

# Service for all – Vulnerability guidance consultation by Ofwat October 2023

## United Utilities response – October 2023

UUW is pleased to have the opportunity to respond to Ofwat’s non statutory consultation on the introduction of its vulnerability guidance for all water companies in England and Wales supporting customers who need extra help. UUW is proud to offer vulnerable customers across the North West services that at least meet or exceed the expectations set out by Ofwat. We provide industry leading support for vulnerable customers, having extended our Priority Services offering to customers that really need extra help. This can be demonstrated by the achievement of ISO22458:2022 kite mark standard. UUW will continue to strive to provide quality customer interactions, accessible services, and explore innovations to continuously improve.

Following review of the consultation documentation we believe that:

- The vulnerability guidance is a positive step in line with the introduction of a new customer license condition and the principles set out provide clarity around expectations.
- We believe that the guidance achieves its aim of ensuring that the water sector supports all customers in vulnerable circumstances.
- The guidance clearly defines vulnerability and further develops this with its concept of customers who need extra help.
- We believe that the current universal requirement to verify existing PSR registrations every two years should be replaced with a more adaptive approach, allowing individual customer support needs to dictate the appropriate verification frequency.
- We support the minimum areas of expectations set out and the areas of vulnerability covered by the guidance.

We have provided further detail in our response below, aligned to the specific questions raised within the consultation.

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

We agree with the retention of the vulnerability definition set out in 2016 and consider it is important to have a standard definition.

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

The term extra help further develops the concept of vulnerability. UUW believes that this term can help drive a customer centric culture and puts the customer at the heart of the guidance. It also removes or reduces the concerns of those that might not identify themselves as “vulnerable” but do require or would benefit from “extra help”. We expect that our communication strategy will be able to make use of the “extra help” concept, alongside other branding as may be appropriate to the particular communications and circumstances. For example, in a multi-utility context, it may be more appropriate to refer to the term “priority services”, as this is more consistently used by other sectors. This would be alongside or in addition to our use of “extra help” in other contexts.

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

United Utilities' non-household customer base is subject to retail service separation, and as such receive their water retail services from an independent retailer. We therefore do not seek to comment on proposed licence arrangements where a direct relationship between end customers and incumbents remains. From a NAV perspective UUK is comfortable with the proposed approach for applying the guidance to new appointees.

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

The guidance sets out clear expectations and gives detail around scenarios which will support customers who need extra help. We believe it also provided sufficient scope for innovation and allows companies to improve services. We believe that we fundamentally deliver this service to all of our customers and the draft gives a firmer foundation for the consistent delivery of these services across the sector.

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

We consider that the draft guidance proposed by Ofwat is comprehensive, considered and proportionate. Based on our review and understanding of the approaches taken in other regulated sectors, we are not aware of any specific incremental items that should be incorporated into Ofwat's proposed guidance at this time. However, it is both inevitable and desirable that new approaches will emerge over time, either within the water sector or beyond it, and we believe that it would be useful to reflect on these as and when Ofwat reviews the guidance in future.

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

We support the need for the vulnerability guidance and recognise the importance of monitoring company performance, particularly due to the potential harm factor relating to customers who need extra help. Where a principles based approach to the guidance is used, then assessing and establishing compliance can tend to be more subjective and difficult to define than those requirements that are detailed and specific. As compliance with a principles based requirement is likely to incorporate some degree of judgment and guidance, case studies would be helpful in assessing the likelihood of compliance.

We agree with the proposal that we should set our performance commitments in a published vulnerability strategy and use this strategy to manage performance and demonstrate compliance. In addition, we support the proposed minimum requirement for collecting data on priority services register reach and attempted and successful contacts beyond the end of the 2020-25 price control period.

We consider that the blanket application of a two-year review cycle is not optimal and that customers would be better and more efficiently served by a more targeted, needs-based approach

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to reviewing, renewing and/or amending customer requirements for extra help. This is because there are some aspects of vulnerability which are likely to be more transient in nature (for example, a customer who has experienced bereavement) and where a two year review cycle may leave the customer registered for extra help beyond the period when this is required. Conversely, some customers are in situations that are likely to mean that their need for extra help is essentially permanent (for example, a customer with a lifelong health condition). Some of these customers are already expressing some frustration at being queried every two years to check the basis on which they require priority services, particularly when these enquiries are being made by multiple utilities.

We therefore consider that the guidance should provide scope for companies to undertake a more sophisticated, needs based approach to reviewing and verifying requirements from customers for extra help. This would mean that customers would be contacted on a frequency that would be more appropriate to their individual circumstances and that companies could ensure that resources were appropriately targeted. We also believe there are significant opportunities for different utilities to work together and ensure that, as with the single “sign up” process, there may be scope for a single review or verification process.

Nevertheless, if Ofwat concludes that a standard counting and monitoring process is required, we would request that there is clarity as soon as possible about the form through which Ofwat will collect and collate data, so that we – and other companies – can align our processes accordingly, as soon as possible and ensure that data collection is robust and efficient.

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

The objectives set out in the guidance cover the broad areas of vulnerability that should be considered. They ensure that companies are providing a high standard of service and support whilst affirming inclusivity. The identification and recording of those needs is outlined and the need for companies to have a published vulnerability strategy in place will bring additional focus to this area.

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

As a whole, U UW agrees with the proposed list of minimum expectations. We believe that the expectations are in the best interests of customers and support the recognition that even the highest performing company is unlikely to be aware of every requirement of each of its customers in real time. U UW has a commitment to substantially grow its register within the next AMP period, in order to ensure the needs of those customers who require extra help within its region are met. Having reviewed the minimum expectations, our assessment is that the current service offering that we provide meets this guidance and our obligation is to continually innovate to meet increasing customer expectations whilst utilising advancing technologies.

U UW has processes to issue discretionary compensation to all customers who have experienced a shortfall in the service they have received. We therefore do not consider that there is a need for a separate specific process to provide priority services customers with discretionary compensation.

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- 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?**

We agree that the minimum expectations offer a good balance between setting minimum standards and challenging innovation. With the exception of the two yearly review requirements (see our answer to question six above), they also allow for technology development and changing customer needs, and are therefore futureproofed. We believe that the draft minimum expectations' balance between innovation and compliance means that there will also be a base level of consistency within the water industry, even whilst companies may wish to explore new approaches and innovations.

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

We agree with the guidance and approach for setting out the company's vulnerability strategy. We are supportive of the minimum requirements that the strategy should set out and believe that the publication of such will ensure customers are informed and understand what support they can receive.

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

We agree with the proposed approach to how water companies should use the vulnerability guidance. The guidance is in place to ensure that companies provide a level of service to its customers and recognise that performance will be measured against these requirements. We understand the importance and are fully supportive of the obligation to comply with legal and other regulatory requirements and agree with the expectations around planning for future legislative changes.