

July 2023

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

Ofwat

About this document

This document sets out our consultation on draft guidance for all water-only and water and wastewater companies in supporting household customers in England and Wales and non-household customers in Wales who need extra help accessing water and wastewater services.

We welcome responses to our consultation by **18 October 2023**.

Responding to this consultation

Our consultation questions

We welcome all responses to our consultation, and particularly answers to the following questions:

1. Do you agree that we should retain the vulnerability definition we set out in our 2016 Vulnerability Focus report?
2. Do you agree with our approach to nomenclature, particularly our use of the term 'extra help'?
3. Do you agree with our proposed approach to applying the guidance to new appointees and the Welsh non-household sector?
4. What impact do you think our draft guidance will have on the experiences of customers who need extra help?
5. Are there further lessons from other regulated sectors that could be incorporated into our draft guidance?
6. Do you agree with our proposed approach to enforcing our customer-focused licence condition by reference to our draft guidance?
7. Do you agree that our draft objectives cover the broad areas of vulnerability support activities that companies should be considering?
8. Do you agree with the proposed list of minimum expectations we have set out?
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?
10. Do you agree with the proposed approach and timeline around companies' vulnerability strategies?
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?

How to respond

Please email your response to customerfocus@ofwat.gov.uk or post to:

Vulnerability guidance consultation response
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

The closing date for this consultation is 18 October 2023. If you wish to discuss any aspect of this consultation, please email customerfocus@ofwat.gov.uk.

We intend to publish responses to this consultation on our website at www.ofwat.gov.uk. Subject to the following, by providing a response to this consultation you are deemed to consent to its publication. If you think that any of the information in your response should not be disclosed (for example, because you consider it to be commercially sensitive), an automatic or generalised confidentiality disclaimer will not, of itself, be regarded as sufficient. You should identify specific information and explain in each case why it should not be disclosed and provide a redacted version of your response, which we will consider when deciding what information to publish. At a minimum, we would expect to publish the name of all organisations that provide a written response, even where there are legitimate reasons why the contents of those written responses remain confidential.

In relation to personal data, you have the right to object to our publication of the personal information that you disclose to us in submitting your response (for example, your name or contact details). If you do not want us to publish specific personal information that would enable you to be identified, our [privacy policy](#) explains the basis on which you can object to its processing and provides further information on how we process personal data.

In addition to our ability to disclose information pursuant to the Water Industry Act 1991, information provided in response to this consultation, including personal data, may be published or disclosed in accordance with legislation on access to information – primarily the Freedom of Information Act 2000 (FoIA), the Environmental Information Regulations 2004 (EIR) and applicable data protection laws.

Please be aware that, under the FoIA and the EIR, there are statutory Codes of Practice which deal, among other things, with obligations of confidence. If we receive a request for disclosure of information which you have asked us not to disclose, we will take full account of your explanation, but we cannot give an assurance that we can maintain confidentiality in all circumstances.

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1. Introduction

1.1 Purpose of our vulnerability guidance

Our proposed vulnerability guidance forms sections 2 and 3 of this consultation, and parts of chapter 4 would also form part of our final guidance.

We hope that our vulnerability guidance will play an important role in improving outcomes for water customers. We believe it can do this in three ways:

- setting expectations and giving clarity to companies in relation to our new customer-focused licence principles;
- establishing a direction of travel for the future of vulnerability support in the water sector; and
- empowering water customers and the third sector.

We explain each of these below.

1.1.1 Setting expectations and giving clarity to companies in relation to our new customer-focused licence principles

Our draft licence condition sets out legally binding principles for customer service and support.¹ In some areas we propose to provide supplementary guidance to provide examples and expectations of how companies can meet the principles. We propose to enforce the principles with reference to this guidance: that is, we propose to take into account how a company has considered our guidance in its activities when considering compliance with the condition. In the responses to our licence condition consultation, over half of respondents listed vulnerability guidance as the key priority in relation to underpinning guidance for the licence condition.

Supplementary guidance can also encourage companies to take an outcome-focused approach to compliance. Guidance can be designed in such a way as to set out an expectation that companies either comply closely with aspects of it; or explain and evidence how an alternative approach they have taken will deliver that aspect of the overall licence requirement in a better way. This can help to promote innovation while also keeping customers protected. At the same time, there may be areas where more specific guidance is appropriate to ensure customers are protected.

¹ Ofwat - [Putting water customers first: A consultation on introducing a customer-focused condition into the licences of all water companies in England and Wales](#)

The objectives and expectations set out in our vulnerability guidance are most directly relevant to our customer-focused licence condition G4.5, "The Appointee understands the needs of customers of the Appointee and provides appropriate support, including appropriate support for customers in vulnerable circumstances, and including during and following incidents." However, our vulnerability guidance will also be relevant to other parts of our licence condition, inasmuch as they apply to customers who need extra help.

1.1.2 Establishing a direction of travel for the future of vulnerability support in the water sector

Guidance can make clear a regulator's up to date view on the most important issues within an area of regulation, steering the focus of both regulated companies and other stakeholders.

In developing our draft guidance, we have engaged extensively with a wide variety of stakeholders and have sought to understand their views on the most important issues facing customers who need extra help. This has helped to shape our understanding of the priority areas that need to be addressed through guidance.

By setting out our objectives and expectations for water companies' treatment of customers who need extra help, we want to contribute to this wider conversation within and beyond the sector and make clear where we think the key areas for development lie.

1.1.3 Empowering customers and the third sector

By setting a clear set of expectations for water companies' treatment of customers who need extra help, we hope to give customers and the third sector an additional tool to help shape these services.

For example: if a customer feels they may have been let down by their company, then having access to a list of the regulators' expectations can provide a benchmark to see whether their company's behaviour is in line with good practice. If it is not, then they may decide to challenge their company; for example, by submitting a complaint.

Similarly, we hope that third sector groups can use our guidance to challenge poor practice within the sector and work with companies to improve service.

1.2 Definitions and scope

1.2.1 Defining vulnerability

Our overall view is that definitions and terminology around vulnerability are less important than the action that companies take to support customers. However, we recognise that imprecision in language can cause unintended consequences; and also that the language we use to describe customers has the potential to alienate or create barriers to inclusion. Therefore, we want to provide clarity on the terms we are using in this consultation and our draft guidance.

In our 2016 [Vulnerability Focus report](#), we concluded that a customer whose circumstances make them vulnerable can be defined as:

A customer who due to personal characteristics, their overall life situation or due to broader market and economic factors, is not having reasonable opportunity to access and receive an inclusive service which may have a detrimental impact on their health, wellbeing or finances.

We believe that this definition remains relevant and useful, and we believe that stakeholders are comfortable with us retaining this definition. Therefore, we do not propose to issue a new vulnerability definition as part of our guidance. In our final guidance, we propose to include this definition of vulnerability.

However, as that report acknowledged, there remains some controversy and debate around the use of the term 'vulnerability'. In the report, we said that "we would like to move the sector's thinking away from using the concept of 'vulnerable customer' and replace it with 'customers in circumstances that make them vulnerable' or 'situations of vulnerability'".

We believe that the sector's thinking has now developed further, and that the term vulnerability remains potentially divisive. For this reason, in our draft guidance in our draft guidance we do not use terms like "customers in vulnerable circumstances" or "situations of vulnerability". Instead we use the following terms:

- We use the term **vulnerability** to refer to the overall topic. This provides clarity for stakeholders and companies and reduces potential for confusion.
- We use the term **extra help** to describe the many ways in which companies can provide tailored support for certain customers.
- We use the term **customers who need extra help** to describe customers who without this tailored support may not have reasonable opportunity to access and receive an inclusive service.

We believe that talking about extra help is a more straightforward and understandable way of describing the types of services that companies provide. At the same time, we believe that it is a more all-encompassing term, which can include everything from delivering water to customers on the priority services register, to more informal or spontaneous support. We believe that the term is likely to be less divisive to customers than using the term 'vulnerable'. Finally, we believe that it promotes a needs-based approach to customer support, placing the focus on help that companies can provide rather than the underlying cause of the requirement (e.g. a medical diagnosis).

1.2.2 Types of vulnerability

Our vulnerability definition, set out above, says that customers may be vulnerable to "detrimental impact on their health, wellbeing or finances."

In [our Paying Fair guidelines](#) we set out our detailed expectations around the support companies provide for customers at risk of financial harm; e.g. promotion of social tariffs, preventing customers from falling into debt, etc.

This draft guidance covers the types of extra help that companies can offer to reduce the risk of detrimental impacts on customers' health and wellbeing. This guidance is therefore focused on **non-financial vulnerability**.

There are some areas of overlap between interventions to address financial harm and non-financial harm. For example:

- In trying to support customers at risk of financial harm, companies may risk causing non-financial harm e.g. if a company's poor debt communication were to cause harm to a customer's mental health.
- If customers are not given sufficient support to prevent non-financial harm, financial harm may result e.g. if a company's lack of support for a customer requiring a constant supply of water during an outage were to result in that customer having to pay for emergency accommodation.

Between our vulnerability guidance and our Paying Fair guidelines we hope to provide a comprehensive set of expectations on support for customers who are vulnerable to different types of harm.

1.2.3 Who this guidance applies to

This draft guidance applies to all water companies, by which we mean those holding an instrument of appointment for an appointed area as a water and/or sewerage undertaker.

This includes new appointees, also known as NAVs, which are small water companies that typically supply some new housing developments. We are proposing that the licence condition should apply to household customers in England and Wales. In a more restricted form, we are proposing that it apply to companies' treatment of business customers (also referred to as non-household customers) where they are not supplied by a retailer: in practice this means all but the largest business customers of Welsh companies, and business customers of new appointees in both England and Wales.

We believe that the objectives and expectations we set out in this draft guidance are equally applicable to the treatment of all customers served by companies set out above. At the same time, we understand that the guidance may be applied in slightly different ways in some circumstances, for example:

- A new appointee covering only a small number of households may provide extra help in a different manner to a large incumbent company; or,
- A business customer's extra help needs may sometimes be quite different to a household's, e.g. interruption of water supply will not have health implications for many businesses.²

Therefore, we propose that if a company – particularly new appointees, and those supplying business customers where they are not supplied by a retailer – believes that their circumstances will require an alternative approach to meeting the expectations in the guidance, then this should be set out explicitly as part of their vulnerability strategy (c.f. our Objective 5: Vulnerability strategies).

1.3 Why issue our guidance?

We believe that, in light of our development of a new customer-focused licence condition, the time is right for us to clearly set out our expectations on companies' treatment of customers who need extra help.

Improving outcomes for customers who need extra help in the water and wastewater sectors is a key priority for Ofwat. The Water Industry Act 1991 requires Ofwat to protect the interests of consumers, and in doing so to have regard to the interests of a number of specific customer groups – these groups are more likely to be at risk of vulnerability.³ In addition, the Act also requires Ofwat to act in accordance with the priorities and objectives of the UK and Welsh Governments, as set out in those governments' strategic priorities statements (SPSS).

² Some types of non-household property are particularly vulnerable and are classified as 'vulnerable sites' under the [Security and Emergencies Measures Direction \(SEMD\)](#). This guidance does not override or supersede any requirements set out under the SEMD.

³ These groups include: individuals who are disabled or chronically sick; individuals of pensionable age; individuals with low incomes; and individuals residing in rural areas.

The [UK Government's current SPS](#) sets Ofwat an objective to “challenge water companies to meet the needs of vulnerable customers, including those who are ‘transiently’ vulnerable.” The Welsh Government's current SPS sets an expectation that in carrying out functions, including those relating to licence conditions, Ofwat should have regard to the goals of the Well-being of Future Generations (Wales) Act 2015. These goals include 'A more equal Wales' and 'A healthier Wales'. Both goals can be supported by improving outcomes for customers who need extra help.

Over the last 10 years we have set out a number of expectations in this area, across different publications. This includes:

- In 2013 we published our [Guidance on services for disabled, chronically sick or elderly consumers](#). This publication sets out Ofwat's basic expectations around support for customers who need extra help including priority services registers, extra communication support, and a number of other matters.
- In 2016 we published our [Vulnerability Focus report](#). This publication set out our definition of vulnerability and developed a theoretical groundwork for regulatory intervention around vulnerability in the water sector. It was accompanied by a [practitioners' pack](#) that set out suggestions around good practice.
- In our PR19 price review we assessed how companies said they would support customers who need extra help their business plans, and asked all companies to develop at least one bespoke performance commitment on vulnerability.⁴ We also set [a common performance commitment](#) requiring all companies to improve the reach and accuracy of their priority services registers.
- At the beginning of the COVID-19 pandemic, the then Ofwat CEO [wrote to all water companies](#) making clear our expectation that water companies would provide adaptive support for customers who needed extra help at that difficult time.
- As part of our PR24 price review, in our [final methodology](#) we have set out our view that improving company performance around vulnerability is best addressed through our wider regulatory toolkit beyond the price review. We carefully considered the merits of including measures around vulnerability in our C-MeX mechanism and are [currently consulting on our proposals](#).

We believe there is a need to build on all this work and draw together our expectations in a single document, which can provide clarity on our expectations for companies, stakeholders and customers. This clarity is particularly important given the development of our customer licence condition, which will provide a new regulatory tool that we can use to drive up performance in this area, and potentially take enforcement action where we feel customers are being let down.

⁴ Ofwat – [Delivering Water 2020: Our final methodology for the 2019 price review](#)

We also believe that now is the right time to reflect on the performance of the sector over recent years and consider where either more stretch or firmer steers could lead to better performance.

Therefore, in developing this draft guidance we have sought to both build on our previous regulatory approach, and also consider new or developing areas where we can set out clear expectations for the first time.

1.4 How we will monitor company performance in this area

We will use a range of insights to monitor company performance around vulnerability and the extent of their compliance with our guidance. This monitoring will align with our wider approach to monitoring around the customer licence condition.

As set out in our licence condition consultation, our aim is to be proportionate in our monitoring and our requirements for reporting on compliance; we are mindful of the burden on companies and retail businesses. However, we do need to be able to quickly identify instances of customer harm, and where companies need to go further in delivering good customer service. Identifying any such harm is particularly important around companies' vulnerability approaches, given the heightened risk of harm that customers who need extra help are exposed to.

Where there are gaps in our understanding, we will look for proportionate ways to gain further understanding which may include deep dives and reviews into areas of concern, research and working closely and in partnership with stakeholders including CCW.

As set out below, our Objective 5: Vulnerability strategies makes clear that we expect companies to develop and publish vulnerability strategies, which set out the information or data they will use to understand whether the strategies are on track. This should include clear measurable commitments or targets that the company expects to meet if its strategy is to be successful. As companies implement their strategies, we will expect them to share information and evidence with us on their progress against these commitments or targets. Where companies are clearly falling short of their own commitments or targets we will consider what further information we may need to assess the company's performance.

We will also consider what information we need to regularly request from companies in order to monitor their overall performance in this area. As a minimum, we propose to continue collecting data on priority services register reach and attempted and successful contacts beyond the end of the 2020-25 price control period, in line with [our PR19 reporting guidance](#). This will allow us to consistently monitor companies' continued progress and trends in this area and ensure that the good progress that companies have made continues.

We will also use existing data, including from external sources, to monitor company performance in this area. This may include complaints data, social media insights, customer research, and third party benchmarking exercises (such as the BSI standard on Inclusive Services).

Finally, we will gather qualitative insights on company performance around vulnerability. This is particularly important given the nature of vulnerability, where only small parts of a company's customer base may be exposed to disproportionate harm, which may be difficult to pick up via wider quantitative measures. We will work closely with CCW to analyse and assess company performance in this area, and we will continue to engage with organisations representing particular groups of customers who need extra help. Following incidents, we may carry out deep dives to understand how companies have supported customer who need extra help.

Consultation questions

1. Do you agree that we should retain the vulnerability definition we set out in our 2016 Vulnerability Focus report?
2. Do you agree with our approach to nomenclature, particularly our use of the term 'extra help'?
3. Do you agree with our proposed approach to applying the guidance to new appointees and the Welsh non-household sector?
4. What impact do you think our draft guidance will have of the experiences of customers who need extra help?
5. Are there further lessons from other regulated sectors that could be incorporated into our draft guidance?
6. Do you agree with our proposed approach to enforcing our customer focused licence condition by reference to our draft guidance?

2. Our proposed objectives

In our draft guidance, we are proposing to set companies five clear objectives for supporting customers who need extra help. Each of these objectives is supported by more detailed minimum expectations, which are set out in section 3 of this document.

These objectives build on the areas covered by our previous guidance and policy. They have been designed in a way that takes stakeholder views into account.

We explain below what each objective means.

Proposed objective	What it means
1. High standard of service and support	Companies should provide high standards of service and support to customers requiring extra help. Customers who need extra support receive it and are happy with the service provided. Customers know what extra help they can expect from their company. Companies aspire to improve levels of service and seek to ensure that customers who have extra help needs are no less satisfied with their service than customers as a whole.
2. Inclusive by design	Water companies' systems should be designed to meet the needs of their diverse customer base. Services should be designed in an inclusive way that does not harm customers who have undeclared extra help needs. Companies should collaborate with service users and subject matter experts in designing their services.
3. Identifying customers	Companies should have systems in place to effectively identify customers who may have extra help or support needs; and those customers who are willing or able to self-declare these needs should be able to do so easily.
4. Recording needs	Customers' extra needs should be effectively recorded and reviewed, with customers informed about how their data is used and their views around privacy understood and taken into account
5. Vulnerability strategies	Companies should have strategies in place to support the extra help needs of their customers. Companies should consider and plan how they can deliver extra help to all customers who need it in the short, medium and long term.

Consultation questions

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

3. Our proposed minimum expectations

We propose to support each of our objectives in our draft guidance with a set of minimum expectations. These expectations will provide clarity for customers, companies and stakeholders about how we expect companies to work towards meeting our objectives.

Below, we list our proposed minimum expectations under each of our objectives.

3.1 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.

Because some extra help needs are of a transient and dynamic nature, it is unlikely that even the highest performing company is going to be aware of every requirement of each of its customers in real time. Therefore, when a company does have the benefit of knowing that a customer needs extra help – for example, when the customer has been registered on the priority services register – it is vital that this knowledge is used effectively to prevent harm.

Companies should consider which of their services can be adapted to known extra help needs. This should include the full range of company operations. Providing adapted support during incidents is especially important, because water service interruption can have major and potentially life-threatening impacts on certain groups of customers.

These adaptations are likely to include:

- Offering a range of different communications channels and adaptations to suit different customer needs (for example, large print bills, alternative languages, telephone bill reading, etc);
- During incidents, delivering bottled water to customers' homes who require a constant supply of water or are likely to be unable to easily collect water from distribution points;
- Offering different ways to pay bills and other essential customer interactions, for example, via third party billing;⁵
- Offering different options for accessing customers' homes, including password or knock-and-wait schemes; and,
- Siting new meters in places that are accessible to the customer.

⁵ This support may be especially helpful for customers who do not make their own decisions, including those who have made a Power of Attorney. The UK Regulators Network has published guidance for regulated firms on supporting these customers: UKRN - [Supporting customers who do not make their own decisions](#)

The above list is not exhaustive. Companies must consider what adaptations are required for each customer's needs.

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.

Customers have a right to know the likely level and nature of support they will receive from their company. This is especially important for customers who need extra help because it can allow them to plan accordingly for different situations, thereby further reducing their risk of harm.

Conversely, if a customer does not understand the level and nature of support they are likely to receive, then any such planning will be based on incorrect assumptions. This could lead to reduced trust in their company or, most importantly, heightened risk of harm.

Companies should consider how best to inform customers who need extra help about the adaptations they will receive. This could include direct communication with the customer (for example, when a customer registers for priority services) or via engagement with key customer-facing third party organisations.

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.

When a customer has notified their company of a requirement for extra help and the company has processed this – for example, by registering them on the PSR – it is right that the company should act on this information. When a company fails to do so, they should seek to put things right in an appropriate manner.

Compensation arrangements are one way that companies can do this. Companies should consider how they can develop policies that provide compensation for customers who need extra help who have been let down. While compensation arrangements cannot account for every scenario where customer redress may be required, putting in place such arrangements can provide a degree of certainty for customers who have been let down. These compensation arrangements would be voluntary and separate to the statutory compensation arrangements set out in the current guaranteed standards scheme.

Compensation arrangements should be developed in a manner that takes into account views and insights from customers who need extra help. Once compensation arrangements have been developed, they should be clearly set out on company websites alongside any other compensation arrangements for customers.

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.

Companies' approaches to delivering extra help to customers should not be static. Even companies with strong approaches to vulnerability are likely to have room for improvement in some areas, and companies should look to challenge themselves to further reduce the risk of harm to customers who need extra help.

We have seen a great deal of innovation in the vulnerability space over the last decade, including the development of data-driven approaches to identification and sharing of information. Companies should consider the scope for designing and implementing their services in new and innovating ways, weighing up the potential benefits to customers against any risk of harm.

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.

Extra help that companies provide to customers should be effective in reducing vulnerability in relation to the customer's interaction with its water company and potential harm. If companies are not able to monitor and assess the quality and effectiveness of their extra help services, they are likely to miss potential areas for improvement, which risks causing their customers' avoidable harm.

Companies should use a range of data from both internal and external sources to track the effectiveness of the extra help they provide. This may include, but is not limited to:

- Survey data from customers who need extra help;
- Direct qualitative engagement and shared experiences from customers who need extra help;
- Operational and system data;
- External assessments and reviews by third parties; and,
- Internal challenge groups and customer panels.

As well as monitoring the effectiveness of specific extra help services, companies should also seek to monitor the overall satisfaction levels of customers who need extra help. This data should be benchmarked against the wider customer base to ensure customers who require extra help are no less satisfied than other customers.

3.2 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.

Water companies serve a diverse range of customers and communities across their regions. Clearly, different customers have different communication needs and preferences. This might be due to a specific impairment such as visual impairment, learning disabilities, hearing impairments, or co-ordination difficulties. Equally, many customers may have lower English or Welsh language skills.

In all their communications with customers, companies should be mindful that there are likely to be many customers with undeclared communication needs and preferences. This means using plain English or Welsh in customer-facing communications, and considering what accessibility tools can be offered to make communications understandable to a range of customers. Where there is the option of accessing more tailored or bespoke support, this should be promoted prominently.

Solutions should be tested with customers who are likely to need them and, benchmarked where appropriate against economy-wide standards, for example through accessibility accreditations.

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.

As well as making communications easy to understand to a range of audiences, where a customer's specific communication needs is known, outgoing communications should be tailored and adapted as necessary.

This is especially important during an incident. If companies do not adapt their communications, it risks customer harm.

This should also include allowing customers the option of third party billing arrangements. This is likely to be particularly valuable for customers with reduced capacity, whether or not they have a formal power of attorney arrangement in place.

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.

When companies change their arrangements for supporting customers who need extra help, it is important that they take into account the expertise and experience of a range of organisations. This includes CCW, third sector organisations who represent customers with specific vulnerabilities. Companies should also consider direct engagement with affected customer groups where appropriate. Engagement should be meaningful and accessible to a range of audiences.

3.3 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.

Companies should strive towards having as comprehensive a picture as possible of the extra help requirements of individual customers in their area. This information will typically be recorded on each company's priority services register.

There are a wide range of proactive steps that companies can take to identify customers who need extra help. This includes (but is not limited to): engagement with local charities and support organisations; working with local public sector service providers like councils and NHS; and direct engagement with customer groups.

Companies should use these and other methods to grow their records of extra help needs over time.

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

Companies should raise awareness of extra help services, such as the priority services register, among their customers. If potential beneficiaries are made aware of those services and the nature of help available, then they are more likely to take up the offer of support. Companies should therefore target these proactive communications in ways that are likely to be seen and understood by those who most need the services.

Companies should also raise awareness of these services across their wider customer base including customers who may not currently require extra help. These customers may require extra help in the future, or could potentially encourage family or friends to register for extra help.

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.

Companies should use every interaction with a customer as an opportunity to identify extra help needs. In order to do this effectively, water company staff should receive appropriate training so they can spot potential needs, and then engage sensitively with the customer to agree any future support.

The type of training required may differ for different groups of staff, depending on the frequency and nature of their engagement with customers. For example, front line operational staff may require different training to call centre staff.

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.

Declaring the same extra help needs to multiple different companies or providers can be frustrating for customers, or may result in needs not being declared to every provider. For these reasons, companies should look to reduce the number of times that a customer has to declare an extra help need.

Data sharing with partner organisations – such as energy companies and local councils – is one way that these communication burdens can be reduced. Companies should explore whether further data sharing arrangements can help to deliver these benefits more widely.

3.4 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.

Once a company becomes aware that a customer requires extra help, it should consider how that information should be recorded for the future benefit of that customer. For example: if a company becomes aware that a customer has a health need for a constant supply of water, then adding the customer to their priority services register will allow future services to be tailored in line with that need.

Information about customers' extra help needs is clearly sensitive and requires careful handling. Companies should consider arrangements for data storage and handling carefully, taking into account data protection legislation and any other relevant guidance.

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

Companies' records of customers' extra help requirements should be kept up to date and reviewed with an appropriate degree of regularity. This should involve re-contacting customers to ensure that the extra help is still required.

Some types of extra help requirement are likely to only be transitory – for example, an injury that reduces a customer's mobility but can be recovered from. Some types of extra help may be needed for a customer's entire life. In both cases, it is important that companies ensure that they have an accurate and up-to-date picture of the customers' needs.

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.

By designing their priority services register in a manner which is consistent with other companies in the water sector, and with other similar registers in the energy sector, a water company can make it easier to share data about customers' needs. This can help to deliver a 'tell us once' style service where customers only need to sign up once to receive tailored services from multiple sectors.

Similarly, in designing their records of extra help needs, subject to confidentiality restrictions, companies should ensure records can be accessed by different teams within the company. For example, if a company's complaints handling team know whether an incoming complaint is coming from a customer on the priority services register, they can ensure that their engagement with the complainant 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.

When companies record sensitive data about their customers, they have important responsibilities, including holding that data securely, and explaining clearly to customers how that data will be used. When sharing data about customers' extra help needs, companies should take into account customer views about data use. This may include conducting research, or using customer panels to gather views. The findings of any such activities should be used to inform companies' approaches to data sharing.

3.5 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.

In order to deliver the objectives and expectations set out in this guidance, each company should develop a vulnerability strategy that sets out their approach to delivering extra help in the short, medium and long term. The strategy should explicitly set out how the company plans to meet each of the minimum expectations set out in this guidance.

The strategy should also set out the information or data that companies will use to understand whether their strategy is on track. This should include clear measurable commitments or targets that the company expects to meet if its strategy is to be successful. The strategy should show clear evidence of being developed using both customer and stakeholder input and feedback.

This vulnerability strategy should be published on the company's websites and be accessible to different audiences.

Companies should publish their vulnerability strategies by the end of June 2024.

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

Vulnerability strategies should examine any gap between likely underlying needs and current extra help provided. Companies should explain how they plan to bridge any such gaps.

Companies' vulnerability strategies should examine the level of extra help need that is likely to exist in their areas. This should include analysis of demographic data and should look at trends both now and in the future, so that future vulnerability needs can be planned for.

This data should be used to add extra resilience into companies' vulnerability strategies, so that they can meet potential challenges such as population growth, extreme weather, and an ageing population.

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.

Companies should set out clearly the extra help that they offer their customers, and the level of support that customers who have asked for extra help can expect to receive. This

information should be actively provided to customers when they register for extra help services such as the priority services register.

For example, this should include the circumstances where bottled water will be provided to priority services register customers during an incident. Providing customers with this kind of information can help customers to plan ahead of potential incidents, including working with family, friends or neighbours to put extra plans in place to give support.

Consultation questions

8. Do you agree with the proposed list of minimum expectations we have set out?
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?
10. Do you agree with the proposed approach and timeline around companies' vulnerability strategies?

4. Using our guidance – what we expect from water companies

Our draft guidance consists of objectives and minimum expectations of the services that water companies deliver to customers who require extra help and the way they are delivered.

Under our Objective 5: Vulnerability strategies, we set out our expectation that companies will develop vulnerability strategies which include an explanation of how they are meeting each of the minimum expectations in this draft guidance. We have proposed that companies should publish their vulnerability strategies by the end of June 2024.

Water companies should deliver all our expectations in full. Companies can still comply with our guidance and take different approaches to our expectations where they have evidence that allows them to show why an alternative approach better meets the objectives in our guidance.

In these situations, companies must clearly demonstrate their reason for departing from the guidance – and be able to provide evidence when asked. We expect any other approaches companies take to be consistent with our objectives.

Our approach is focused on the outcomes that water companies are delivering for customers rather than the precise means by which those outcomes are achieved. It is imperative for all companies to own their approach to addressing the needs of their customers.

4.1 Complying with all legal requirements

Finally, we expect water companies to comply with other legal and regulatory requirements which apply at the relevant time. This includes:

- the Water Industry Act 1991 and subordinate legislation;
- Companies' Instruments of Appointment;
- the Equality Act 2010;
- the Security and Emergency Measures Direction;
- Data Protection legislation, including the UK GDPR and the Data Protection Act 2018;
- the Well-being of Future Generations (Wales) Act 2015; and,

This is not a complete or exhaustive list and water companies will need to consider for themselves how they comply with all their legal and regulatory obligations. We would also expect companies to anticipate new requirements, and plan and deliver changes to their approach ahead of time.

Consultation questions

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

5. Standards for priority services registers

Separately to our vulnerability guidance, we propose to publish a priority services register standards document that describes our expectations around how companies will operate their priority services registers.

5.1 Current approach to priority services registers

Priority services registers are companies' lists of customers who require extra help. The extra help offered may include:

- Password schemes;
- Employee identity checks;
- Nominated contacts;
- Help with reading water meter;
- Emergency water supply;
- Large print documents;
- Braille documents;
- Documents on audio tape/CD/MP3;
- Text relay; and,
- Alternative language documents.

Unlike in the energy sector, there is no licence requirement for water companies to hold a priority services register. However, our 2013 [Guidance on services for disabled, chronically sick or elderly consumers](#) set out our expectations on how companies would record known extra help needs, and in our PR19 price review we set [a common performance commitment](#) requiring all companies to improve the reach and accuracy of their priority services registers.

Improving the reach, accuracy and utility of priority services registers is an area of considerable scope for innovation. This has been particularly important around data sharing, where water companies and electricity network companies have worked together to put data sharing arrangements in place to ensure that more customers are identified and helped without having to repeat information to multiple different companies. We have actively supported innovation in this area; for example, through providing innovation funding [for the Support for All hub](#) led by Northumbrian Water.

We know that there are many different proposals for how vulnerability identification and recording could be improved. Some of these may require structures and processes that are quite different to current arrangements around the priority services registers; for example,

third party organisations holding centralised datasets that can be provided to companies on a need to know basis.

5.2 Our proposed approach

We believe that there is considerable scope for innovation around the identification and recording of extra help needs. Many stakeholders have told us that the current structures around priority services registers are not ideal and there is room for substantial improvement. We do not wish to stand in the way of any innovation that can bring benefits to customers who need extra help.

For this reason, we think it is right that in our vulnerability guidance, we take an outcome-focused approach to the issue. Above we set out a number of expectations under Objective 3: Identifying customers and Objective 4: Recording needs. These objectives and expectations are agnostic about the precise mechanism by which companies should achieve compliance. Clearly the priority services registers, in their current form, are the key mechanism to achieve compliance in these areas at present. At the same time, by taking an outcome-focused approach we aim to give companies space to innovate and find new and potentially better ways of achieving these objectives. If innovations in this area are successful and become widely adopted, then the objectives and expectations we have set are still likely to be relevant in the long term.

However, stakeholders also told us that there remained a need to provide a degree of specificity in this area, and that our guidance should not be silent on the operation of priority services registers as they currently exist. The particular context to this is that the PR19 common performance commitments on priority services registers will lapse from April 2025. For this reason, we propose to publish separate standards for how companies will operate their priority services registers, with analogies to the existing common performance commitments. These standards would sit alongside our main vulnerability guidance but would be separate to it, allowing us to, through consultation, update, remove or replace the standards without amending our guidance.

We do not wish to stand in the way of any innovation that improves customer outcomes. We do not anticipate the standards document to consist of substantially more than is set out in PR19 common performance commitments. As we explained in our PR24 final methodology, we think issues relating to vulnerability are best dealt with outside PR24, because it allows us to respond more flexibly to changing circumstances. At this stage, we consider that the priority services register standards could cover areas including:

- Proportion of households on the register (PSR reach)
- Types of extra help need that priority services registers should cover;
- Internal categorisation or prioritisation of needs within the registers; and,

- Data checking and assurance standards (such as the existing performance commitments 'attempted contact' and 'actual contact').

We would consult on and then publish the priority services register standards after the publication of our final vulnerability guidance, so that the standards are in place by April 2025.

We would keep the standards under review and consider the need for any future changes in light of vulnerability identification and recording innovations in the sector.

Consultation questions

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?

Appendix: summary table of our draft objectives and minimum expectations

Draft objective	Draft minimum expectations
1. High standards of service and support	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.
	1.2 Companies should ensure that the level and nature of support available to customers is presented in a way customers can understand.
	1.3 Companies should develop clear policies that set out any compensation arrangements for customers whose extra help needs have not been met.
	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.
	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.
2. Inclusive by design	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.
	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.
	2.3 Companies should engage with stakeholders and customer representatives when making significant changes to their proposed service offering around vulnerability.
3. Identifying customers	3.1 Companies should take active steps to identify customers who require extra help who have not yet been identified.
	3.2 Companies should take steps to proactively increase customer awareness of the extra help available to those who need it.
	3.3 Companies should train their staff to spot potential requirements for extra help, even when a customer has not previously declared it.
	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.
4. Recording needs	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.
	4.2 Companies' records should be reviewed regularly to ensure they are up to date.
	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.
	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.
5. Vulnerability strategies	5.1 Companies should develop strategy documents setting out how they plan to support the extra help needs of their customer base.
	5.2 Companies should take steps to understand the likely underlying requirements for extra help in their areas.
	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.

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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