

29 December 2022

Ofwat c/o:

Dear Ofwat,

Re: Request for information: Paying Fair

Thank you for the opportunity to provide information. This letter sets out our responses to each of your questions.

A) Paying Fair Update

We have attached a summary spreadsheet (Appendix 1) confirming our compliance with each element of the paying fair guidelines and showing where we feel we have further actions to take and a small number where our approach is currently not in line with this guidance.

The elements where our approach is not fully consistent with the guidelines

1.2 Have robust systems and procedures for contacting customers and recording and recalling contacts with them. This should include maintaining up to date customer contact details with at least two methods of contact (where available) – and the customer’s preferred contact times.

We collect and regularly validate customers contact details maintaining contact address, telephone numbers by named individual (work/mobile/landline) as well as email address. Our use of preferred time of day for contact is limited currently and is only collected and used where a customer has requested a callback. We have collected this information in the past and found that for proactive telephone campaigns attempting to contact using a variety of times of day is a more effective approach.

1.3 Where properties are rented, companies should work with Landlords including making them aware of LTAP; explore data sharing arrangements to better understand which properties are rented; and accept evidence provided by tenants to show who is responsible for paying bills.

We accept evidence from tenants and will look to bill landlords where possible, however if landlords dispute liability we have little choice but to revert to occupier liability as defined in section 144C of the water industry act 1991 as the act gives us no powers to pursue landlords for non-payment. This has been tested in the County Courts previously and even where a tenant has a tenancy agreement showing that the landlord is liable for water charges landlords have successfully argued that they cannot be held liable for charges.

1.10 Offer or accept non-standard flexible payment arrangements so customers have the ability to make payments when they need and want to in ways that work for them. This is important for customers with irregular incomes – such as those in ‘gig’ employment or on zero hours contracts.

We don't currently fully comply with this requirement. We will agree non-standard plans when a customer requests or highlights circumstances that mean this type of plan is appropriate. We don't currently have a formal process for this type of approach that we proactively offer but will continue to trial alternative ways of offering this type of arrangement.

1.11 Offer or accept more frequent billing frequencies to encourage customers to pay and avoid unexpected and unaffordable increases in their bills ('bill shock').

We are currently unable to offer more flexible billing options for customers and do to so needs significant billing system enhancement. This is in our smart metering roadmap and we hope to be able to offer to smart metered customers this option by 2025, at which time we will also explore offering additional flexibility of standard metered customers. We do offer considerable payment flexibility to allow customers to manage bill shock in this alternative way.

1.26 Use insight and intelligence to regularly monitor customer satisfaction with billing, payment, support and debt services, identify issues and target areas for improvement. This should include satisfaction among customers in vulnerable circumstances. Insights and intelligence might include extracting voice analytics from telephone calls on how easy or difficult customers find it to understand their bills and access support;

We don't currently fully make use of voice analytics in this way. We are starting to use voice analytics but our use of this is in its infancy and feel this is an area where we can develop our approach further.

1.28 Show customers how their views on payment, help and debt are encouraging improvements to services. Companies will need to make sure any changes they make are inclusive by design (see expectation 1.29). Any changes to policies should also be reflected in their code of practice on debt recovery or other core customer information they are required to publish under condition G of their license.

We are working with our local CCW advocates on how we can show customers that their views influence our processes and expect to have a new website area highlighting this as a first stage in the first half of 2023.

2.10 Have systems in place so that customers who use British Sign Language, or do not speak English or Welsh, can communicate with the company.

We do have systems in place to support customers who need information in alternative languages or British Sign Language however we have identified some small gaps where this

could be made easier to access and we are focusing on these during 2023.

7.16 Notify courts promptly when customers in relation to whom court enforcement orders have been made clear all or a substantial part of their debts.

We notify courts where debts are paid in full. However, we have been engaging with courts around partial payment and they have yet to advise us of a solution for partial payment notification, our current understanding is that this is not possible where we have pursued enforcement actions through the court. Therefore, we are unable to fully comply with this requirement as it is written.

B) License Condition G Obligations

With regard to your specific requests around our license G obligations relating to payment methods and our det code of practice these are detailed below;

B.1 Payment Methods (Condition G3.5)

We communicate ways to pay and the flexibility we provide at every opportunity, whether that be with the first bill, collections messages, over the phone or on our website.

Currently we offer the following payment options.

Payment Method	How to pay
Direct Debit	Over the phone, IVR, Website, APP
Credit Card	Over the phone, IVR, Website, APP
Debit Card	Over the phone, IVR, Website, APP
Online banking	Website
Paypoint	Paypoint outlets
Bank Counters	High Street Banks
Cheque	Post to NWL/ESW
BACs	Bank Payment
Standing Order	Agreed with your bank
Google Pay	Via NWL/ESW App
Apple Pay	Via NWL/ESW App

All payments can be made on the date of the customers choosing we only have date restrictions on monthly direct debit payment plans where the customer wants a date of the 29th, 30th or 31st as these don't occur every month, every other date is available on monthly plans.

Payments via all methods mentioned are available weekly, fortnightly, four weekly, monthly, quarterly, half-yearly or annually as standard. Any other suitable plan can be agreed on an individual basis with a customer taking into account their individual situation.



Our core payment options are also available for customers via the following link [How can I pay my water bill? \(nwl.co.uk\)](#)

In addition, we have been offering a new request to pay service using open banking, however this is being trialed currently so not yet offered as a standard option.

B.2 Code of practice on collecting Debt (Condition G4)

We have updated our code of practice on how we manage debt in line with the paying fair guidance requirements and made them available on our websites, links below;

[Our guaranteed standards of service \(nwl.co.uk\)](#)

[Our guaranteed standards of service \(eswater.co.uk\)](#)

As mentioned earlier whilst we offer a fully translatable website using the “Recite” tool we don’t currently have alternative language versions of these documents in a downloadable format on the website. We are intending to do a redesign of the documents to make them more accessible early in the new year and have been working with CCW to agree the code of practice content before carrying out this next step which would include more support for common alternative languages.

C) Data Request

Please find attached to this response our completed data reporting table.

I have responded to your specific questions regarding this table below.

1. Do you have any comments on this information notice? In particular, we welcome comments on the debt metrics and units of measurement we are proposing.

We note in section 3 – Collection activities that the data around court action focuses on court claims and high court enforcement but doesn’t ask for additional data on other enforcement methods, such as charging orders and attachment of earnings ordered. Typically, high court enforcement action is carried out as a last resort and only one method available for enforcement. In addition, the number of households subject to court action doesn’t solely capture activity in the year and therefore the number is a cumulative figure. Court claimed accounts which move through to further enforcement may remain outstanding for long periods of time as customers either slowly repay arrears or as balances are secured via a charging order which doesn’t release payment until potentially years into the future.

Companies use external agents in very different ways, outsourcing debt relating to different customer segments or at different stages in the collections process so comparison of these types of measures are likely to highlight process differences more than effectiveness of collections processes when comparing.

2. Is there any additional information you think it would be worthwhile for us to collect?

Other methods of enforcement and volumes would give a broader picture of collections activity.

Numbers of customers making payments via the DWP third party deduction scheme would be useful as for customers with no assets for whom court action is the wrong choice, but all other collections methods have failed this is an alternative payment option.

I hope our responses are helpful. If you have any questions, then please do get in touch.

Yours sincerely,

Mark Wilkinson
Head of Income