

Hafren Dyfrdwy

consultation response

Vulnerability guidance for water companies
supporting customers who need extra help

10th November 2023

Introduction

Hafren Dyfrdwy response to Ofwat’s consultation paper on the draft vulnerability for water companies supporting customers who need extra help.

We recognise the importance of supporting customers who need extra help and understand that the focus needs to be on delivering better outcomes for customers – particularly those who are most vulnerable and struggling to pay. At Hafren Dyfrdwy we fully embraced Ofwat’s Paying Fair guidelines and Ofwat judged us to be “exemplary” in July 2023 in how we responded to the 143 requirements.

With the need for bills to increase in AMP8 we step-up the levels of investment to meet statutory requirements and policy expectations in Wales, we need to make sure we are doing our utmost to look after our vulnerable customers. It’s why we’ve put together our largest-ever affordability support for AMP8 and expect to have more than doubled the number of our customers receiving financial help with their bills. By 2030, our social tariff pot will give us the capacity to reach over 8% of customers compared with just-shy of 4% today.

We also fully recognise that vulnerability goes beyond whether or not a customer can afford their bill and this is a theme we continually revisit across the remainder of this consultation response, where we respond the specific questions raised in your consultation.

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

We agree that retaining the definition set out in the 2016 Vulnerability Focus report is still necessary and relevant. We agree that the definition and terminology are less important than the overall support we offer to customers.

We know through research that the awareness of support that is available for all vulnerabilities is low and has decreased over the years, and we know that customers react and engage with companies more when the descriptors and definitions are short and easy to understand. Our vulnerability strategy embodies the current definition and more, with a focus that we are Here to Help. We have tailored support for all of our customers that need it and a dedicated team in our Wrexham office who are highly skilled in dealing with customers who need that “extra help” whether this be in the short term or long term. We have also recently introduced in readiness for AMP8 our Community Connector roles who are customer facing and will be out and about in our communities on a daily basis to raise awareness of how we can help and offer that face to face service that we know our customers appreciate in times of difficulty. These roles will especially help with our Powys customers who can be digitally excluded and prefer the more traditional communication channels.

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

We support the use of the term ‘extra help’, and believe this will help vulnerable customers to engage with us. We consider this focusses the importance of vulnerability as a wider definition and is more inclusive of all types of vulnerable customers. We rely on mutual engagement with customers that require extra support, and we know that calling it ‘vulnerability’ can be quite a divisive term with customers tending not to share as much with us. We agree the term ‘extra help’ creates a better connotation and opens-up conversations on opportunities to offer extra help – from setting up an affordable payment arrangement through to receiving bottled-water and even beyond with more specific needs that require more tailored solutions.

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

We support the proposal to apply the guidance to new appointees and we think that there should be a reasonable and proportionate approach to the monitoring of these service levels to ensure that customers under all service providers have the same levels of service and protection.

We recognise the potential value from applying the guidance to non-household. While certain strategic sites and customers are covered by SEMD, we have other non-household customers where the service we provide is mission-critical to their success as a business. It's with these customers in mind that we support the extension of the guidance to non-household customers. We would also note that while retail competition remains available to some customers in Wales, a reduction in the scope of the market seems more likely than an increase.

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

We believe the draft guidance will have a positive impact on the customers who need extra support will receive. We are working hard to enhance our approach to inclusivity already, specifically financial vulnerability. This includes a review of our current schemes to ensure we have the appropriate support available for the wide variety of circumstances our customers could experience at any point in their life, this includes large families, seasonal income, and long-term financial difficulty.

We are also reviewing how our customers access this support by introducing a new application process which in turn will provide quicker administration. We are also introducing an online Here2Help Hub where customers will be able to access a "Better Off calculator" which will help the customer understand what scheme would be the most beneficial to them. We will continue to offer support across all of our channels and with our Community Connector roles the face to face engagement will grow. Coupled together, these things will deliver an easier, customer friendly and more impactful experience for those in need.

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

We continuously look for best practice from other water companies and other sectors to see if we can improve our service. We consider Ofwat's draft guidance already captures the best practice of which we are currently aware. We will continue to monitor other sectors for lessons learned and will share with you and the industry whenever we find them.

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

We agree with your approach. In our response to Ofwat's consultation on the customer-focused licence condition we asked for clear guidance on the expectations set out because we are committed to improvement customer experience and regain trust with our customers. We believe our customer values are already aligned to the licence condition and appreciate the clarity on the guidelines set out.

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

We agree that the five draft objectives cover the broad areas of vulnerability and activities companies should be considering. We recognise these are most important to our customers, and believe they cover our customers' needs and expectations (which we are all conscious can increase at pace). Moreover, we support these objectives and Ofwat's aim to raise standards of vulnerability support across the sector – sharing the passion to put customers at the fore, particularly those who need extra help.

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

We largely agree the proposed minimum expectations that have been set out. We also note the correlation between these and the paying fair guidelines in which Ofwat judged us as 'exemplary' in how we responded to the requirements. These included how we communicate effectively and sensitively with customers in vulnerable circumstances, offering more frequent billing to encourage customers to pay and making efforts to re-engage with customers after initial occurrence of a failed repayment arrangement.

We have commented on the minimum expectations in a separate section at the end of this document.

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 do feel that the minimum expectations offer a good balance whilst still challenging companies to come up with innovative ways to meet the needs of our customers. We recognise our responsibility in continually improving and evolving our service offering to match the needs and expectations of our customers at pace. We are pleased to report that we are already doing a lot of work in this space and that the minimum standards set out are already within our Vulnerability Strategy.

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

We agree with the proposed timeline to publish our Vulnerability Strategy by the end of June 2024. This will give us time to engage with our stakeholders on the strategy

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

We agree with the proposed approach to how water companies should use the guidance. We're pleased we are already largely aligned with the minimum expectations set out and are working towards bridging the gap between the needs of our customers and the extra help they may require.

Our strategy clearly outlines our commitments and targets we are expecting to meet, this will include the compliance with the legal and regulatory requirements which apply.

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?

Yes, we agree with the proposed approach and timeline to the detailed expectations around the design of the Priority Service Register standards ready to be in place by April 2025. As the consultation says, this will allow for the standards to be in place when the current PR19 performance commitments on priority services registers lapse on 31 March 2025.

Minimum expectations

Objective 1 – High standards of service and support

Minimum expectation 1.1 – companies should adapt their services to customers in line with any known extra help needs. This is especially important during times where there is increased risk of harm; for example, during incidents.

We're pleased that we already offer a wide range of different communication channels which suit customers' needs. We have many different communication channels to be able to speak to our customers, we provide 6 alternative bill/communication formats, we case manage and offer specific time and frequency communication slots, for customers who would prefer to contact us via text, we offer SMS and 2 way messaging. For customers who aren't able to contact us at all we offer face to face visits to help support and our "Customer Hatch" at our Wrexham based Head Office is also open Monday to Friday 8am till 4.30pm.

During incidents we rely on our Priority Service Register and offer an 'always on' service, which means customers will receive a constant supply of water during an incident, that may be delivering bottled water to customers who need it, or located distribution points in their local areas. During incidents we also update our phone lines to include personalised messages when customers postcodes are recognised and the most relevant information is shared.

We offer 9 different payment methods to our customers, this includes being able to pay via third party deductions from their benefits, paying by Direct Debit or by a Watercard. We also offered different types of frequencies and payment dates to suit customer needs. For customers who do have a Power of Attorney, as soon as we are made aware we will deal with them going forwards and will offer our 9 different payment methods and ensure all essential interactions are done with the nominated Power of Attorney.

We offer protection from bogus callers and the option for customers to sign up to our doorstep password scheme when customers join the Priority Service Register. Any of these contacts are managed by our Wrexham based Care and Assistance team.

In response to new meters, these are our assets and we aim to install these externally so we can access them without disturbing our customers. When they are sited outside we do not expect customers to need to access their meter outside, however we do offer guidance and video walkthrough on how to access meters externally sited in a boundary box for assistance. For meter that are internally sited we ensure these are located in the best possible place that is both accessible for customers and us, and it also practicable incase maintenance work is required at any point.

Minimum expectation 1.2 – companies should ensure that the level and nature of support available to customers is presented in a way customers can understand.

We have recently updated our descriptors for all of our support schemes following CCW's affordability review to ensure these are aligned and consistent across the industry, the schemes are now recognisable and customers understand the level of support our schemes have to offer to avoid any assumptions.

As part of our vulnerability strategy, we have enhanced our application process which means customers will fill in one application for all of our schemes, and based on their circumstances, we will

offer the schemes which are most appropriate, this ensures the help we have available can be offered much quicker and more informative. We are also introducing a new online “Here2Help Hub” which should be available in the new year where customers can use a “better off” calculator to understand the scheme that is most beneficial and this will then take them step by step through the application process to make the process easier. These applications will come directly into our Care and Assistance team in Wrexham who will review each application and customer circumstance to validate the information provided and make sure that the outcome is the best one for the customer. The customer will be Case Managed throughout that application process by a member of the team to prevent any “hand off’s” and to put the customer at ease.

In addition, we are continuing our work with external partners, such as local authorities, housing associations, charities and food banks to identify customers who are struggling and to increase awareness of the support we provide. As part of this we bring together advice and support agencies at events for customers in the local communities most in need of support. Our recently introduced Community Connector roles will be an integral part of this moving forward and means we can ramp up our community engagement as we move into AMP8.

We are working with local authorities to proactively identify customers in financial hardship so we can proactively contact them to raise awareness of our schemes. This has enabled us to directly support those customers who might not engage with us otherwise. We have also targeted school pupils in receipt of government funded school meals with “backpack flyers” promoting our schemes and services.

Our Trained Approvers currently include Warm Wales, Citizens Advice 9Wrexham & Powys, Flintshire County Council and Age Cymru and is key for us as this means that customers can be passported onto our schemes removing any barriers that they may have previously faced. We continue to seek partners to be added to our Trained Approvers and expand this support across our region.

We are also building awareness of our affordability schemes across social media, the press and continue with our targeted emails to reach those we believe are most in need through our winter campaign that will launch in November and run until March.

We will also be trialling posters in key community venues such as GP’s, Post Offices, Co-Ops and libraries for our more rural customers as we know that these venues are frequently accessed and can help raise awareness where social media and radio may not be as effective. In addition, we are looking to trial providing information about our Here2Help hub in chemist prescription bags. Our Community Strategy is also highly collaborative and we will be working with local authorities, community groups and schools in long-term relationships over the next ten years.

Minimum expectation 1.3 – Companies should develop clear policies that set out any compensation arrangements for customers whose extra help needs have not been met.

We currently follow the current Guaranteed Standards Guidelines, and in other compensation arrangements these are reviewed on a case-by-case basis through our Gesture of Goodwill process. We are currently working alongside CCW in their GSS review and have responded to their Call for Evidence on 13th October.

We feel that there should not be different compensation arrangements for customers who need extra help or identified as needing extra help and that it should be fair for all customers. Any customer who needs extra help would have already been identified on our PSR or would identify themselves during an event and additional appropriate support will be given to them (e.g. doorstep delivery of bottled

water). We feel that this provides the support they need during an outage and, thereafter, they should receive the same standard compensation as all customers affected. We do also believe having different compensation arrangements with customers needing extra help does send an adverse message to our overall customer base who may have experienced the same, similar, or worse experiences. We feel the GSS standards should be applied to all customers regardless of whether they require extra help or not.

Minimum expectation 1.4 – Companies should seek to continuously improve the service they provide to customers who need extra help. This may include finding innovative ways to design or implement services.

We continuously seek to improve our service for all customers, particularly those who have been identified as needing extra help.

We have developed personalised and tailored debt journeys to ensure the effectiveness of our collections approach and feel we already have sufficient guidelines to ensure the highest of standards are achieved. We have built different 'debt personas' within our debt collections system based on data we've developed during the end-to-end debt journey. This approach means we apply tailored interventions dependent on the history of the customers circumstances, particularly if they require extra help.

We are working closely within the community, particularly hard-to-reach areas communities, we host face to face events designed to engage with customers who may struggle to contact us due to personal obstacles and attend events organised by 3rd parties such as Warm Wales, the Job Centre and local MP's and AM's.

When we design products, communications or services within our business we do carefully consider accessibility needs. When we are in contact with our customers we provide a wide range of ways they can manage their accounts online themselves and with this is the functionality of 'ReciteMe' which is inclusive by design.

Through our bespoke onboarding training, not only do we teach colleagues how to learn our systems, but also how to have really good conversations with our customers and how to spot signs proactively where a customer may be vulnerable either financially or physically, for example, a customer who has phoned us in a panicked state about debt and worrying about paying their bill, our specialist Care and Assistance team will case manage them for a period of time, whilst understanding their needs, offering the relevant services and supporting them personally where required.

Minimum expectation 1.5 – Companies should use a range of data to monitor the effectiveness of their extra help services, and the satisfaction levels of customers who have made such needs known.

We are closely following the development of the customer-focussed licence condition and how this could benefit our customers, as part of the licence condition there is an outcome for when something does go wrong, customers that are affected have the confidence that the company will put things right.

We continue to monitor customer outcomes through internal measures of Complaints and our C-MeX performance. We utilise Speech Analytics to help provide better insight and satisfaction on many different communication topics which enables us to be proactive and service recover where possible.

We also receive verbatim scores and comments from customers after they've been in touch with us to identify areas of improvement, this is offered to all customers including vulnerable customers. These are reviewed daily and the effectiveness is monitored frequently by our leadership team so that we can factor this in to any decision making or strategic planning.

In addition, we have an internal customer tracker survey which is a good opportunity to hear what our customers think of us, our services and our communications.

We are part of multiple different customer panels, including specific vulnerability panels and also customer service networking meetings. Within these catch sessions we do discuss and benchmark against other companies where possible to drive improvements to satisfaction levels.

Objective 2 – Inclusive by design

Minimum expectation 2.1 – Companies should communicate with customers in a way that is easy to understand to a diverse range of audiences. This should be underpinned by relevant insights, which may include research, engagement and accreditation.

Within our code-of-practice, we recognise that customers may find themselves in a vulnerable position at any point in their life, sometimes temporary or lasting. Changes to our policies and codes of practice are carefully considered with the impact on customers at the question, we utilise our customer tracker data to help build these changes, we also consult CCW when big changes are planned. We're working closely on the customer focussed license and how this can benefit our customers.

We provide tailored support and offer case management to customers experiencing complexities. When we design products, communications or services within our business we do carefully consider accessibility needs. When we are in contact with our customers we provide a wide range of ways they can manage their accounts online themselves and with this is the functionality of 'ReciteMe' which is inclusive by design.

Our recently introduced Community Connectors support our Community Partnership Specialist and will be out and about daily in our communities specifically at hard-to-reach places, to help customers who may struggle with over the phone or online communications with us.

Minimum expectation 2.2 – Companies should offer their customers a range of ways to interact and communicate. This includes allowing customers to opt for third party billing where appropriate.

We have many different communication channels to be able to speak to our customers, we provide six alternative bill/communication formats, we case management and offer specific time and frequency communication slots, for customers who would prefer to contact us via text, we offer SMS and two-way messaging. For customers who aren't able to contact us at all, we offer face-to-face visits to help support. We don't have any consolidated agreements with local authorities, housing associations or other social housing providers, however for bulk supplies which housing associations are paying us for we do make them aware of their responsibilities and their rights when we open a billing account with them, we promote our schemes and support directly to the housing association for them to sign post their customers where possible.

Minimum expectation 2.3 – Companies should consult with CCW, and engage with stakeholders and other customer representatives, when making significant changes to their proposed service offering around vulnerability.

We have established strong relationships with CCW and prior to changes and introducing new proposals we liaise directly with them, we give them the opportunity to comment on upcoming communications we may be sending to customers and make recommendations.

We have however observed a reduced willingness to share insight between companies within the industry and we would welcome Ofwat's support in facilitating more knowledge-sharing across companies.

Objective 3 – Identifying customers

Minimum expectation 3.1 – Companies should take active steps to identify customers who require extra help who have not yet been identified.

Our strategy also involves working closely with local authorities to identify customers in financial hardship so we can proactively contact them with tailored messaging and support that we feel is appropriate. This has enabled us to support customers who might not have previously engaged with us through our usual contact channels as they believed that they would not be "suitable" for help.

We have also recently introduced a Care Leavers programme working with Wrexham and Powys Childrens Services and are also looking at expanding this support to Unpaid Carers by having initial conversations with The Bevan Foundation to see how we can support these customers.

Other approaches include improvements to our debt recovery journeys for those customers who may be financially stressed. We also proactively contact customers who are "new to debt" or have recently missed payments on their payment arrangement or had cancelled Direct Debits to see if they need any help.

Our "late payer" debt journey that was introduced in 2021 enables us to carry out early interventions via phone, SMS and letter, to help prevent customers building up arrears and promote our support.

We are continually looking at ways that we can raise awareness of our schemes and support across radio, social media and through the press. We have been using targeted campaigns to reach customers who are most in need, using CACI demographic data to improve accuracy.

Minimum expectation 3.2 – Companies should take steps to proactively increase customer awareness of the extra help available to those who need it.

We have a team out-and-about in our communities on a daily basis, promoting the range of affordability schemes we offer, raising awareness of how to save water, and hosting events and drop-in sessions. These events are hosted across our region particularly in hard-to-reach communities and designed to engage with customers who may struggle to contact us due to obstacles such as language. We are continually looking at ways that we can raise awareness of our schemes and support across radio, social media and through the press. As per our response to Minimum Expectation 1.2 we are trying varying methods to raise awareness and we will continue to share feedback and learnings with CCW and across the industry.

Minimum expectation 3.3 – Companies should train their staff to spot potential requirements for extra help, even when a customer has not previously declared it.

Through our bespoke onboarding training, not only do we teach colleagues how to learn our systems, but also how to have really good conversations with our customers and how to spot signs proactively where a customer may be vulnerable either financially or physically but not obvious and how to handle this sensitively.

For example;

“A recently appointed colleague in our Customer Solutions team in Wrexham had a case whereby the customer would clearly have been better off on a water meter. The customer was struggling with poor mental health and was clearly under financial pressures but was extremely reluctant to switch to a water meter. The colleague took their time and talked the customer through the process to re-assure them and they finally agreed to have a meter installed. This meter installation activity would be completed by a 3rd party and on the morning of the appointment, the colleague who had spoke to the customer gave them a call to check in. At this point, the customer to their own admission was clearly distressed and upset and reluctant to have anyone in their home which meant we could not complete the meter installation and had to cancel the job. Rather than just accepting this, the colleague took it upon herself to send someone from our local operational team to the property to see if the water meter could be fitted externally so that the customer would not be having to deal with a face to face interaction. As this was a possibility, we are now in the process of getting the meter installed which means the customer will save around £400 per annum. Despite the colleague only been in the business a couple of months, they felt empowered to case manage this customer and step outside of process to get the right outcome for our customer.”

Minimum expectation 3.4 – Companies should actively consider how they can reduce communication burdens on customer who need extra help; this could include establishing data sharing arrangements with partner organisations.

We are exploring more data sharing at the moment, and the potential of data purchasing with third parties. We currently have a Data Sharing Agreement with Western Power through monthly Priority Services activities. We also work closely with local authorities to identify customers who require extra help, such as our Care Leavers Programme, helping young adults leaving the care system by passporting them onto our schemes helping them transition into society.

Our Community Strategy is also highly collaborative, and we will be working with local authorities, community groups and schools in long-term relationships.

Objective 4 – Recording needs

Minimum expectation 4.1 – Companies should take appropriate steps to record customers' extra help needs. These records should be held securely and in line with wider data protection requirements.

Our systems are robust and when we speak to customers we hold a clear record of the contact we've had, along with this our calls are recorded and kept for 12 months. As part of our identity checks we do check that customers contact details are up-to-date.

When a customer that requires extra help makes themselves known, as long as they consent, we will keep a record of this on their account via a 'special condition', and depending on what needs they

require, their account is then bespoke managed through different journeys. We review this information frequently, or on a basis that suits the customer, for example if the customer has a long-term disability and they've identified themselves to us, we wouldn't then contact them again to reconsent, but we would in scenarios where extra help may be for a smaller period of time.

Minimum expectation 4.2 – Companies' records should be reviewed regularly to ensure they are up to date.

Our systems are robust and when we speak to customers, we hold a clear record of the contact we've had, along with this our calls are recorded and kept for 12 months. As part of our identity checks, we do check that customers contact details are up to date. We review this information frequently, or on a basis that suits the customer, for example if the customer has a long-term disability and they've identified themselves to us, we wouldn't then contact them again to reconsent or confirm the information is still accurate, but we would in scenarios where extra help may only be required for a temporary period of time.

Minimum expectation 4.3 – Companies should consider how their records of customers' needs can be designed in a way that can help deliver wider benefits to their customers; for example, reducing communication burdens for customers through data sharing.

We are exploring more data sharing at the moment, and the potential of data purchasing with third parties. We currently have a Data Sharing Agreement with Scottish Power through monthly Priority Services activities. We agree with the approach of the 'tell us once' service, and we do require mutual engagement with customers to make this happen.

Our system has the ability to keep a record of a customer's needs in one place, so if a customer is speaking with us about multiple different topics, their needs are easily identifiable to ensure that nothing is missed and that the conversation is tailored appropriately.

Minimum expectation 4.4 – In designing their approach to recording and, where relevant, sharing customer vulnerability data, companies should take into account customer views on data protection and privacy. Companies should take steps to understand how their customers who need extra help feel about the use of their data.

We agree with this approach, and believe it is important that customers have the option to decide what information they want stored and shared.

Objective 5 – Vulnerability strategies

Minimum expectation 5.1 – Companies should develop and maintain a vulnerability strategy setting out how they plan to support the extra help needs of their customer base.

We are currently developing our vulnerable strategy setting out our short-, medium- and long-term plans. Within our strategy we are planning to design a Here2Help online hub which outlines the minimum expectations set out by Ofwat in this guidance, along with other enhanced services we have to offer.

Our strategy clearly outlines our commitments and targets we are expecting to meet, whilst weaving in both customer and stakeholder input and feedback along the way.

Our strategy will be published on our website and easily accessible for anyone who wishes to read this, we are on track to deliver this before June 2024.

Minimum expectation 5.2 – Companies should take steps to understand the likely underlying requirements for extra help in their areas.

Whilst we are pleased that our strategy already meets a lot of these minimum requirements, we know there is more we need to do to bridge the gap between the needs of our customers and the extra help they may require. We are using local knowledge and strong relationships with our external partners to identify those customers that are most needing extra help and we will continue to focus on this approach now and in the future to allow us to reach more customers as we know this is what works for a company our size.

Minimum expectation 5.3 – Companies should publish their service commitments for customers who have declared an extra help need so that all customers can understand the nature of help available.

Our current plan for 2020-2025 is published on our website and is accessible for all of our customers. We have also published our plans for 2025-2030, which outlines clearly what our commitments are for the next AMP and beyond, including our plans to support the affordability of bills for our customers.