



Putting water customers first – a consultation on Service for all – Ofwat's draft vulnerability guidance for water companies supporting customers who need extra help.

Southern Water response

October 17th, 2023.

Southern Water welcomes the opportunity to comment on this important proposal regarding the introduction of a new Vulnerability Guidance.


Southern Water understands the importance of providing quality service to our customers, especially those needing extra help. In today's world, where quality customer service is a standard expectation, we believe that any guidelines should encourage clear customer service standards and ensure more openness, responsibility, and satisfaction in the water industry. Such a framework should also offer clear guidance to assist companies in offering outstanding customer care.

While the guidance draft indicates an initiative-taking approach towards enhancing customer experience and support in the water sector, it is essential to be mindful of the potential challenges. These may include striking a balance between prescriptive and outcome-focused guidance and ensuring companies do not solely rely on the guidance.

Overall, we are supportive of the Vulnerability guidance being considered, however we would encourage that our feedback and concerns are explored in further consultations regarding this matter.

We thank you for this opportunity to provide feedback. Our responses to the specific consultation questions can be found below.

Should you have any questions please contact: Regcorrespondence@southernwater.co.uk



Putting water customers first – a consultation on introducing a customer-focused condition into the licences of all water companies in England and Wales

Southern Water response

1. Do you agree that we should retain the vulnerability definition we set out in our 2016 Vulnerability Focus report?

It is sensible to retain the Vulnerability definition outlined in the 2016 Vulnerability focus report. The 2016 definition is already well established, relevant, and useful, Water companies are already comfortable with it. Changing the definition could potentially lead to confusion among companies impacting the service delivery to customers who require extra help.

2. Do you agree with our approach to nomenclature, particularly our use of the term 'extra help'?

We fully support your approach to nomenclature, especially the adoption of the term "extra help." While the emphasis is on action, terminology plays a pivotal role. "Extra help" captures the broad scope of assistance companies can provide to their customers. This can range from formal services, such as the PSR, to more individualised support.

We appreciate that "extra help" offers a more inclusive perspective, steering clear from potentially stigmatising labels like "vulnerable." It recognises that any customer might need additional support at any point.


Southern Water already use a similar rule for offering support to our customers and this has allowed us to stretch our support and cater to individual needs of our customers.

3. Do you agree with our proposed approach to applying the guidance to new appointees and the Welsh non-household sector?

Including new appointees and the Welsh non-household sector in the guidance is the right thing to do. It ensures consistent treatment of customers who need "extra help" It clearly aligns with the priority of improving outcomes for our customers in the water and wastewater sectors.

4. What impact do you think our draft guidance will have on the experiences of customers who need extra help?

The draft guidance will have a positive impact on the experiences of customers who need extra help. We support this guidance as it drives a focus on enhancing experiences for customers requiring "extra help." By



setting expectations for water companies to offer adaptive support and prioritise vulnerable customers, it ensures these customers receive improved services.

With the introduction of the new proposed Customer licence condition all customers are guaranteed the quality service they deserve. This guidance will ensure there is particular focus on looking after the individual needs of vulnerable customers. Another significant benefit is that the guidance promotes consistency across all water companies and offers clarity on our regulatory requirements. These measures collectively result in positive outcomes for the customers we serve.

5. Are there further lessons from other regulated sectors that could be incorporated into our draft guidance?

It would be beneficial for CCW to explore how other regulated sectors have successfully addressed customer needs and vulnerabilities, especially if there are practices that could be adapted to the water and wastewater sectors to further improve outcomes for customers requiring extra help. This would help in setting clear expectations and guidance.

6. Do you agree with our proposed approach to enforcing our customer-focused licence condition by reference to our draft guidance?

We do not fully support or agree with the proposed approach. Our reasons are as follows:

In our earlier consultation response related to the Customer-focused Licence condition, we expressed concerns about the added burden of increased regulatory reporting. We believe that Ofwat should review and streamline current regulatory reporting before introducing additional requirements.


The use of a variety of data sources for assessment, collaboration with stakeholders, and the emphasis on transparency through published vulnerability strategies are positive aspects of the approach, they do however come with risks.

Whilst obtaining qualitative data from various sources can be useful, relying on data from external sources like social media and benchmarking exercises may raise concerns about the accuracy and reliability of the data used for performance assessment. This could lead to any analysis being influenced by wider reputational factors not presenting a true picture of companies' actual performance in support of vulnerable customers. Alongside this gathering qualitative insights on vulnerability could introduce subjectivity into the assessment process, as interpretations of such insights may vary.

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

Yes, we agree that the objectives cover the broad areas of Vulnerability support.

The draft objectives encompass a range of key aspects related to vulnerability support activities that companies should consider. The objectives and their associated minimum standard provide framework for water companies to enhance their support for vulnerable customers and those who require extra help.



The emphasis on minimum standards is vital as it seeks to standardise the quality of support across all water companies. Promoting consistent implementation ensures that customers everywhere receive a similar quality of service.

The idea of implementing inclusive designs and collaborating with experts, undertaking research, and gaining accreditations indicates a forward-thinking approach. It underscores the importance of tailoring services to specific customer needs and leveraging expertise to do so.

The focus on developing vulnerability strategies throughout the water sector indicates a commitment to a long-term, structured approach to supporting vulnerable customers.

8. Do you agree with the proposed list of minimum expectations we have set out?

Yes, we agree with the proposed list of minimum expectations you have set out.

The drafted list of minimum expectations appears thorough. It sets clear criteria that must be followed to ensure quality support for customers needing additional assistance. These expectations span several areas, from tailoring services and transparent communication to enhancing data sharing agreements. The minimum expectations address the various aspects of customer vulnerability, guaranteeing that companies offer sufficient help and support, while also fostering accountability and innovation.

Objective 1 - 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.*


We believe there is a need for a separate objective exclusively for customers needing extra support during freshwater or wastewater incidents. A defined set of basic expectations should be established, ensuring a consistent support level for all customers during such events.

Potential minimum expectations might encompass:

- Consistent communication during incidents using the preferred method,
- Timely delivery of bottled water (including to those who were not already on the PSR but are clearly vulnerable)
- Post-incident communication explaining the incident details and any reasons for delays or extended outages.

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?

The proposed minimum expectations appear to strike a fair balance between setting standards for companies and encouraging innovation. The expectations provide specific guidelines for how companies should adapt their services to meet the needs of customers. The balance allows room to develop creative solutions tailored to their specific customer base and demographics.



There are concerns surrounding the adaptation challenges during dynamic and transient extra help needs, and how these will be managed effectively. It may also prove difficult at times to balance the company needs to fulfil all requirements of each customer in real time and manage the complexity of offering a range of adaptations to suit diverse needs. The complexity of bridging potential gaps in service offerings can have several effects on the company, which will require time to review and implement.

Objective 1 - 1.3 - Emphasises the freedom for individual companies to determine their compensation policies. Considering the recent CCW call for evidence on GSS payments it is positive to see this flexibility. Encouraging internal Policies like the ex-gratia policy already used by Southern Water indicates an understanding of the varying challenges faced by water companies throughout England and Wales.

Objective 1 -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.*

While continuous improvement is praiseworthy, mastering the fundamentals is equally vital. Our customer insights indicate that while they do not necessarily expect top-tier service akin to online retailers, they do anticipate consistent basic service. Over emphasising continuous improvement might undermine these foundational services, diverting attention to future endeavours instead of perfecting current operations ensuring consistency and a reliable service for all.

Objective 4 recording needs:

While the inclusion of the PSR in minimum standards is essential, they must be coordinated with the current PSR performance commitment and future PSR Standard document. The impending changes hint at potential confusion between the Vulnerability Guidance, PSR commitment, and new PSR standards. Clarity, alignment, and conciseness are crucial to avoid disservice to customers needing extra help. Ultimately, we want consistency not contradiction and we feel the easiest way for this is to release the Vulnerability and the new PSR standards in conjunction.

10. Do you agree with the proposed approach and timeline around companies' vulnerability strategies?


We believe the timescale suggested of June 2024 is not suitable, as noted above, we feel that the new PSR standards need to be finalised alongside the Vulnerability guidance. There is also a clear link with the new customer focused licence condition.

Our suggestion would be that the finalised Customer Licence condition, Vulnerability Guidance, and PSR standards should be published in October 2024 in order to allow for six months for companies to make any operational changes needed in order to comply by the start of AMP8

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

Yes, we agree with the proposed approach.

The approach promotes outcomes over rigid processes, which allows companies to craft strategies and solutions suited to their unique circumstances and customers.



It is positive that you acknowledge the potential for companies to take different approaches to meet your expectations, provided they can provide evidence that justifies these alternative approaches. This flexibility, while maintaining alignment with your objectives, highlights an understanding of the diverse challenges that different companies may face.

Whilst allowing flexibility the detailed guidance ensures that this flexibility does not compromise the quality of service to customers requiring extra help.

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 standard document?

Whilst we agree with the approach, we do not agree with the timelines.

The implementation of new standards can impose substantial demands on companies in terms of financial investment and time. The allocation of resources required for this implementation could potentially impede their ability to simultaneously innovate and implement other improvements, and shift focus from our customer support to one of internal changes/processes.

Concerningly the staggered implementation timescales of the consultations already mentioned means that there may be a longer period of transitioning and an increased risk of implementing something that later requires a further change.

Furthermore, we have witnessed a significant increase in the amount of PSR registrations we have, growing from 20,000 to just over 200,000 thousand in AMP 7 already. We are confident that the PSR will continue to grow, and therefore these increases also need to be considered when requesting any new changes to the PSR such as new requirements for serving these customers, recorded needs, and required data checks. Ofwat need to ensure that the expectations they set are realistic and manageable based on the substantial growth that they want us to strive for.

A holistic approach is preferred, finalising the Customer Licence condition, Vulnerability Guidance and new PSR standards in conjunction is required.