
south east water

Paying fair guidelines and
IN 22/04 request for
information

**South East Water
response**

31st December 2022

South East Water
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Pure know_how

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1. Introduction

We are pleased to be able to provide you with our assessment of current compliance with the paying fair guidelines issued in May 2022.

We have also completed the IN22/04 information data return that was requested and this is attached alongside this response. We can confirm that we are able to provide this data quarterly in line with any ongoing request.

In our response to the request for information on how companies were 'Supporting customers through the cost of living crisis', we were pleased to share some of the key work, both new and continued, that provides a broad range of support to our customers.

We also confirmed that the delivery of our vulnerability and affordability strategies is an area that we strive to lead on and we believe we have undertaken some great work in the area.

The Vulnerability Strategy that we published for the period 2020 to 2025 remains valid in approach and enables us to adapt and to evolve to the changing landscapes that we are seeing. We are acutely aware that over recent years, due to the pandemic and now cost of living crisis, many customers are struggling to pay their bills. Our strategy provides a great framework for delivering support to those customers who are genuinely struggling to pay.

Our current support package will provide around £24m of support to customer by 2025, and as a result of our collaborations and partnerships, our customers directly receive around an additional £20m of third party support. Providing a total available support package for our customers in the region of £44m.

We trust that the following summary, alongside our data return for key activities as requested, provides a sufficient view of our commitment to the guidelines but also areas where we strive to continually improve beyond minimum compliance.

2. The extent to which South East Water complies with Ofwat guidelines and identified improvements

As an overarching statement we are pleased to say that we comply with all aspects of the published guidelines and wholeheartedly support the spirit of the guidelines.

We have summarised our compliance with the key principles including the work undertaken to improve our services to customers.

Whilst we comply with all aspects of the guidelines the review has identified a number of areas where improvements can be made to enhance the support that we offer to our customers and stakeholders. These improvements are also outlined below against the specific principles:

Principle	
For supporting all customers	
<p>1. Help make it easy for all customers to pay their water bill</p>	<p>We have:</p> <ul style="list-style-type: none"> • Significantly improved our customer payment methods across all channels including online, phone and manually alongside maintaining our existing payment channels such as PayPoint, banking and cash methods. • Implemented online self-serve payment plan management through our digital platform enabling customers to manage payment values with an interactive journey that advises customers of the impacts of the time adjustments those changes are making to repayment of any arrears. • Improved and simplified our customer statements and bills based on customer and stakeholder engagement, including ongoing programmes on accessibility for customers with visual impairments. • Reviewed and re-written our collections notices. • Continued to understand customer needs through our customer satisfaction surveys of customers who are struggling to pay. • Provided access to debt advice virtually introduced through Money & Pension Service alongside our continued work supporting Citizens Advice in several of our regions through our Trusted Partners programme.
Improvements will continue to be made in the following areas:	

	<ul style="list-style-type: none"> • Provision of improvements to bills and notices to improve the capability of visually impaired customers requiring enhanced screen reader functionality.
<p>For supporting customers in vulnerable circumstances</p>	
<p>2. Make sure customers who are eligible for help receive it when it is needed</p>	<p>We have:</p> <ul style="list-style-type: none"> • Provided vulnerable customer support to those who are struggling with debt and our legal process by ensuring a full review and contact with those customers are undertaken. This includes providing access to face to face customer support through our Customer Care Field team who identify vulnerable customers not yet identified during these stages. • Introduced and continue to promote our auto-enrolment to affordability schemes with local authorities to ensure all customers eligible for tariffs are automatically receiving them. • Introduced our Trusted Partners programme across debt advisors (Citizens Advice) and other partners (SCOPE Disability Advice Line) providing data sharing through a portal to automatically register customers for the Priority Services Register (PSR) and affordability tariffs. • Continued to drive our Vulnerability Strategy through our Customer Experience and Strategy Team including increasing our presence in the community through our two new roles - Community Partnership Lead. • Driven our communications on PSR and affordability support to customers struggling to pay through both direct and partnership messaging. This has been spread across multiple channels including direct postcard drops. • Improvements on website around bereavement support and developed strong processes for our customer services for bereavement. <p>Improvements will continue to be made in the following areas:</p> <ul style="list-style-type: none"> • Not only retaining our BSI18477: Inclusive services but leading by being one of two pilot organisations in the water industry to achieve the transition to the ISO22458 standard by early 2023. • Implementing 'life ledger' on our website which provides notification support for customers on a bereavement. • Working with the industry to implement processes and policies relating to economic abuse.
<p>For supporting customers paying through third parties</p>	

<p>3. Treat customers that have their accounts managed by agents as customers of the company</p>	<p>As a company we do not have any accounts managed by agents and therefore this does not currently form part of our activities.</p> <p>We are however committed to ensuring that customers whose accounts are managed through a third party, are supported and receive the same level of service to those who do not.</p>
<p>For supporting customers in debt</p>	
<p>4. Be proactive in contacting customers in debt</p>	<p>We have:</p> <ul style="list-style-type: none"> • Enhanced our debt management processes during and beyond the pandemic to improve proactive contacts with our customers. • Re-written our collection notices with a focus on re-engaging with customers. • Fully implemented policies and processes to be compliant with Breathing Space legislation within our customer systems. • Developed specialist skills for dealing with customers who are struggling to pay. • Reviewed and enhanced our support to provide a broad range of options for customers struggling to pay (including payment holidays and breaks). <p>Improvements will continue to be made in the following areas:</p> <ul style="list-style-type: none"> • Continue with our ongoing continuous improvement reviews of our credit management processes. • Consider opportunities to improve further our proactive communications through the integrated customer communication platform being integrated and implemented in 2023.
<p>5. Be clear, courteous and nonthreatening to customers in debt</p>	<p>We have:</p> <ul style="list-style-type: none"> • Enhanced our debt management processes during and beyond the pandemic to improve proactive contacts with our customers to encourage engagement. • Re-written our collection notices with a focus on re-engaging with customers including a full explanation of next actions and consequences for not engaging. • Limited our use of legal action to only when necessary and the customer has either failed to engage or has the capability to pay but will not. <p>Improvements will continue to be made in the following areas:</p>

	<ul style="list-style-type: none"> • We will continue our ongoing continuous improvement planned review of credit management processes on a regular basis. • Whilst reviews around credit management and debt collections already form part of the complaints review process, our Customer Experience and Strategy team with responsibility for establishing customer insight will continue to capture and review this process as a critical element.
<p>6. Agree payments that are right for each customer in debt</p>	<p>We have:</p> <ul style="list-style-type: none"> • Ensured that our end to end process has strong parameters inbuilt to help identify any inaccuracies in billing particularly relating to meter reads or leakage (being imperative due to our 90% metered penetration). • Designed and built our credit management process around engagement to establish customers capability to pay and better understand what the best support is that we can offer our customers struggling to pay. • Implemented self-serve transactions for customers to manage payments through our My Account platform ensuring that customers fully understand impacts of any changes they make. • Debt advice referrals are in place for telephone, written and digital channels so that we can encourage customers to seek professional early support to avoid longer term issues. <p>Improvements will continue to be made in the following areas:</p> <ul style="list-style-type: none"> • Increasing our potential engagement with instalment customers through the integrated customer communication platform being integrated and implemented in 2023.
<p>For supporting customers facing debt recovery action</p>	
<p>7. Recovery Agents - Treat customers facing debt recovery action with care</p>	<p>We have:</p> <ul style="list-style-type: none"> • An embedded procurement process ensuring that necessary quality standards are achieved and integrated into third party debt collection contracts. • Our third party recovery agent panel is restricted to ensure that the management of the process and audits can be better managed. • The required end to end process for all Debt Collection Agents aligns with our principles and approaches including identification of vulnerable customers. • A policy not to undertake evictions on Charging Orders we achieve.

	<ul style="list-style-type: none">• A policy to not undertake debt sale of unpaid debts.
	<p>Improvements will continue to be made in the following areas:</p> <ul style="list-style-type: none">• Reviewing how we communicate with customers directly when with a Third Party agent.• How we can improve reporting of service levels from our Third Party Agents when required by CCW.

3. Reviewing our current Code of Practice

We currently have a single code of practice that incorporates all necessary condition G license requirements.

We are currently reviewing that with input from the Consumer Council for Water ('CCW'). With this review we will be considering the need for either a full rewrite of this code or whether the existing approach can be amended in line with our 'keeping it simple' company approach.

The outcome of the above will ensure that our approach to credit management and supporting our customers is easy to understand and transparent to all.

4. Questions relating to IN22/04 request for information (data tables)

4.1 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.

Our only raised question during the process was the definition of debt, which Ofwat confirmed as not currently wishing to set a definition currently.

We recognise the reluctance to avoid defining due to the differences in companies systems to report accurately against the set definitions particularly in relation to unmeasured and measured charging differentials between companies (those billing in arrears and those in advance).

We feel however that this may result in some natural differentiation between companies if Ofwat compare not only for quarterly values but also for trending comparisons and would ask Ofwat to be mindful of that factor.

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

We currently do not see the need to capture additional information but will continue to monitor and work with yourselves to identify any additional elements that support a better understanding.

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