

Paying fair – guidelines for water companies in supporting residential customers pay their bill, access help and repay debts

1. Help make it easy for all customers to pay their water bill	
Ensure information about customers is correct, up to date and is used	Checking that the customer data held is correct forms part of our standard call structure, against which agent calls are scored through quality monitoring. We are also planning improvements to our on-line account functionality, which will add prompts and notifications where customer and contact information is missing.
Make payments possible in person from different locations	Customers are able to make in person payments at any bank, post office or PayPoint outlet. We can also take payments in person at our Head Office
Offer flexible payment and billing frequencies to match customers' circumstances	<p>Billing frequencies are determined by the basis of charge and payment method. All Assessed Charges customers receive annual bills as do metered customers who pay by direct debit, metered customers who pay by cash receive 6 monthly bills. Metered customers are, however, able to call in and provide a meter reading at any time should they wish to receive more frequent bills.</p> <p>Direct debit plans can be arranged with take dates of 1st, 5th, 10th, 15th and 25th of each month. Payment card plans can be set up on either a weekly, fortnightly or monthly basis. For customers facing significant financial challenges we arrange individual payment plans, tailored to the customer's ability to pay.</p>
Offer choice and availability of payment methods to suit customers' needs and preferences	<p>The following payment methods are offered:</p> <ul style="list-style-type: none"> • Payment slip at any Post Office • Cash or cheque payment at the bank • By post • By standing order • PayPoint (cash only) • By payment card (cash or cheque) • SW On-line payment portal • By card payment to our contact centre

Encourage customers to use digital payments if they can	Our on-line account option and payment portal is promoted on bills, on our website and through our early collection campaigns.
Advertise payment options to all customers in a variety of formats, languages and for those with specific communication needs	Braille, talking bills and other extra care services are advertised on bills and on our website. We also offer 'Recite Me'; a talking tool that allows text to be converted to audio and displayed in many different formats and languages. Work is underway to extend the use of this tool to our on-line account portal. In addition we are in discussion with Language Line in relation to an instant translation service.
Use customer bills and payment transactions to improve customer understanding of options	All of our customer service advisers are trained to pick up on specific triggers during customer interactions (either verbal or written) that suggest financial assistance might be needed so we can assess eligibility for our schemes/tariffs. We are currently looking at data associated with direct debit cancellations to assess whether we can do some proactive outreach to these customers.
Respond efficiently to customer requests to change payment arrangements	We will change payment arrangements immediately if the customer contacts us by telephone or webchat. If a request is received via email we aim to respond within 5 days.

<p>Seek better ways to engage with different customers</p>	<p>We offer a wide range of methods for customers to engage with us. Our telephone lines are open from 8am to 7pm on weekdays and 9am to 2pm on Saturdays. Customers are also able to contact us via post, e-mail and webchat and can manage their account on-line. We also have a dedicated social media team who identify and respond to posts related to Southern Water.</p>
<p>Show customers how their view on billing, payment and support are encouraging improvements to services</p>	<p>Our continuous insight programmes work with customers to understand where to focus improvements and to show where they have been made. On service in particular, this includes regular analysis with our service providers Capita. Additionally, we have run customer research on billing and payment services as part of our future plans – both qualitatively and quantitatively. We have also engage on the impacts of changes to annual charges each year. The research we carry out includes direct feedback on service and wider needs which are used to help share summaries / frameworks to be used. On our most recent bill redesign work we worked with customers through a deliberative process – where designs were iterated before being deployed. The research we run includes a range of audiences including our household, PSR, customers with affordability concerns and more recently working with communities where English isn't their first language. We also get support from The Institute of Customer Service – who presented to our Customer Leadership team in August, and we're following up on their recommendations.</p>

<p>Make payment, help and debt services inclusive by design</p>	<p>At the heart of our BAU insight programme is our 12 'Customer Participation Principles'. Inclusive is one of these lead principles. This means that the research we do on payments and billing includes a range of different communities and audiences – to represent the breadth of our region. Alongside the engagement we have been doing with more diverse communities we have been translating the payment support advice to other languages. We are then working with community leaders and our Customer and Communities Challenge Group in how we better target these communities.</p>
<p>Consider how customers' ability to pay affects their service experience</p>	<p>Our tailored collection process takes account of a customer's previous ability and willingness to pay or engage and this drives the specific content and timing of communications, with more emphasis placed on the promotion of social tariffs in some segments than others. However collection agents are not made specifically aware of the segment a customer is assigned to and will deliver a consistent experience and offer support to all customers regardless. All agents are trained to identify triggers that may suggest financial (or non-financial) vulnerability and tailor their approach accordingly.</p>
<p>Use best practice when using credit reference agencies</p>	<p>Our only link with a Credit Reference Agency is through the sharing of default data. This is done in accordance with best practice and guidelines.</p>
<p>2. Make sure customers who are eligible for help receive it when it is needed</p>	
<p>Use all reasonable efforts to predict and support customers at risk of falling into debt</p>	<p>Where resourcing permits we use an Experian vulnerability model to help us identify customers who are at likely to be struggling financially so we can contact and offer assistance. We also have a Data Sharing Agreement with DWP that will allow us to understand which of our customers are in receipt of specific benefits and therefore likely to need additional support.</p>
<p>Identify and support customers in vulnerable circumstances</p>	<p>We use a range of methods to identify customers in vulnerable circumstances, including use of the Experian vulnerability model (mentioned above), ensuring all customer facing staff are trained in identifying triggers, working with third sector organisations and using them as referral partners and attending community events</p>

Use data sharing arrangements to identify customers in vulnerable circumstances	We have reciprocal data-sharing arrangements in place with UKPN and SSEN (the DNOs who operate in our area) that enable us to share PSR data. AS mentioned above we have a Data Sharing Agreement with the DWP and we also have Data Sharing Agreements with several Housing Associations.
Communicate effectively and sensitively with customers in vulnerable circumstances	We always endeavour to communicate effectively and sensitively with all of our customers. In the relation to vulnerable customers, we make every effort to understand whether there is a particular communications need (e.g. a different language, large print) and make sure this is captured.
Offer customers the option for their account to managed by authorised third party individuals	This is part of our PSR offering
Use approaches to debt management for customers in vulnerable circumstances that are appropriate to their circumstances	Once we are aware that a customer is in vulnerable circumstances we will work together across all teams (including our debt collection agencies) to ensure their account is managed appropriately. If a customer is struggling financially we are always happy to offer flexible payment arrangements tailored to individual needs and work with our customers over time to reduce debt. We also have a debt matching scheme and a Hardship Fund that allows us to write debt off in particular circumstances.
Make it easy for relatives to close or amend the accounts of a loved one who dies	We are in the process of overhauling our bereavement policy to make it as easy as possible for relatives/loved ones to make the right arrangements.
3. Treat customers that have their accounts managed by agents as customers of the company	
Have clear agreements with agents	We currently treat agents in the same way that we do all of our customers but we are currently re-evaluating our approach in light of the guidelines.
Make customers aware of their rights	Where we bill the agent directly, rather than the customer, we have no contact with the customers themselves but we are currently re-evaluating our approach in light of the guidelines.

Consult tenants where charges are collected as part of the tenancy	Normally, the occupier of the property receiving our services is liable to pay our charges. This applies even if the occupier is a tenant and the tenancy agreement says the landlord will pay our charges. The landlord will only be liable if they agree this with us directly or pay the bills in their name.
Act quickly to help to resolve disputes between customers and agents	We would only act if a dispute was brought to our attention by either customer or agent. In such a case we would act as though it is any other billing complaint, where we currently have a target resolution timeframe of 5 days.
4. Be proactive in contacting customers in debt	
Companies should be proactive in making contact with customers to identify whether they are in payment difficulty	A tailored collections strategy was introduced in December 2020, where customers not in a payment plan and in arrears are assigned to a segment based on their previous payment behaviour. This determines the type and frequency of digital comms sent, prior to the account being passed to a debt collection agency. Where we have the required contact details available, contact will be attempted by SMS, e-mail and telephone (resource permitting). All customers within collections will receive letters.
Companies should regularly review their contact methods to make sure they meet the needs of customers	Customers are able to contact via telephone, e-mail, webchat, social media, the on-line portal and by post. We are always looking to make it as easy as possible for our customers to engage with us and have recently introduced a WhatsApp channel.
Companies should use every contact as an opportunity to listen, gain more information about the customer's ability to pay and share ways they can be supported	Agent calls are intensively monitored via a 37-point quality check, to ensure that the customer's ability to pay is fully understood, the data we hold is up to date and correct and the most appropriate support is offered, including discounted tariffs if eligible. Where appropriate, this will include carrying out a full I & E assessment and referral to our specialist Debt Advice Team (or, in cases of extreme vulnerability, our dedicated Affordability Team).
Proactively offer other alternative payment options to customers in debt	We offer a wide range of payment scheme options over variable periods, as well as flexible payment frequencies and methods. Where the customer meets the eligibility criteria, discounted tariffs, Water Direct and New Start will be offered.

<p>Send clear reminders that provide advice and next steps</p>	<p>All digital reminders sent as part of our early collections process state clearly that the customer is required to either pay or contact us for support and advice. Links are also provided in SMS and e-mails to enable customers to pay on-line and to find out what financial help we can offer. Our collection letters are currently under review for improvement but all currently state clearly what the customer is required to do, by when and the consequence of not acting.</p>
<p>Contact customers using different methods and stop chasing them if they are getting debt advice</p>	<p>Customers are contacted by letter, SMS, e-mail and telephone (where we hold the relevant contact details). Where a customer is seeking debt advice or enters into breathing space, collection activity will be placed on a temporary hold for an appropriate period of time.</p>
<p>Make sure communications are friendly and company representatives are easy for customers to talk to</p>	<p>Agents are monitored on their use of professional tone and appropriate language that the customer can understand. Customers also have the option to rate the agent via a feedback tool, enabling the agent to see immediately the customer's level of satisfaction. All digital communications are designed with the aim of the customer engaging with us in mind. Our lettering is currently being reviewed by a specialist behavioural science consultancy firm and our aim is to implement their recommendations by the end of the current financial year.</p>
<p>Tailor debt recovery strategies and review them for suitability, fairness and empathy</p>	<p>Our debt recovery strategies are tailored based on previous payment behaviour. This will determine the digital communications sent to the customer, as well as the length of time elapsing before a third-party collection agency is instructed. All strategies include references to the discounted tariffs and schemes offered. We have recently engaged with a specialist consultancy firm to review and improve our collections communications, including letters and hope to implement their recommendations before the end of the current financial year.</p>
<p>Demonstrate quality service</p>	<p>A detailed quality framework is in place across all channels, with regular review in order to ensure it is driving the right behaviours in terms of customer satisfaction. We also use immediate CSat tools to secure feedback directly after customer contact.</p>

5. Be clear, courteous and non-threatening to customers in debt

Design the content of communications around customers' information needs	All our collections communications aim to explain in clear language what the customer is required to do, how to get in touch and to raise awareness of the help we can offer.
Tailor the language of communications to customers' needs	Digital communications sent as part of the collection strategy are tailored to the customer segment that the customer has been assigned to. Lettering is standard for all customers in arrears and does not vary according to segment. However our letters are currently under review by a specialist behavioural science consultancy firm and we hope to implement their recommendations before the end of the current financial year. Through this work, we hope to increase engagement with customers.
Use fair tools for encouraging payment	Our collection strategy consists of digital and mailed correspondence, which provides ample opportunity for customers to engage before external debt collection agencies are instructed. Our current DCA strategy involves both first and second placements, with litigation only being considered for customers meeting set criteria. All third parties instructed are members of the CSA and are fully accredited.
Explain the implications for customers at risk of enforcement action	The majority of our litigation is managed by a third-party provider and therefore with the exception of defended claims, all correspondence will go to the customer from them. Should the customer have failed to engage in response to the court claim, pre-enforcement correspondence, which fully explains the action about to be taken forms part of their strategy.

Use enforcement action as a last resort	Enforcement action will only be used where our in-house collections, debt collection agency and pre-litigation efforts have failed. We prefer to avoid litigation and enforcement activity where possible due to the costs to the company. However in some cases and where the customer meets the criteria, it will be appropriate to follow this path in order to recover unpaid charges.
Respond quickly, fully and appropriately to disputes or queries about debt	Response times to customer queries are subject to SLAs. We adopt a 'first time resolution' approach to any complaints and monitor performance in this area. Where a dispute is raised, a hold will be placed on any collection or debt recovery activity whilst the matter is investigated.
Regularly review and update debt communications learning from feedback and complaints from customers	Our debt communications are currently in the process of being updated with the aim of making the required action clearer, better promote our digital payment solutions and available financial support and encourage the customer to engage earlier in the collection process, in order to avoid additional costs being incurred.
6. Agree payments that are right for each customer in debt	
Double check the customer is in debt	We do not currently have a specific set of actions that are carried out before enforcement action is taken (this would be impractical given the number of accounts involved). We do, however, have various safeguards in our day-to-day processes to ensure that customers bills (and therefore associated debt are correct), this includes an automated exception process where the consumption spikes causing a significant bill increase (as this may be indicative of a leak), confirmation of basic account information on every interaction with a customer. Whenever a customer disputes a debt we do review the account thoroughly including looking to see whether we could have offered financial support earlier (where this is the case we backdate the assistance).
Establish each customer's ability to pay and allow customers to consider payment proposals	Agents are required to offer all available payment scheme options and consider the customer's eligibility for all options for financial assistance discussed as part of the call. Adherence is checked through agent quality monitoring.

Refer customers to company's financial hardship fund or other affordability schemes for help	As per the above, agents are required to offer all options to customers who may be eligible.
Help customers reduce future charges	This is not specifically something that our collections team would do, but we do have a separate team that would talk to the customer about tap testing. Where no issues are identified, we would refer them to their own plumber and/or make a water usage appointment to investigate high consumption. If no issues were found, the customer would then be referred to Aqua Logic for a Water Efficiency visit.
Agree repayment levels that are realistic, understandable and regularly reviewed	Agents are required to check that payments agreed under any payment scheme are affordable and can be maintained. Where a previous payment scheme has failed, the agent is required to ask the customer to explain the reason.
Refer customers to local advice agencies, charities or voluntary organisations for further help	If the customer is unable to afford payments under any of the payment scheme options and social tariffs are not applicable, the customer would be sign-posted to CAB and CAP for further debt support.
Re-engage with customers over missed instalments and make sure follow-up action is proportionate	Where a customer is in a payment scheme and a payment is missed, we write to the customer to advise them that the continuation of their plan is at risk unless the missed payment is made before it is cancelled. If a customer is struggling to meet payments under their plan and contacts us, we will discuss alternative arrangements with them and assess their eligibility for our schemes and tariffs, if these are not already in place.
7. Treat customers facing debt recovery action	
Treat customers facing debt recovery action with empathy, sensitivity and provide the same quality of service as other customers	All DCAs are stringently performance-managed on a monthly basis. SLAs include: <i>"Sustainability of payment plans"</i> to ensure that customers are not encouraged into unrealistically high debt repayment plans. <i>"Plans covering Consumption plus a contribution to debt"</i> to ensure that customers who still have a live account are not encouraged to set up underpaying plans that will allow their level of debt to increase. The Quality Assurance activity and the level of Scheme and Tariff referrals we receive from our DCAs are also monitored to ensure that all customers are

	<p>treated fairly, dealt with in an empathetic and sensitive manner, they are offered financial help and support where eligible, and all DCAs are proactive in signposting customers to the relevant debt charities and advice bureaus.</p>
<p>Ensure the needs of priority services customers are met</p>	<p>DCAs play an active role in identifying customers who may be eligible for our Priority Services Register (PSR) and refer these cases back to SW on a regular basis. A specific “vulnerability clause” will be inserted into all new/renewed DCA contracts. Where severe vulnerability is identified, customers will be removed from the debt recovery process and case managed in-house by the specialist Affordability Team.</p>
<p>Use reputable debt collection companies that treat customers fairly and in line with agreed levels of service</p>	<p>All the companies we use for debt collection activity are members of the Credit Services Association and operate under the association’s strict code of practice on debt collection.</p>
<p>Regularly and robustly check customers facing debt recovery action are treated sensitively</p>	<p>DCAs will be subject to the SW DCA Assurance Plan which will involve regular remote and on-site audits to ensure that they are acting appropriately with customers facing debt recovery action and that they are treated sensitively and fairly. The audits will involve call listening and scoring, DCA Quality Assurance calibration and other activities to ensure that SW customers are adequately protected.</p>

Continue to communicate directly with customers facing debt recovery action	Once a customer's account has been passed to a debt collection agency, all collections related contact (other than new bills) will come from the third party. However should a customer contact us directly and make us aware of new information that means continuing with debt collection would not be appropriate, we will instruct the debt collection agency to cease activity and will manage the customer within our own process.
Retain access to the customer's account	Even where an account has been sent to a Debt Collection Agency, it remains "live" on our system and we have full visibility of payments. If the agency has identified that the customer qualifies for financial support and/or the PSR this information is communicated to us by file transfer on a weekly basis.
Allow customers to raise disputes involving the agent with the water company	Customers are invited to raise any disputes concerning the Debt Collection Agency directly with us and this is stated clearly in our Code of Practice.
Speak to local authorities to find alternatives to evictions where non-payment of water charges could result in evictions	We are not aware of any such cases in our region. If some were brought to our attention we would look to do what we could to support the customer but it is unlikely that it would be solely non-payment of water charges that would be the cause of the eviction.
Only sell debt to reputable parties and where other recovery activities have been exhausted	Southern Water have not sold debt for many years. Whilst consideration of debt sale opportunity does form part of our current bad debt write off policy, this is not a route that we have pursued for some considerable time.
Tell courts promptly when customers clear their debts	Solicitors receive a daily file indicating where accounts are paid in full.
Demonstrate service levels to CCW	We report on a number of metrics to CCW on a quarterly and 6 monthly basis. We also have quarterly liaison meetings to discuss all aspects of our operation.