We would also suggest considering whether other family or household members of your named customer may be vulnerable, and how to support them. We welcome that Ofwat has not just referred to personal characteristics, and has also taken into account the circumstances that may make people vulnerable. However, overall the paper implies that the customer who is in need of extra help needs to take certain actions and fit into what is proposed, rather than the water supplier needing to ensure that their service is easily accessed by all regardless of what extra help is needed.

A good example of this is a dropped kerb at crossings, which is helpful to those using wheelchairs or pushing prams. They do not have to move to a different location to access the help, and can easily cross the road at the same time as others who may not need the help. In the context of a customer of a water supplier, customer service teams could receive training to always ask customers at the start of the call what accessibility needs the caller has, and explain what options are available. The water companies could publicly promote the additional support that is available, rather than waiting for the customer to ask for help.

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

Yes, CAP agrees that the term 'extra help' is very much in line with how we would refer to our own clients who need this, and we welcome the use of the phrase 'customers who need extra help'. Again, we would caution against suggesting that the customer is the problem, and that they need to take certain actions in order to access the extra help that is available.

CAP would suggest to make sure that the customer is considered as a person, rather than a need or a label based on what they need. We would suggest that the next step would be to invite consideration from customers with lived experience of attempting to access extra help from their suppliers,

to reflect on how the terms 'extra help' and 'tailored help' sit with them. CAP has been working closely with a lived experience group called Three Hands (threehands.co.uk), which specialises in bringing together people with real-life experience, creditors and those that work in the third (or charitable) sector.

CAP is concerned that the consultation document seems to separate customers who need extra help and those in financial difficulty. The reality is that both situations are often closely linked and intertwined. CAP believes that the guidance could go further to ensure that all water services are as accessible as possible.

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

Yes, we agree and suggest that this should be standard across the whole sector. We believe that businesses should not be disregarded as they may have employees whose wellbeing is impacted by a disruption to the water supply, and should a business believe that they do require extra help, it should be set out explicitly how this would be managed.

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

CAP believes there is great potential for this guidance to have a very substantial positive effect. But the extent of the impact it will have will vary based on how Ofwat collates and actions the feedback provided.

Two key areas that will also have an impact on the extent of the positive effect that can be experienced is the power of continuous improvement and the way that change is applied throughout the whole infrastructure of the water sector.

CAP believes that this guidance will add more accountability to water companies as they will be required to self-audit. However, as the companies have the control over this, we do question how they will report back. CAP also believes that companies should be able to celebrate successes equally as much as they should be required to report failings and areas which need improvement.

CAP would hope that the guidance ensures the customer experience is consistent, and we would hope for this to influence consistency across all essential service providers; for example, energy suppliers and financial services.

Firms should ensure that all customer-facing roles are well trained, with a good awareness of how to assist customers who require more help. This should come from a place of creating a culture and infrastructure within organisations to set up procedures to provide support. However, more impact could also be made if measures are put in place to mitigate if this change is not experienced in practice. CAP would like to see a guide informing customers of how to push back if they are not receiving the service they need.

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

CAP welcomes Ofwat expanding their guidance by using the experience of other regulated sectors. This should not be limited to this consultation, but instead it should be a regular way of sharing best practice and encouraging continuous improvement.

One example is the experience of NatWest, which has been working with Three Hands to hear lived experience feedback from both the public and critical friends. This principle can easily be applied to the water sector to ensure that projects are planned and communication is developed with input from people with first hand experience of additional needs being core to the process.

CAP also celebrates opportunities for the sectors which work closely with those who may require extra help to be involved in the feedback loop. CAP is part of the cross-department Government debt management fairness group that now sits with HM treasury, where we especially share our perspectives on consumer vulnerability - together we strongly promote the sharing of lived experience in service and product design, and this encourages sharing of experience. CAP would be willing to share our experience in this area to assist Ofwat further.

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

CAP welcomes the proposed approach and would encourage Ofwat to review and reconsider this in twelve months' time to see if it has worked and if any changes would be required. However, it is unclear how this could be enforced, how Ofwat intends to drive up quality and standards in this area, and how this will be monitored. CAP would welcome further consideration to be taken in this area.

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

Yes, CAP welcomes the work that is being done and would encourage further work towards a user-friendly feedback channel in the near future, ensuring that there is a mechanism for accountability.

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

CAP welcomes the proposed list. However, we would encourage regular and ongoing reviews as providers should be encouraged to exceed the minimum expectations. CAP believes that the reviews should not solely be measured through complaints numbers as customers who need extra help may not always be capable of going through a complaints process. Alternatives would include polling, easy text responses to surveys and consulting lived experience experts on a regular basis to feed back to the companies. CAP in particular welcomes minimum expectation 1.3 in the light of recent foreseeable harm regulation.

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?

CAP is aware that water companies do not have competition between them, so would question how best practice will be encouraged and celebrated. We would also welcome details of how innovation will be encouraged.

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

CAP welcomes the proposed approach and timeline and would also welcome more details of how Ofwat will ensure consistency between

suppliers. We would also welcome any public communications that would enable water customers to engage with and celebrate the guidance.

11. 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?

CAP welcomes Ofwat's desire to not stand in the way of innovation amongst the water companies. We would like to see this further promoted and firms actively encouraged to innovate. CAP also welcomes the outcome-focused approach. However, CAP questions why there is a need for two separate documents and would like to know whether the two would ever be merged to ensure a joined-up process.

About Christians Against Poverty (CAP)

Christians Against Poverty (CAP UK) is a national charity that equips local churches to deliver a range of free, face-to-face services. This includes providing holistic support for families and individuals facing problem debt, unemployment, low income and difficulty managing money. Together we have a vision to see transformed lives, thriving churches and an end to UK poverty.

All CAP's services are free of charge and available to everyone, regardless of age, gender, faith and background. To find out more, visit capuk.org.

Requests for further information

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