

Ofwat residential customer policy team

By email:

12 May 2023



SES Water

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Dear Ofwat residential customer policy team

Paying Fair request for further information

1. Overall Compliance

As requested in your email dated 25 April 2023 I am attaching a breakdown of SES Water's compliance with your guidelines using the template supplied.

2. Work to comply

We have included the dates by which we plan to complete any actions to address gaps on the template attached.

3. Questions about your approach

Payment

3a. How do you regularly quality assure your people, procedures and systems use customer information correctly? And what is your approach to correcting errors? (Principle 1, Expectations: 'Ensure information about customers is correct, up to date and is used').

All of our advisors are currently marked against a Quality Assurance score card on a set number of calls each month. Each advisor must achieve 80% compliance, and we provide ongoing coaching for advisors where any improvement opportunities are identified. We have also developed a daily automated report to validate the quality of customer information captured against accounts and work proactively to address any issues.

3b. How do you advertise available payment options to customers so they can better manage their bills and do you proactively offer customers a different tariff, payment level, location, frequency or method that may suit them better than the one they currently use? (Principle 1, 'Advertise payment options to all customers in a variety of formats, languages and for those with specific communication needs' AND Use customer bills and payment transactions to improve customer understanding of options')

We advertise this information on our bills and website, while we coach our advisors to educate customers about available options in calls and correspondence taking customer circumstances into account. This includes information available in a range of formats for customers with different communication preferences. In addition, our team or Community Engagement and Support Officers attend regular community events and make face to face visits where they are able to talk to customers individually about the options that we have on offer.



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3c. How are you using customer feedback to design or influence your payment communications, policies and systems? And how are you showing customers how their views are reflected in what you do? (Principle 1, Expectations: 'Make payment, help and debt services inclusive by design' AND 'Seek better ways to engage with different customers').

We use a range of feedback channels to design or influence our communications, including customer feedback received through normal correspondence and complaints, engagement with our online customer panel Talk on Water and input from our Customer Scrutiny Panel. We have also recently introduced a new stakeholder group with representatives from organisations working with customers with different vulnerabilities and communication needs across our supply area and intend to use this to gather regular feedback on what is and isn't working well for customers, as well as to co-create new approaches in response to developing needs. We are able to adapt existing communications and to iterate the design of new communications through these methods. We feedback what we are doing through our Customer Scrutiny Panel and plan to develop an area on our website where we can showcase this more widely.

3d. Can you explain more about how you identify and support customers in vulnerable circumstances (Principle 2, Expectations: 'Identify and support customers in vulnerable circumstances').

As part of our call framework, all advisors use the TEXAS model which takes them through a series of steps to help identify and support vulnerable customers. Where customers are financially vulnerable, we assess their income and expenditure and offer options to ensure that payment plans are affordable. We promote our services for customers who need additional support widely on our website with links to a dedicated Here For You email inbox and also attend regular community engagement events to increase visibility of our schemes amongst customers who are already seeking help from other organisations. We are currently expanding this partnership work and have for example introduced a scheme with a local Housing Association where they are able to refer to new tenants who meet our eligibility criteria through to us as a warm referral for Water Support without the need for these customers to initiate contact themselves or complete any further paperwork.

3e. Can you explain more about how you comply with our expectations on communicating effectively and sensitively with customers in vulnerable circumstances (Principle 2, 'Communicate effectively and sensitively with customers in vulnerable circumstances')

We have designed a bespoke debt strategy for customers in vulnerable circumstances with wording that is tailored to their needs. This is available in a range of formats and languages. All of our advisors receive training on how to communicate with customers in vulnerable circumstances on joining and we do regular refresher training on this. We partner with local organisations to build understanding of specific groups and as an example have delivered Dementia Friends training and a module on autism in recent months. We also plan to use our new stakeholder group to get feedback on what we are doing and co-create improvements.

Debt

3f. Can you describe in more detail how the company uses different methods of contact to engage customers? (Principle 4, Expectations: 'Contact customers using different methods and stop chasing them if they are getting debt advice')

In our debt strategy we use several different contact methods. We initially write to customers and follow up with an outbound call if we receive no response after five days. As we work through the strategy we offer customers different contact methods, such as post, voice and email. Where

circumstances require it we are also able to visit customers in person. We intend to expand the range of options available in future to include SMS and other digital contact channels.

If a customer is in financial difficulties and receiving free debt advice, we put the account on hold for up to 90 days with no communication to the customer in this period. At the end of the 90 days we re-engage with the customer to understand the outcome of the debt advice and reach the best arrangement possible for their individual circumstances.

3g. Can you outline how the company uses enforcement action as a last resort? In particular, how do you make sure any enforcement action you take or charges added are proportionate and reasonable in relation to the circumstances of the customer and the size of the debt. (Principle 5, Expectations: 'Use enforcement action as a last resort')

We do not currently use enforcement action.

3h. Can you outline in more detail how you agree realistic repayment plans. (Principle 6, Expectations 'Agree repayment levels that are realistic, understandable and regularly reviewed')

As part of the TEXAS model, our advisors ask questions to understand the customer's current situation and also conduct an income and expenditure assessment to establish the customer's ability to pay. Based on this information they engage with them to agree and set up a realistic payment plan. All advisors must ask every customer the status of their priority bills. If there are any arrears on rent or mortgage, an advisor cannot accept a payment plan unless the customer confirms that they are already in a payment plan with their landlord or mortgage provider. We encourage customers not to make payments using a credit card and ask about the source of funds on each payment to ensure that customers are not using extra credit that could end up costing them more in interest.

3 Enforcement

3i. Can you outline in more detail the audit processes you have in place for debt collection agents. (Principle 7, Expectations: 'Use reputable debt collection companies that treat customers fairly and in line with agreed levels of service' AND 'Regularly and robustly check customers facing debt recovery action are treated sensitively' AND 'Allow customers to raise disputes involving the agent with the water company')

We do not currently use enforcement action. We do use a Debt Collection Agency for older debt where we have not been able to secure payment through internal processes. We visit the DCA monthly to check that they are carrying out all the required quality assurance activity and are meeting all of the standards that we have set with regards to treating customers fairly. We have provision in our contract for remediation should it be required, but have not had to require any remedial action since the contract began.

3j. Can you clarify whether you sell debt to reputable parties and (if so) where you do this (Principle 7, Expectations: 'Only sell debt to reputable parties and where other recovery activities have been exhausted')

We do not currently sell any debt. We are currently investigating potential debt sale options for some accounts where customers are no longer supplied by SES Water and we have been through the full internal debt recovery process and exhausted the DCA journey too. The parties that we are engaging with are all FCA accredited and are recognised for good customer service. We would further validate this as part of contract negotiations should we decide to go down this route.

3k. We understand that CCW has given feedback on your debt code of practice. How have you acted on CCW's feedback?

CCW provided feedback on our draft updates to our Debt Code of Practice in December 2022 and we incorporated all of the feedback provided into the version now published on our website and provided to Ofwat in our original Paying Fair response in December last year.

4. Publishing your compliance information

We have no objection to our response being published.

I hope this response provides the clarity that you need. Please let me know if you have any further questions.

Yours sincerely

Kate Thornton
Chief Customer Officer
SES Water