



## **Yorkshire Water's summary response: alignment with Paying Fair guidelines**

### **General**

In line with our response to Ofwat's June 2021 consultation on the Paying Fair guidelines, Yorkshire Water continues to be reassured that our existing policies and procedures deliver against the significant majority of the prescribed service expectations within the Paying Fair guidelines as published in May 2022.

We remain confident that the outcomes for customers throughout all our billing and collections processes are delivered in line with those designed and intended by these guidelines.

Additionally, in some areas Yorkshire Water exceeds the minimum service expectation. The customer service we deliver, and continually strive to improve, aims to further enhance the experience for customers. Despite the minimum expectations set out in the Paying Fair guidelines, our debt collection activity consistently demonstrates best practice and remains customer focussed. Our default approach is to communicate and provide financial support to protect customers, rather than simply focus on recovery of revenue. As such, we prioritise visiting customers, promoting financial support and working with partners to reach customers who need help. We only progress with debt recovery enforcement action where data, information and customer non-contact ensure that this is the appropriate approach.

We are very proud of our 'Best for You' business culture, which won the Utilities & Telecom Award for Best Culture in 2020. The approach is embedded across our billing teams and is designed to ensure that all customers receive the appropriate help and support their individual circumstances require.

Yorkshire Water is keen to express that the Paying Fair guidelines do not represent the limitations of the service we deliver to customers.

We welcome that the guidelines are extensive and detailed covering seven different principles and over 140 different minimum service expectations. Our approach to reviewing and improving our activities to satisfy these expectations has aimed to strike the balance between operational practicalities and achieving the principles and customer expectations set out in the guidelines. We have included in our Appendix 1 below for completeness a brief summary in response to each guideline.

## **Departures from the Paying Fair guidelines**

There are some areas where Yorkshire Water explicitly depart from the guidelines, but where we do so, we have reviewed and made this conscious decision for the benefit of our customers.

The Standard Financial Statement (SFS) is recognised by Yorkshire Water, and we do receive and accept these from external organisations who support customers in setting up manageable payment arrangements.

However, when capturing income and expenditure information directly from our customers to ascertain affordability, we do not complete a full SFS with them. This is for a number of reasons.

- The full SFS captures a large amount of information which would be in excess of what we would require when agreeing a payment arrangement directly with our customers for their water and wastewater charges.
- Through benchmarking with other organisations, we have not obtained any information that suggests an improved service or recovery would result from undertaking a full SFS.
- Our existing approach to agreeing payment arrangements utilises customer service best practices. It is consistent for all customers and the income and expenditure form we use is embedded within the company debt management system.
- Resource requirements for adopting the full SFS within our collections processes would likely significantly increase the duration and depth of income and expenditure conversations with customers, which may be more difficult for them and increase operational costs with very limited if any value added.

## **Continuous improvement and implementation timeline**

In addition to our existing strong customer services practices, there are some areas where we have plans to update policies, procedures or systems to continuously improve the billing processes and experience for our customers. Reassuringly, these planned service enhancements also align with the expectations within the Paying Fair guidelines and are explicitly stated below.

### A. Communication preferences

Existing system capabilities and processes capture multiple communication channels preferences, where they are available and provided by the customer (note, we would not obtain contact details through other means). These include landline telephone numbers, mobile numbers and email addresses. However, current system functionality does not include the ability to store customer preferred contact times. We are in the process of implementing a new Customer Relationship Management system which will enable the storage of such additional customer specific information. We expect the new CRM functionality to be delivered by the end of the AMP7 period.

### B. Financial Support promotion on envelopes

Historically, we have at times advertised 'financial support' on the outside of envelopes but have had very limited insight to suggest it had a positive impact for customers. Based on suggestions within the Paying Fair guidelines and CCW's Affordability Review we will reinstate this practice from February 2023. We include the planned imagery as part of this response for your visibility.



### C. Non-standard flexible payment arrangements

Yorkshire Water already provides a diverse range of flexible customer payment options based on an individual's needs and circumstances. These include weekly, fortnightly, and monthly bill frequencies, and payment on receipt of bills through quarterly, bi-annual or annual schedules. We can also offer interim arrangements for customers requiring additional flexibility due to wider circumstances, for example, debt risk.

However, Minimum Service Expectation 1.10 in the guidelines requires the ability to offer non-standard payment options for customers with irregular incomes. We interpret this to be those customers who potentially work seasonally or irregularly and require complete flexibility in payment arrangements. This is not something that we currently offer and have some concerns that this may be a confusing arrangement for customers, as well as having greater potential to create debt risk for them, leading to impacts to their credit against scenarios where we report higher balances for a longer period of time.

Others in the industry who have trialled a highly flexible approach for payments have shared experiences of very low demand or engagement from customers for this type of payment arrangement, often despite wide accompanying communication and promotional activity. This could indicate a lack of need or demand from customers in general when paying their water bills. However, to ensure we are delivering what Yorkshire Water customers require, we are exploring a 'Pay as you go' approach through a potential trial in 2023-24, which would enable customers to pay quarterly charges across the 12-week period. This will be based on customer insight that suggests that this is something that would be beneficial for some of our customers with limited unforeseen circumstances.

## Appendix 1. Summary of Yorkshire Water compliance by guideline

Section	Minimum Service Level	Yorkshire Water response
<b>1. For Supporting all customers. Make sure customers who are eligible for help receive it when it is needed:</b> Companies should establish and implement clear and effective policies, procedures and systems and a helpful culture to identify customers in vulnerable circumstances, including customers at risk of falling into debt and other life events such as financial abuse or a bereavement, and take proactive action to offer them support.		
<b>Ensure information about customers is correct, up to date and is used</b>		
1.1	Have robust systems and procedures for establishing who is moving into and out of properties being supplied – and record accurate information about the occupant and account.	Robust and well embedded change of address processes in place across all communication channels to capture and update occupant information accurately. This is recorded within the billing system. Beyond the minimum service level expectations, there is a project in-flight to implement new customer relationship management system.
1.2	Have robust systems and procedures for contacting customers and recording and recalling contacts with them. This should include maintaining up to date customer contact details with at least two methods of contact (where available) – and the customer's preferred contact times.	Long-standing billing system captures all customer communications. Well established and monitored business procedures are in place for documenting, recording and recalling interactions as required. On contact, customer contact details (including address, phone number, mobile number, and/or email address) are requested and recorded. Preferred contact time data capture will be functionality that is available within the new customer relationship management (CRM) system to be delivered this AMP7.
1.3	Where properties are rented, companies should: <ul style="list-style-type: none"> <li>• work with landlords – including make them aware of the Landlord and Tenant Address Portal (LTAP) – to establish tenant details, where tenants are expected to pay water charges;</li> <li>• explore data sharing arrangements to better understand which properties are rented; and</li> <li>• accept evidence provided by tenants to show who is responsible for paying bills.</li> </ul>	Embedded processes with Landlord Tap to receive tenant details and data sharing arrangements are in place with external organisations, e.g. housing association, to understand where properties are rented. Tenants are able to contact through various communication channels to advise of responsibility.
1.4	Regularly quality assure their people, procedures and systems use customer information correctly. They should: <ul style="list-style-type: none"> <li>• use customer contacts and feedback;</li> <li>• correct any errors from happening again;</li> </ul> and <ul style="list-style-type: none"> <li>• find ways to improve the quality of consumption, customer and asset data to improve the accuracy and helpfulness of bills and other communications to customers.</li> </ul>	Quality assurance framework in place across all billing teams to review customer contacts and processes, monitor and manage performance - inc. customer feedback, and deliver continuous improvement activity across all systems and processes.

<b>Make payments possible in person from different locations</b>		
<b>1.5</b>	Review their network of payment locations at least once every two years to make sure that all customers have reasonable access to make payments. Companies will need to take account of the number and geographical distribution of locations and the demographic and social profile of their region. The network of available locations at which the customer can pay must accommodate both rural and urban customers.	Payment locations are reviewed regularly and evolve based on opportunities to improve for customers. In light of Covid-19, these have been reviewed regularly since 2020 and ensure diverse locations for customers across the region.
<b>1.6</b>	Review the charges, if any, for making payments at the network of locations offered and offer a reasonable range of locations at which customers can make payments free of charge. This should include frequent payments, in cash, for customers who would benefit from paying weekly or fortnightly.	Payment locations promoted to customers for all payment channels/frequencies are free of charge.
<b>1.7</b>	If there is a charge then companies should be transparent to customers regarding what the charges for making cash payments are and which location options will make a charge.	Yorkshire Water do not promote any locations for making payments that incur a charge for customers.
<b>Offer flexible payment and billing frequencies to match customers' circumstances</b>		
<b>1.8</b>	1.8 Offer all customers at least the following payment frequencies: <ul style="list-style-type: none"> <li>• fortnightly/weekly.</li> <li>• monthly; and</li> <li>• annual/half yearly/quarterly as appropriate on receipt of the bill.</li> </ul>	Customers can choose to pay weekly, fortnightly, monthly, on receipt of bill – quarterly, half-yearly or annually as if preferred for them. Customers may also choose to change frequency if an alternative is more suitable due to changing circumstances.
<b>1.9</b>	1.9 Where possible, be flexible about the date on which direct debits or standing orders are taken.	Customers are able to choose the preferred date in which they would like direct debit or standing order payments to be made.
<b>1.10</b>	1.10 Offer or accept non-standard flexible payment arrangements so customers have the ability to make payments when they need and want to in ways that work for them. This is important for customers with irregular incomes – such as those in ‘gig’ employment or on zero hours contracts.	Yorkshire Water already provide a diverse array of flexible payment arrangements to customers. For extended flexibility there is a proposed trial for a ‘Pay as you Go’ style approach to payment arrangements in 2023-24 but this will be based on customers and payment insight.
<b>1.11</b>	1.11 Offer or accept more frequent billing frequencies to encourage customers to pay and avoid unexpected and unaffordable increases in their bills (‘bill shock’).	Customers are able to make payments more frequently if they choose to do so. This is available via multiple channels, e.g. automated payment line, online account, etc.
<b>1.12</b>	Make information about what customers owe accessible to them in a variety of ways, such as online, by telephone or other methods.	Customers are able to access their billing information by contacting Yorkshire Water through any channel or self-serving via their online account.

<b>Offer choice and availability of payment methods to suit customers' needs and preferences</b>		
<b>1.13</b>	Offer instalment payments by at least the following methods <ul style="list-style-type: none"> <li>• mobile phone or mobile phone app;</li> <li>• cheque/debit card;</li> <li>• cash;</li> <li>• direct debit;</li> <li>• standing order; and</li> <li>• payment booklet / card.</li> </ul>	Customers have the choice and flexibility to make instalment payments by any of the methods stated.
<b>1.14</b>	Review payment methods periodically so that any advances in technology which widen the range of options offered are considered.	Payment methods are regularly reviewed as part of our continuous improvement activity across the business and, where appropriate, improved.
<b>Encourage customers to use digital payment methods if they can</b>		
<b>1.15</b>	Encourage customers to use digital payment methods and support them to use them by providing guidance.	Digital payment methods are promoted widely and support provided for customers as requested and as part of the online journey. On contact colleagues would support customers with additional guidance if required.
<b>Advertise payment options to all customers in a variety of formats, languages and for those with specific communication needs</b>		
<b>1.16</b>	Advertise the available payment options within billing communications in a variety of formats, languages and for those with specific communication needs so that the customer can choose the option which best suits their circumstances.	Payment options are advertised within billing communications as well as available on contact. Yorkshire Water can provide these communications in a variety of formats for our PSR customers, e.g. large print or Braille, there are language translation services available as well as British Sign Language and ReciteMe functionality on the website.
<b>1.17</b>	Companies should clearly set out the payment methods not incurring a transaction charge, and the option to pay on a frequent basis and, where possible, tailor these to individual customers' needs.	All payment methods promoted do not incur a transaction charge for the customer. On contact with customers we will discuss individual circumstances and aim to tailor as most appropriate.
<b>1.18</b>	Companies should also take advantage of further opportunities to draw customers' attention to the range of options available.	Promotion of the diverse range of payment options available is included in a wide range of communications to customers. Including, but not limited to, during customer interactions, within Help to Pay and Code of Practice communications, within collections communications and marketing activity.
<b>1.19</b>	Where the company is offering new payment methods, these should be advertised in billing communications at the earliest opportunity.	On introduction of any new payment methods these would be advertised to customers and included within billing communications.
<b>1.20</b>	Use messages on envelopes to raise awareness of financial support to customers.	Financial support promotion has been included historically on envelopes, with limited impact to customers recognised. However, based on insight suggested within CCW's Affordability Review and these Paying Fair guidelines, this is being reinstated from Feb 2023.
<b>Use customer bills and payment transactions to improve customer understanding of options</b>		
<b>1.21</b>	Where companies become aware that a different tariff, payment level, location, frequency or method may suit a customer better than the one they currently use, they should proactively offer the option.	Yorkshire Water have an embedded 'Best for You' culture across billing teams which would tailor promotion of tariff and billing information based on customer circumstances. Where affordability data suggests customers would benefit from a

		social tariff this is also embedded within the system and processes.
<b>1.22</b>	Encourage customers to pay in bitesize instalments and offer more regular account balances to customers, particularly those with low and variable incomes.	The payment arrangements discussed or promoted would be tailored based on customer circumstances, particularly if data suggests customers have a potential low income.
<b>Respond efficiently to customer requests to change payment arrangements</b>		
<b>1.23</b>	Where a customer wishes to switch payment level, location, method or frequency, the company should try to accommodate any reasonable request as quickly as possible.	On request from a customer to amend payment arrangements this will be accommodated as soon as is feasible. All customer contact enquiries are responded to within 5 working days in line with our customer charter.
<b>Seek better ways to engage with different customers</b>		
<b>1.24</b>	<p>Make information about services and bills more understandable for all customers – and make it available in a way that best meets their needs. This includes, for example, considering ways to:</p> <ul style="list-style-type: none"> <li>• improve customer understanding of bills;</li> <li>• help customers check bills are correct; and</li> <li>• better explain in advance why the company is changing a customer's direct debit, how it has calculated the new level of payment and how the customer can change the amount or spread payment.</li> </ul>	<p>Yorkshire Water has a number of ways that customers can receive their communication, inc. requesting their bill explained to them over the phone. As part of key communication reviews we aim to include customers, CCW and/or stakeholders in the design process to ensure it is understandable to customers.</p> <p>A full bill redesign was undertaken in readiness for PR19 with consultation with customers and stakeholders to ensure it was clear and met customer's needs. It includes transparency of previous and new charges for easy comparison, clear illustration of metering charges for non-metered customers.</p>
<b>1.25</b>	<p>Work with other bodies – to reach customers in vulnerable circumstances, those in debt or at risk of falling into debt, particularly those that:</p> <ul style="list-style-type: none"> <li>• may find it harder to understand information shared by water companies as a result of their vulnerability; or</li> <li>• do not respond well to other efforts by the water company to directly communicate with them. Other bodies might include other companies, charities, local authorities, health and social care or other third-party customer advice and authorised debt advice organisations.</li> </ul>	<p>Yorkshire Water has extensive Community Engagement activity working with a wide range of organisations to reach customers who do not directly engage. This includes charities, debt advice agencies, local authorities, councils, housing associations and credit unions – to name a few examples.</p>



<b>Show customers how their views on billing, payment and support are encouraging improvements to services</b>		
<b>1.26</b>	<p>Use insight and intelligence to regularly monitor customer satisfaction with billing, payment, support and debt services, identify issues and target areas for improvement. This should include satisfaction among customers in vulnerable circumstances. Insights and intelligence might include:</p> <ul style="list-style-type: none"> <li>• commissioning customer research;</li> <li>• identifying issues highlighted by customers in complaints with billing and charging;</li> <li>• testing customer understanding of information provided to them;</li> <li>• using data analytics from websites or apps on how easy or difficult it is for customers to find information about billing, payment and support;</li> <li>• extracting voice analytics from telephone calls on how easy or difficult customers find it to understand their bills and access support;</li> <li>• success rates of payment plans for customers in debt; and</li> <li>• how the company performs on bills, payment and help compared with other service providers in other sectors that customers may use.</li> </ul>	<p>Robust processes are in place for monitoring customer satisfaction, including but not limited to; extensive review of customer satisfaction responses; commissioned customer insight research; utilisation of a customer forum for regular review and feedback on business improvements; review of customer contacts across all channels for feedback; review of social media and website engagement; robust monitoring of failed payments. Knowledge and insight ascertained is embedded within performance monitoring and continuous improvement activity.</p>
<b>1.27</b>	<p>Work in partnership with consumer and debt advice organisations to enhance understanding of different types of customer, best practice – and gather views on company proposals for improvements.</p>	<p>In addition to extensive community engagement activity with external organisations for their input and learnings on how to better support customers, there is also an annual Inclusive Service Performance Commitment which actively seeks anonymised feedback on improvements to how to engage and support customers – particularly those in vulnerable circumstances.</p>
<b>1.28</b>	<p>Show customers how their views on payment, help and debt are encouraging improvements to services. Companies will need to make sure any changes they make are inclusive by design (see expectation 1.29). Any changes to policies should also be reflected in their code of practice on debt recovery or other core customer information they are required to publish under condition G of their licence.</p>	<p>Improvements and changes to payment, debt recovery activity and support for customers are published at the point of introduction in our relevant codes of practices, as well as wider promotional materials.</p> <p>As part of communications with customers we include how feedback provided has enabled improvements in service, as well as utilising case studies where appropriate.</p>

<b>Make payment, help and debt services inclusive by design</b>		
<b>1.29</b>	<p>Adopt an inclusive approach to designing products and services so they anticipate and address the needs of all customers, particularly accessibility for those in vulnerable circumstances, and reflect key guidance such as 'Inclusive design in essential services' principles published by Fair by Design and the Money Advice Trust – or an equivalent publication that replaces it. For example, user-test new approaches or systems with diverse consumers, including vulnerable consumers. Companies should apply Inclusive design principles to different groups of customers, including customers:</p> <ul style="list-style-type: none"> <li>• eligible for help</li> <li>• that have their accounts managed by third parties</li> <li>• in debt; and</li> <li>• facing debt enforcement action.</li> </ul>	<p>Billing products, communications and services are designed with consideration to all customers and their individual circumstances. Depending upon the product or service varying design principles or activities are utilised, including those customers with financial or non-financial vulnerabilities. Yorkshire Water runs an ongoing customer online panel where regularly tests different ideas and communication approaches with panel members. The panel membership is reflective of our customer base.</p>
<b>Consider how customers' ability to pay affects their service experience</b>		
<b>1.30</b>	<p>Use and recognise the Money and Pensions Service Standard Financial Statement (SFS) as a consistent means of establishing customer's ability to pay. Where companies do quick or initial affordability checks with customers, these should also be consistent with the approach in the SFS. Companies should be transparent and publish the details of the methodology they use alongside their code of practice on debt recovery to allow other companies, customer and debt advice organisations to understand the approach they use. Companies should use best practice to make their assessments consistent with other companies.</p>	<p>The Standard Financial Statement is recognised by Yorkshire Water and will be accepted from any organisation supporting customers with manageable payment arrangements. Income and expenditure assessments undertaken directly are consistent and embedded within the debt management system, demonstrating best practice in how assessments are made.</p>
<b>1.31</b>	<p>Review how customers' ability to pay affects their service experiences (for example, when chasing debt, or determining how long to spread repayment following payment breaks) and use these insights to improve outcomes for customers. Companies should be mindful of the impact that vulnerability can have on customers' ability to pay.</p>	<p>Customer feedback, satisfaction and conversations with Yorkshire Water are reviewed consistently, including for those in vulnerable circumstances, to improve the outcomes for customers based on their circumstances. In addition, where credit reference data suggests customers may have lower ability to pay, varying strategies will be adopted to improve outcomes.</p>
<b>Use best practice when using credit reference agencies</b>		
<b>1.32</b>	<p>Use credit reference agency data to help identify customers that:</p> <ul style="list-style-type: none"> <li>• may qualify for support;</li> <li>• be at risk of falling into debt; and</li> <li>• can afford to pay and can be contacted for payment.</li> </ul>	<p>Credit reference data is embedded within robust billing processes to ensure it is utilised for assessing customer's ability to pay and progressing with appropriate collections strategies. In addition, it is utilised for tailoring communications to provide support on contact.</p>

1.33	<p>Communicate to customers:</p> <ul style="list-style-type: none"> <li>• how and why the company uses credit reference agencies;</li> <li>• the benefits and safeguards for customers; and</li> <li>• what customers can do if they think companies have incorrectly negatively impacted their credit score.</li> </ul>	<p>How credit reference data is used is shared within relevant customer communications, is explicit within our codes of practice, as well as in specific correspondence sent to customers as part of collections activity.</p>
1.34	<p>Use credit reference agencies carefully to avoid negatively impacting customers credit scores through errors by the company. Where companies make errors they should correct them immediately.</p>	<p>Best practices are adopted throughout all sharing with credit reference agencies and where an error may occur, robust processes are in place to rectify. Yorkshire Water regularly audits its processes and shows a very low error rate on applying credit markers.</p>
1.35	<p>Identify and use best practice when using credit reference agencies.</p>	<p>All use of credit reference agencies is aligned with best practices and reviewed and updated for improvement, as appropriate.</p>
<p><b>For supporting customers in Vulnerable circumstances. Make sure customers who are eligible for help receive it when it is needed</b> - Companies should establish and implement clear and effective policies, procedures and systems and a helpful culture to identify customers in vulnerable circumstances, including customers at risk of falling into debt and other life events such as financial abuse or a bereavement, and take proactive action to offer them support.</p>		
<p><b>Use all reasonable efforts to predict and support customers at risk of falling into debt</b></p>		
2.1	<p>Make efforts to predict where customers might be at risk of falling into debt, and proactively contact these customers with a support offer to help prevent this where possible. For example using data on redundancies in particular areas or a customer indicating they are rationing their water use to keep cost down. A support offer could include (for example only):</p> <ul style="list-style-type: none"> <li>• checking account and billing information are correct;</li> <li>• checking consumption for signs of leaks and (if relevant) offering a free supply pipe repair and signpost to the leakage allowance (as required by condition H of each water company's licence);</li> <li>• checking for eligibility for discounts for surface water drainage;</li> <li>• targeted social tariffs;</li> <li>• tailored water efficiency home visits;</li> <li>• helping customers to do checks for financial and non-financial support provided by Government or others;</li> <li>• emergency social tariffs (supported by, for example, application for certain benefits); and</li> <li>• allowing customers to opt to receive reminder texts, e-mails or letters if they occasionally pay late).</li> </ul>	<p>There is a suite of embedded processes in place to support customers in how they may be able to reduce their bill or get support where data suggests there is a risk.</p> <p>This includes, but is not limited to;</p> <ul style="list-style-type: none"> <li>• awareness of metered charges to all unmetered customers on bills.</li> <li>• proactive communication to customers on indication of potential leaks.</li> <li>• proactive review of social tariff customers where data suggests non-tariff charges are lower.</li> <li>• account identification of potential low income for tailored communications.</li> <li>• engaging through community engagement in the event of large-scale redundancies.</li> <li>• automated bill reviews where billing information data looks inaccurate.</li> </ul>

2.2	Use targeted action and support that anticipates the needs of customers in vulnerable circumstances to help prevent them falling into debt. This should be based on: <ul style="list-style-type: none"> <li>• customer contacts and feedback; and</li> <li>• customer insights from working with other external organisations – such as charities, local authorities, health and social care or other third party customer advice and authorised debt advice organisations.</li> </ul>	Customer feedback, satisfaction responses, and customer contact information are utilised to tailor and proactively provide additional support to customers in vulnerable circumstances – including those in debt. As per guideline 1.27, this includes feedback and insight from extensive partnership working with external organisations.
<b>Identify and support customers in vulnerable circumstances</b>		
2.3	Have specific policies, procedures and systems for proactively identifying and offering support packages for customers in vulnerable circumstances. These should: <ul style="list-style-type: none"> <li>• recognise the complexities of a customer's vulnerability in providing them support: that it can be temporary or lasting, mild to severe, and can have a significant impact on daily life or a minimal one;</li> <li>• be inclusive by design (see expectation 1.29); and</li> <li>• make support easy to access.</li> </ul>	Codes of practices include policies and procedures outlining support for customers in vulnerable circumstances, this includes; utilising credit reference data to tailor financial support offered and appropriate collections strategies; promote and explain the support available – including both financial and non-financial support; account identification for tailored customer communication to offer support.
2.4	Make sure their policies, procedures and systems reflect the latest definitions, best practice and guidance from relevant charities and other expert bodies in supporting customers in vulnerable circumstances. For example, water companies should consider: <ul style="list-style-type: none"> <li>• helping their staff understand and support customers with both mental health and debt problems – including incorporating it into their training and their processes for handling problem debt;</li> <li>• offering specialised vulnerability training and/or have specialised teams to deal with customers with vulnerabilities; and</li> <li>• designing proactive interventions that minimise psychological distress for customers with debt problems.</li> </ul>	Across all billing teams there are embedded practices for supporting customers in vulnerable circumstances. This includes training in handling communications from customers in vulnerable circumstances; enhanced training for Collections and Customer Support Teams such as Mental Health First Aid and Dementia Friends; safeguarding processes; and signposting guidance on proactively offering additional support should customers require it.
2.5	Make sure their policies, procedures and systems are compliant with all relevant legislation. This includes the Equality Act 2010 and the 'The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020'.	Policies, procedures and systems are compliant with all relevant legislation.
<b>Use data sharing arrangements to identify customers in vulnerable circumstances</b>		
2.6	Put in place and use data sharing arrangements with other bodies – for example, credit reference agencies, energy companies, charities or local authorities – to help identify people in vulnerable circumstances, including those at risk of falling into debt.	Data sharing practices are in place with a diverse range of external organisations to identify customers in vulnerable circumstances inc. local councils and housing associations, debt charities, credit reference agencies, Department of Work & Pensions, health charities, etc. Progress is also being made with clear data sharing arrangements with energy companies.

<b>2.7</b>	Make sure any data sharing arrangements meet high standards of ethical behaviour, rulings and code of practice guidance from the Information Commissioner's Office (or equivalent document) and any legal requirements which apply at the relevant time.	Policies, procedures and systems are compliant with all relevant legislation.
<b>Communicate effectively and sensitively with customers in vulnerable circumstances</b>		
<b>2.8</b>	Communication methods and timing should take account of any additional support requirements for those customers who are registered for priority services and for those who may need temporary support and should comply with the provisions of the Equality Act 2010.	Customer communication takes in to account any known additional needs of customers and complies with legislation.
<b>2.9</b>	Make communications available to customers in accessible formats which they are able to use. Companies should offer customers with sight impairments large print or Braille bills where appropriate so that they are able to read their bills and notices. This is in line with our guidance to companies on services to customers with disabilities.	Braille and large print bills are available to customers on request, as well as the option for a CD bill or verbal communication if required.
<b>2.10</b>	Have systems in place so that customers who use British Sign Language, or do not speak English or Welsh, can communicate with the company.	British Sign Language is available on the Yorkshire Water website alongside ReciteMe functionality. Translation services are also available should customers require them.
<b>2.11</b>	Design specific communications and approaches for customers with communication difficulties	Varying contact channels and communication methods are available for customers with communication difficulties depending upon need and preference. This includes services for language translation, digital communication channel options, verbal communication rather than written, as well as the option to request an account nominee where required.
<b>2.12</b>	Design communications for people who struggle with literacy and numeracy.	Communications aim to be written clearly and in simple language with imagery to support wherever possible. Colour and design consider accessibility across all channels. Verbal communication channels are also available if required by customers.
<b>2.13</b>	Have options for supporting customers who are not able to access or use digital services.	All services, contact and communication are available digitally or non-digitally based on customer preference.
<b>Offer customers the option for their account to be managed by authorised third party individuals</b>		
<b>2.14</b>	Have an approach that protects customers from fraud while allowing properly authorised people or organisations – such as free, independent debt advisers – access to help operate accounts for people who need help managing their affairs. Companies should make customers aware of options for third party bill management. For customers who do not make their own decisions, companies can use our joint guidance with the Office of the Public Guardian and the UK Regulators Network on 'Supporting customers who do not make their own decisions' (or subsequent	Robust processes are in place for account nominees to be added when required, inc. Power of Attorney and Bereaved customer processes.

	updates or an equivalent document). This is also relevant where companies are dealing with relatives or other parties that may need to manage a customer's account in event of their sudden incapacitation or death.	
<b>Use approaches to debt management for customers in vulnerable circumstances that are appropriate to their circumstances</b>		
<b>2.15</b>	Tailor your debt management actions to be sensitive to the circumstances that make customers vulnerable.	Customer and credit reference data is utilised to access appropriate debt management actions based on individual circumstances. Approaches prioritise customer service and providing financial support with debt recovery actions only being taken when data confirms this is the most appropriate approach.
<b>2.16</b>	Offer customers access to holistic debt advice to help them maximise their incomes, and make them aware of other forms of support they may be eligible for through Government or other service providers – particularly at the first indication that a customer is struggling to pay. This service can be provided by another organisation or third party that is authorised to give debt advice – and is provided that the customer gives their consent to be passed to this organisation or third party.	Signposting and/or transfers to external organisations is embedded across all communication channels where customers need additional financial support. This is also included within financial support literature, marketing and promotional materials and relevant codes of practices.
<b>Make it easy for relatives to close or amend the accounts of a loved one who dies</b>		
<b>2.17</b>	<p>Have a written plan that outlines how your company will treat bereaved customers with empathy and respect. For example, a written plan might include the following.</p> <ul style="list-style-type: none"> <li>• Clear and simple advice on company websites on how to report a death.</li> <li>• An agreed timeframe for companies to respond to bereavement enquiries and settle outstanding customer balances.</li> <li>• A bereavement customer care team for each company, to directly handle such cases and avoid customers waiting on calls.</li> <li>• A direct telephone, email address or other channel for bereaved customers to contact companies more directly.</li> <li>• Standardising paperwork needed to close an account with other companies, with a view to accepting digital documents whenever possible.</li> <li>• Guidance or other support for customers who may be dealing with managing a household for the first time.</li> </ul>	All customers are treated with empathy and respect and this is embedded within bereaved customer processes, with a dedicated page also on the website to provide clear and simple guidance on what individuals need to do. The option for individuals to request a call from Yorkshire Water rather than making the contact themselves if difficult, is also available. Unless absolutely necessary no paperwork would be required to make as easy as possible for the customer.
<b>2.18</b>	Train people who come into contact with bereaved people to know how to respond efficiently and with understanding.	All colleagues trained as part of standard customer service training, including role play for this specific situation. Customers contact through any communication channel they have so all colleagues are provided with the capabilities to provide this customer service. We are currently reviewing the end to end customer

		bereavement process and will implement any identified improvements.
<b>2.19</b>	Streamline your processes and procedures to be simple, pragmatic and risk-based. Avoid unnecessary steps and repetition. We would expect a water company to take a more risk-tolerant approach to requiring evidence of a bereavement than, for example, a life insurance company.	Processes are maintained as simply as possible with all colleagues trained to handle these enquiries to prevent the need for transfer; documentation only required when absolutely necessary and simple guidance of requirements provided online.
<b>2.20</b>	Ensure any forms are easy to follow and only ask for information that is needed. Pass on details of where people can get practical and emotional support.	As per 2.19. Signposting to external organisations for additional support may be provided if appropriate on contact.
<b>3 For supporting customers paying through third parties. Treat customers who have their accounts managed by agents as customers of the company</b> – Customers whose accounts are managed by local authorities, housing associations or some other form of billing agent should, wherever practicable, receive the same level of service and care as those whose accounts remain with the water company		
<b>Have clear agreements with agents</b>		
<b>3.1</b>	3.1 Companies that have agreements in place with local authorities, housing associations or other social housing providers should ensure that agreements are drafted in a simple way so that responsibilities are clear on how issues will be resolved in a well-managed way for tenants.	Well established agreements are in place with the clarity understood to provide tenants with all required information about how issues will be resolved. Further information for all customers is included within the relevant codes of practices.
<b>Make customers aware of their rights</b>		
<b>3.2</b>	All customers billed by their local authority or housing associations should be made aware of their legal status in terms of which organisation they are the ‘customer’ of and the implications in relation to the rights they are entitled to when compared to directly billed water customers. This may be in the form of communications specifically designed for customers billed by their local authority or housing association. These customers should still receive all relevant information about: <ul style="list-style-type: none"> <li>• the water charges that the water company makes in relation to their property; and</li> <li>• how they can access financial support from the water company and other help to reduce their water bill such as, where appropriate, installing a meter, social tariffs and opportunities for accessing company financial hardship fund or other affordability schemes.</li> </ul>	Embedded practices through Community Engagement activity and robust annual billing processes with relevant housing associations provide customers with the information about water charges and the financial support available. All social tariffs and financial support are available to all customers. Most housing associations under such agreements are empowered to administer social tariffs on Yorkshire Water’s behalf to ensure customers receive the support they are eligible for.
<b>3.3</b>	Work with local authorities and housing associations to avoid the company’s information to customers duplicating the local authority or housing associations information. Under the water resale order (where that applies) some information will be provided by the re-seller (the re-seller is also obliged to provide detailed information about the calculation of charges upon request).	Agreements are designed to ensure that charges are aligned to if the customer were being charged directly by Yorkshire Water. All information, tariffs and financial support are available to all customers.

<b>Consult tenants where charges are collected as part of the tenancy</b>		
<b>3.4</b>	Where it is proposed that water charges are not collected by the water company directly, carry out a full and effective consultation with tenants before any new agreement starts.	Existing agreements have been embedded for a significant period of time. However, should any new arrangements be considered, consultation would be reviewed and incorporated within the process.
<b>Act quickly to help to resolve disputes between customers and agents</b>		
<b>3.5</b>	Act quickly to help to resolve disputes between customers and agents. This includes: <ul style="list-style-type: none"> <li>• helping to resolve specific complaints; and</li> <li>• taking steps to help avoid similar disputes happening between customers and agents in future.</li> </ul>	Embedded complaints processes are in place should disputes be identified, including process review and improvements if required. There are no current examples to suggest this is an issue for Yorkshire Water customers.
<b>4 For supporting customers in debt. Be proactive in contacting customers in debt.</b> Companies should be proactive in making contact with customers to identify whether they are in payment difficulty. Companies should regularly review their contact methods to make sure they meet the needs of customers. 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.		
<b>Consult tenants where charges are collected as part of the tenancy</b>		
<b>4.1</b>	Treat customers fairly and in a way that is empathetic to their current situation. Companies could also use this as a further opportunity to: <ul style="list-style-type: none"> <li>• check customers' consumption, billing and account details to make sure they are correct;</li> <li>• check a customer's preferred contact method and time of day; and</li> <li>• make sure customers who are eligible for help receive it, and quickly.</li> </ul>	Established billing processes are in place to ensure consistent communication with all customers, including those where charges are collected as part of a tenancy, to ensure fair billing, contact information and visibility of support is provided to all. In addition, there is an embedded consumption review process within our standard billing processes to ensure this is monitored for customers.
<b>Proactively offer other alternative payment options to customers in debt</b>		
<b>4.2</b>	Highlight the available payment options in contacting customers in debt or further correspondence sent to them. The options can be either: <ul style="list-style-type: none"> <li>• in the text of letters; or</li> <li>• enclosed in a separate leaflet or the company's code of practice on debt recovery.</li> </ul>	Yorkshire Water's diverse and flexible payment options are proactively promoted as part of all collections processes. This includes within letters throughout collections strategies, within the Code of Practice, in the revised leaflet providing financial support sent in reminders and finals, as well as on contact with customers (where appropriate).
<b>4.3</b>	Proactively offer customers who are in debt and in receipt of eligible benefits the option to pay using the 'Third Party Deduction Scheme' (known as 'Water Direct' in the water sector) when all other avenues of recovery have been exhausted. Companies should explain how the scheme works and make it clear to customers that other options are available.	Water Direct is proactively promoted and utilised as part of the appropriate debt collection strategy, supporting customers in paying their water charges and helping budget through benefit deductions.
<b>4.4</b>	Where companies themselves wish to apply for the 'Third Party Deduction Scheme' on behalf of a customer they must make reasonable efforts to inform the customer of their actions before doing so.	Correspondence to customers in advance of applying for Water Direct is embedded within the collections processes.
<b>4.5</b>	Work with local JobCentre Plus and Pension Service offices to build effective working relationships and contact with customers that may need support.	Established relationship with JobCentres across Yorkshire to proactively promote Yorkshire Water's financial support schemes, signpost customers to us where additional support is



		needed as well as regular attendance at appropriate events to support their clients.
<b>4.6</b>	Once a customer has been placed onto Water Direct, freeze other debt collection activities.	Water Direct is recognised within the collections processes as a payment arrangement and would prevent further debt activity. Promotion of other financial support would continue, as well as the proactive registration on the Direct Support if customer is eligible and paying through this channel.
<b>4.7</b>	Companies should engage directly with customers on the 'Third Party Deduction Scheme' – or about to be placed on it – to help explain the scheme (such as what will impact the length of time the plan is in place) and encourage customers to share information about their circumstances to avoid them getting further into debt.	Correspondence referred to in 4.4 includes an explanation of Water Direct and an invitation to contact Yorkshire Water for additional support if needed explaining the potential other help that could be provided.
<b>Send clear reminders that provide advice and next steps</b>		
<b>4.8</b>	In a water company's first written or verbal communication with a customer, the company should prominently state that free debt advice services are available to customers and provide the customer with contact details for MoneyHelper or other free debt advice organisations. Where possible, companies should work with authorised debt advice organisations so that, if the customer agrees, they can be passed directly to those organisations (a 'warm referral') to receive debt advice and other help.	Within bill reminders Yorkshire Water includes a financial support leaflet to all customers to offer the schemes available at Yorkshire Water and provide external free debt advice should customers require it. This information is also provided in further correspondence through the collection's strategies, as well as on contact with the customer. Warm transfer functionality is also available to some debt organisations. In addition, free debt advice organisations are also promoted in the code of practice, on the website on the appropriate pages, and as part of wider promotional materials.
<b>4.9</b>	At least three prompts (including the bill) – using at least two communications channels – for the customer to contact the company before progressing to debt recovery action. Companies should first use a customer's preferred method of communication and (if relevant) time of contact – before trying other means if a customer fails to respond .	Customers will always receive a minimum of three communications prior to progressing to debt recovery action. Where multiple contact channel information is provided these will be utilised, as appropriate, as part of these prompts. These could include texts, phone calls, in person visits or letter communication, depending upon the collection's strategy and customer's circumstances. We do not currently capture preferred time of contact.
<b>4.10</b>	Customers should be given reasonable time to pay their bill before a reminder is issued (this is especially important if using second-class post). Good practice would be to allow a minimum of 14 days following the date the bill was due for payment before issuing a reminder.	As part of long standing embedded billing processes, customers are always provided a minimum of 14 days before a reminder is issued.

4.11	Each reminder should set out what will happen and when action will be taken if the customer fails to respond. The various actions the customer can take should be set out along with a clearly signed contact number and website address. To encourage contact, companies should consider offering online chat and freephone debt helplines in addition to their standard geographic telephone numbers.	All customer correspondence clearly sets out any following actions if the customer does not respond. These communications also clearly provide information about how to contact the organisation, how to contact for financial support – both from Yorkshire Water and external organisations – and provides a choice of communication channels. These channels also include a free call back should the customer prefer.
<b>Contact customers using different methods and stop chasing them if they are getting debt advice</b>		
4.12	A variety of communication methods and times should be considered to establish contact (such as web chat, texts, telephone calls, letters and visits) if a customer fails to respond using their preferred contact method or preferred time of contact.	Dependent upon collections strategy – tailored based on customer circumstance, segmentation and credit reference data – customers will be contacted through various channels to establish contact. This may include written correspondence, phone call, text or visit in person.
4.13	The timing of attempted repeat contacts should be varied where possible (where the customer fails to respond during their preferred contact time or has not stated a preference).	Where possible multiple channels and contact times will be attempted to engage with customers who are falling behind on payments.
4.14	Communication methods and timing should take account of any special requirements for those customers who are registered for priority services and should comply with the provisions of the Equality Act 2010.	Customers on priority services will receive communication in an appropriate format for their requirements before debt recovery action progresses. Continuous improvement activity is underway to review communications embedded within debt collections strategies to ensure these are meeting the needs of priority service customers to the fullest extent required.
4.15	The timing, frequency and manner of contacts should not be oppressive, misleading or threatening, and should conform to accepted good practice, including that set out in the Financial Conduct Authority handbook.	Collections practices demonstrate recovery best practices. Debt recovery activity prioritises customer service and providing financial support which are embedded within all processes.
4.16	Make sure that sufficient resources are available to handle any contacts received, particularly at times of bulk debt related mailings. Companies should also document all contact attempts made, regardless of whether or not the contact was successful.	Long established forecasting methodology for expected contact volumes are in place and resources are allocated to the highest ability. All contacts to customers are documented within billing systems regardless of whether contact is successful.
4.17	Cease chasing contact with the customer where the company is aware the customer is actively engaging with a known debt advice provider. Companies should also encourage customers to agree to a referral to debt advice by highlighting the benefits to customers of, for example, being able to access Breathing Space, income maximisation checks and other wider support.	All recovery activity is paused when Yorkshire Water is aware a customer is seeking debt advice. During customer contact, where applicable, customers will be signposted to external debt support if required; warm transferred with customer agreement; and/or Breathing Space promoted if beneficial applicable. In addition, in 2022 additional financial support has been implemented which provides customers referred under Breathing Space 60 days charges paid for by Yorkshire Water.

<b>Make sure communications are friendly and company representatives are easy for customers to talk to</b>		
<b>4.18</b>	Any new approaches or systems should not reduce opportunities for customers to approach the company and should be inclusive by design (see expectation 1.29).	All collections processes and systems are designed to increase customer engagement and support for all customers struggling to pay their water charges.
<b>4.19</b>	Communications should be friendly and company representatives should be easy for customers to talk to, to encourage customers to communicate effectively with their supplier or collection agency.	Collections colleagues are trained to deliver exceptional customer service and Yorkshire Water is proud of its 'Best for You' approach in tailoring support to customer's circumstances. All communications are designed to provide support and encourage engagement from customers.
<b>Tailor debt recovery strategies and review them for suitability, fairness and empathy</b>		
<b>4.20</b>	Review debt recovery strategies on a regular basis. Where these reviews result in changes to a company's debt recovery strategy, the company must consult with CCW on changes to their code of practice on debt recovery. Billing systems, digital channels and incoming calls should be used, wherever possible, as an opportunity to identify customers in difficulty. This would include, for example, recording customer details that might indicate that the customer is vulnerable to falling into debt or flagging up where regular payers suddenly default.	Debt recovery strategies are reviewed regularly, particularly recently in light of Covid-19 impact and the current economic climate. Customer information, affordability indicators, and payment information is captured, reviewed and utilised during customer communications to ensure all opportunities possible are maximised to identify and support customers with additional financial support needs.
<b>4.21</b>	Debt recovery strategies should include a consistent approach that clearly shows the actions the company will take as the level of a customer's debt increases.	Debt recovery strategies are clearly documented and embedded within collections processes and debt management systems. These are clearly documented and visible for customers in the code of practice.
<b>4.22</b>	Where information on individual customers' circumstances is unknown, segmentation of customers should be used wherever practicable, to tailor debt recovery to individual customers or particular debtor groups.	Credit reference data is embedded within robust billing processes to ensure it is utilised for segmenting and assessing customer's ability to pay and to progress with appropriate collections strategies. In addition, it is utilised for tailoring activity to customer segments for the most appropriate outcome.
<b>Demonstrate quality service</b>		
<b>4.23</b>	Keep records showing how many times you have tried to telephone, visit or contact individual customers (whether attempts were successful or not), and the dates of reminders and notices, along with any actions occurring as a result. Customers and CCW may wish to be assured that the water company has made a reasonable number of attempts to contact customers whilst at the same time adhering to the provisions of the FCA Handbook or equivalent publication.	All customer communications, successful or not, are documented and visible in long-standing billing systems, this includes reminders and final notices.

4.24	Highlight customer outcomes and testimonies on resolving debt problems to encourage other customers to contact you.	As part of appropriate debt collection communications, testimonies are utilised to highlight to customers potential positive outcomes. As part of community engagement activity with external organisations this is also embedding in awareness sessions and employee upskilling.
<b>5 Be clear, courteous and non-threatening to customers in debt.</b> All communications sent to customers in debt should be in plain language and numbers, be courteous and non-threatening. But the water company should clearly set out the action which they will take if the customer fails to make payment or contact the company, along with the possible consequences for the customer		
<b>Design the content of communications around customers' information needs</b>		
5.1	All communications – such as texts, emails, letters and reminders – to customers who have fallen behind with payment should be clear about when payment is due and what will happen if the customer does not pay. Where possible, the correspondence should be tailored.	All communication is tailored to provide the outstanding balance and due date. In addition, communications are tailored and specific to the stage in the recovery process and provide the next stage of the process should the customer not pay.
5.2	The code of practice on debt recovery must be enclosed with reminders or details given on how a copy can be obtained.	Details of how the code of practice on debt can be viewed online or a copy obtained is included on all reminders, as well as other appropriate communications to customers.
5.3	Any correspondence should encourage the customer to contact the company and set out how to get free independent debt advice.	Customer communication within all collection's strategies encourage customers to contact Yorkshire Water for additional support and promote external organisations should other financial support or debt advice is required. This also includes the code of practice on debt, as well as the financial support leaflet which is included in all reminders.
5.4	Where communications are written, information on financial support available should be prominent and placed near to the amount owed on the bill. Where communications are posted, information on financial support should be on the envelope (see expectation 1.20).	As of February 2023, financial support information will be reinstated on envelopes. This information is also included on Yorkshire Water bills, as well as the full financial support leaflet included in all bill reminder communication from 2023.
5.5	Where one is available, the customer should be advised of a company's financial hardship fund or other affordability scheme.	All financial support schemes, including the Community Trust Hardship scheme, are promoted throughout the debt recovery processes. In addition, these schemes are also promoted through social media, digital and physical promotions, and community engagement activity to reach customers who need support as much as possible.
5.6	The customer should be given a clear indication of the length of time they have in which to act and a variety of ways to contact the company to use in the event of requiring further information.	All communication to customer's provides the required next steps, clear timeframes explained, and includes all communication channels for Yorkshire Water.
5.7	If notices or letters themselves do not list the customer's options for payment arrangements, they should be accompanied by communications which do, or should clearly	Payment arrangement information is included in the appropriate communications to customers, is clearly outlined in the code of practice on debt, as well as available to customers on contact.

	detail where the customer can obtain this information.	
<b>Tailor the language of communications to customer's needs</b>		
<b>5.8</b>	All communications – such text, emails, letters and literature – should be: <ul style="list-style-type: none"> <li>• in plain language;</li> <li>• in plain numbers;</li> <li>• designed to be inclusive by design (see expectation 1.29);</li> <li>• seek to encourage customers to speak with the company through the design and use of clear and non-threatening language that minimises any psychological distress; and</li> <li>• (where possible) be tailored in tone and style according to the individual debtor.</li> </ul>	All communications are designed to be inclusive and seek to gain customer engagement. Code of practice on debt and leaflet promoting financial support has been designed in consultation with CCWater and, the latter, including feasible customer feedback. Communications are tailor where customer insight is available to suggest required.
<b>5.8</b>	Make sure that the appropriate format is used for customers that: <ul style="list-style-type: none"> <li>• require priority services</li> <li>• do not use English as their first language; or</li> <li>• have communication difficulties.</li> </ul>	Priority service requirements are captured within embedded billing system and utilised for providing bills to customers. These are also available in different formats, such as verbally or in Braille, translation services are available on contact with customers, and online provisions for British Sign Language and ReciteMe are available.
<b>Use fair tools for encouraging payment</b>		
<b>5.9</b>	Do not threaten to disconnect (whether directly or by implication) for non-payment any property in which someone has their only or principal home. Particular care is needed when dealing with mixed-use premises so that customers' rights are respected.	Domestic customers would never be threatened with disconnection, directly or by implication, through any of our processes, practices or communications.
<b>5.10</b>	Void property notices should not be used as a debt collection tool by companies or by debt collection agencies.	Void property notices are not used as a debt collections tool.
<b>Explain the implications for customers at risk of enforcement action</b>		
<b>5.11</b>	If the customer is at risk of enforcement action after a judgment has been obtained in the county court, the company should explain the implications of such action simply, fully and jargon free but without being misleading. Many companies take enforcement action in relation to judgments obtained by applying third party debt orders, charges on property, order to obtain information, warrants of execution or attachment of earnings. In these cases, the company should explain the terms and processes and advise the customer that processes are subject to a court judgment first being made. The consequences of such action should also be clearly set out along with a contact telephone number for where further information can be obtained.	All stages of enforcement action are clearly explained to customers within communication prior to action being taken. This includes timeframes, consequences and all communication channels to contact Yorkshire Water. These are also available for customers in the code of practice on debt.

<b>Use enforcement action as a last resort</b>		
<b>5.12</b>	Use enforcement action as a last resort, once all other options for repayment have been exhausted. Companies can use enforcement action earlier in the debt management process where they can show evidence that: <ul style="list-style-type: none"> <li>• a customer routinely does not pay their bills; and/or</li> <li>• they have evidence that they have taken all reasonable steps to establish the customer doesn't have an underlying financial issue or other vulnerability that requires support before a customer can pay.</li> </ul>	Enforcement activity is only utilised when absolutely necessary and robust credit reference data, and non-contact from customer, confirms that this is the appropriate approach for debt recovery. Prior to undertaking enforcement action, customers will have received a variety of communications advising them of outstanding payments and actions required, as well as inviting contact to provide additional support and signposting external financial support if needed.
<b>5.13</b>	Any enforcement action taken or charges added should be proportionate and reasonable in relation to the circumstances of the customer and the size of the debt. Where possible companies should avoid using high court enforcement, except in those cases where they can show customers are persistently and deliberately not paying.	Enforcement action would only take place where we have information that informs us that this is appropriate action. Enforcement is not our default approach and only taken when we have information it is appropriate.
<b>5.14</b>	Exclude customers known to be in vulnerable circumstances from any form of enforcement action where the customer: <ul style="list-style-type: none"> <li>• is eligible for help but have not yet received it;</li> <li>• is in the process of receiving help from the company or other bodies that the company has partnered with;</li> <li>• has applied or been accepted for the debt respite (breathing space) scheme;</li> <li>• is on a repayment plan already agreed by the company; or</li> <li>• where the cost of the enforcement is likely to exceed the possible revenue the company or its agents can recover.</li> </ul>	Customer segmentation is embedded within the debt management system and aims to ensure all customers in vulnerable circumstances are excluded from enforcement action - this includes the scenarios outlined in the minimum service level, as well as wider customer characteristic which would suggest potential vulnerable circumstances not explicitly known.
<b>5.15</b>	Put collection activity on hold immediately if companies or their agents become aware a customer is in vulnerable circumstances and should be receiving support from the company– and seek to support them in in line with our expectations under Principle 2 'Make sure customers who are eligible for help receive it when it is needed'.	Where customers are identified as being eligible for support this would be promoted to them and recovery action paused whilst engagement received and support provided.
<b>Respond quickly, fully and appropriately to disputes or queries about debts</b>		
<b>5.16</b>	Where debts are queried or disputed, the company should respond promptly, fully and appropriately to the customer's enquiries.	Customers are invited to contact Yorkshire Water should they have a query or dispute about their debt, throughout the collections process. Customer enquiries are responded to promptly and in no more than 5 working days, as per the Customer Charter.
<b>5.17</b>	Collection activity should be put on hold whilst investigating a reasonably queried or disputed debt.	As part of standard, embedded processes, whilst investigation of a reasonably queried or disputed debt is undertaken, collection activity is paused.

<b>Regularly review and update debt communications learning from feedback and complaints from customers</b>		
<b>5.17</b>	Regularly review and update debt communications using data, insights, feedback and lessons from complaints from customers.	All debt communications are regularly reviewed and updated in line with customer engagement, lessons learned, customer feedback, strategy insight and performance data. In response to Covid-19 and current economic climate, these have been reviewed more regularly to ensure meeting requirements.
<b>5.18</b>	Give CCW an opportunity to comment on the design and text of any substantive changes to debt recovery communications, and be prepared to outline all changes during CCW debt audits.	Yorkshire Water are prepared to provide CCWater the opportunity to comment on any material changes to debt recovery communications and provide visibility as part of any debt audits.
<b>5.19</b>	Make sure that the code of practice on debt recovery is kept up to date, reflects operating practices and is available online or in hard copy – and reviewed at least once every three years. Companies should use customer insights and intelligence (see expectation 1.26–1.28) in making changes and make sure they are inclusive by design (see expectation 1.29). CCW must be consulted too.	The code of practice on debt recovery has been updated as part of the review alongside the issued Paying Fair guidelines. This has been undertaken in consultation with CCWater in regard to both content and design. Debt recovery practices are embedded and demonstrate debt collection best practices.
<b>6 Agree payments that are right for each customer in debt. When agreeing payment arrangements with customers, the customer’s circumstances should be taken into account wherever possible. Payments should be based on a consistent approach for assessing a customer’s ability to pay.</b> Repayments should be understandable to the customer – and regularly reviewed as their circumstances change to make sure repayments are sustainable. And the customer should be re-engaged if the payments fail		
<b>Double check that the customer is in debt</b>		
<b>6.1</b>	Offer customers a way to check they are in debt. Before taking enforcement action, the company should carry out further checks to make sure the customer is in debt and that any figure they owe should not be adjusted or whether (for example) they: <ul style="list-style-type: none"> <li>• should have received help from the company earlier;</li> <li>• have a leak; or</li> <li>• there is an error in their account information.</li> </ul>	Fully embedded processes within collections activity to check account balances for accuracy. This includes, but not limited to, checking errors on accounts, assuring consumption and no evidence of potential leaks, and offering financial support for those customers likely to require additional support. Customers are also able to check their balance via all available channels, including self-serve online.
<b>6.2</b>	Investigate and resolve any issues promptly and thoroughly where the customer disputes their debt.	All customer disputes or queries relating to debt and/or account balances are investigated and resolved as promptly as possible. As per Yorkshire Water’s Customer Charter all customer enquiries are responded to within 5 working days.
<b>Establish each customer’s ability to pay and allow customers to consider payment proposals</b>		
<b>6.3</b>	Make reasonable enquiries as to the customer’s ability to pay when setting up instalment arrangements and take account of the information given. This should involve the company, customer or debt advisor completing the standard financial statement promoted by The Money Advice & Pensions Service to assess realistic payment options. Where companies adapt the SFS (for example, to do checks at scale), they should meet our expectation 1.30 in publishing their	Customer’s ability to pay will be considered as part of setting up any payment arrangement to ensure the customer can meet the instalments. This will be either directly with the customer or via a third party organisation and will capture consistent, and relevant, income and expenditure information to enable setting the arrangement. Yorkshire Water do not complete the full SFS as part of the arrangement process but would accept any completed by a third party on behalf of the customer.

	methodology ('Consider how customers' ability to pay affects their service experience').	
<b>6.4</b>	Retain an appropriate record of the completed standard financial statement and enquiries made to assess the customer's ability to pay.	All customer communications are accurately recorded on the customer's account which includes information relating to customer's ability to pay. Yorkshire Water's income and expenditure form is embedded within the debt management system and any income and expenditure information from external organisations will also be added to the account.
<b>6.5</b>	Support instalment payment proposals, where the customer has worked with a debt adviser who has prepared a budget using The Standard Financial Statement (SFS).	Completed SFS referred to Yorkshire Water will be accepted and supported. These will be utilised for setting payment arrangements and added to customer accounts.
<b>6.6</b>	Allow the customer sufficient time to consider any payment proposal and seek free and independent debt advice.	Collections processes are flexible enough to be tailored to individual circumstances as required based on communications with customers. This includes, but is not limited to, collections activities being paused for a period of time whilst advice is sought or for consideration of payment arrangements.
<b>Refer customers to company's financial hardship fund or other affordability schemes for help</b>		
<b>6.7</b>	Where a financial hardship fund or other affordability support scheme is in place, companies should, where appropriate, tell customers about them or refer customers to a relevant contact.	Financial support promotion is embedded within all collections processes to ensure customers are aware of help available. Leaflets promoting all support that is available are included in all reminders, tailored signposting to specific schemes will be made during customer contact, as well as signposting to external additional support should it be required. From 2023, all reminders will also include the updated financial support leaflet.
<b>6.8</b>	Companies who do not have such schemes should consider the value of establishing them independently or jointly with other companies or utilities.	Yorkshire Water already have long established and embedded financial support schemes available, including a Community Trust hardship scheme.
<b>Help customers reduce future charges</b>		
<b>6.9</b>	Be able to demonstrate that consideration has been given to whether the customer would benefit from support measures (see support package suggestions in expectation 2.1). For example: <ul style="list-style-type: none"> <li>• switching to a water meter;</li> <li>• applying for a social tariff where available, or other forms of affordability support or</li> <li>• implementing some water efficiency measures.</li> </ul>	All customer bills are tailored to promote water meters to non-metered customers to ensure transparency of how this may reduce customer's future charges based on their circumstances. Within all bill reminders, all financial support available is promoted for visibility, including water efficiency. This information is also available in the code of practice. In addition, all promotion of financial support during customer contacts will also be recorded within the billing system which additionally demonstrates where this consideration has been made.



6.10	Where relevant, the company should advise the customer that they may be able to reduce their future charges and offer information about these options.	On all relevant customer correspondence financial support is promoted and customers advised that they may be able to reduce future charges. Credit reference data is also utilised within the billing system to indicate when customers are likely to be eligible so promotion can be made during any customer interaction. In addition, where appropriate, customers will be provided a financial support scheme proactively, without need to apply.
<b>Agree repayment levels that are realistic, understandable and regularly reviewed</b>		
6.11	Set repayment levels which are realistic and sustainable given the customer's circumstances including taking into account all outgoings. Customers should not be pressured into paying the debt in full or in unreasonably large payments.	Repayment levels are agreed with customers, either directly or indirectly, and consider expenditure as part of this embedded process. Collections processes prioritise customer service and providing financial support to customers without pressure.
6.12	Try to agree an instalment plan with the customer at a level which recovers the level of the current year's charges and wherever possible also pays towards the previous years' arrears (accepting that in most cases payments received will be used to pay off the arrears). This is so that the level of debt does not get progressively worse. However, companies may need to take a long-term view of the period over which customers can clear their debt, based on their knowledge of the customer's circumstances. Wherever possible, they should try to avoid allowing the debt to increase unless they are convinced that in the customer's situation it is appropriate to accept any small amount in order to encourage a payment habit.	Standard collection's practices aim to implement payment arrangements which cover current charges and contribute to arrears to prevent further debt for the customer. Where appropriate, customers will also be provided a debt support scheme which will support the repayment of debt, e.g., payment matching schemes, to encourage payment habits and also clear debt more quickly for customers.
6.13	Accept any realistic offer of payment that a customer or the customer's authorised money advisor makes. Call operators should have the authority to agree payment plans with customers over the phone. Any agreements made should then be confirmed in writing to remind the customer of the commitment made. The level at which direct payments from benefit are set can be a useful guide to setting an appropriate payment arrangement for some customers. However, in cases where the customer has multiple debts, liaison with or referring customers to local advice agencies will be important.	Based on income and expenditure information provided either by the customer or third party organisation, any realistic payment arrangement would be accepted and support provided to the customer. Collections colleagues are empowered to agree appropriate payment arrangements via all channels and confirm these with the customer.
6.14	Companies are not expected to provide financial advice, but should make it clear to customers whether payments received will be used to pay current charges or towards arrears.	Yorkshire Water does not provide financial advice to customers but would signpost this if required by the customer. Colleagues do provide information in regard to customer's water charges and confirm allocation of payments.
6.15	Ensure the customer understands their new payment arrangements (including when the debt will be repaid and what to do if they experience difficulties with the arrangement).	Customer's will be provided information about any agreed payment arrangement, including the timeframe for repayment, when appropriate. This

		will be tailored based on the customer's circumstances and contact channel.
<b>6.16</b>	Monitor arrangements after they have been set up to make sure the customer is content with them.	Robust processes within collections strategies, and debt management system, monitor arrangements, including if/when they are not being met. Proactive communication to customers when payment arrangements are unable to be met is a tool within the debt recovery processes, when appropriate.
<b>6.17</b>	Regularly review and adapt repayment plans as a customer's situation changes.	Repayment plans and support available is tailored and adapted based on customers current and changing circumstances. If Yorkshire Water is aware of changing customer circumstances this additional information will be utilised to provide the most appropriate debt recovery solution for the customer.
<b>Refer customers to local advice agencies, charities or voluntary organisations for further help</b>		
<b>6.18</b>	Establish and maintain good relationships with local and national advice agencies, charities or voluntary organisations (for example, by offering a dedicated helpline number or direct access for such agencies) and recommend customers consult these agencies where appropriate. Companies should have proactive debt advice referral approaches in place that go beyond simple signposting which may include transferring customers, with their consent, to debt advice agencies. This is particularly important where company staff are not trained in debt counselling.	Yorkshire Water has well established Community Engagement activity which enables customers to be provided financial support by partners to enable customers to obtain help with water charges when required. Colleagues will also signpost or transfer customers to various organisations dependent on their circumstances to obtain debt, or various other, additional support.
<b>6.19</b>	Where a customer advises a company of their intention to approach a fee-charging company, the company should advise the customer of the existence of similar services that do not make a charge.	Colleagues are trained to advise customers of free debt and financial support services, particularly if customers indicate that they are intending to use a fee-charging company.
<b>6.20</b>	Offer all customers in debt holistic debt advice. Refer customers to independent, non-charging debt advice agencies, and give full consideration to payment plans that such agencies offer. Where a customer has formally authorised a debt advice agency to negotiate on their behalf, the company should agree to this and should not bypass the agency by contacting the debtor directly.	Customers are referred to debt advice agencies where appropriate to do so. These organisations are also promoted on relevant web pages on the Yorkshire Water website, within customer communications throughout collections processes, within financial support leaflets, as well as within the code of practice. Where advice is sought and authorised to do so, Yorkshire Water will accept payment plans and/or negotiations from such organisation on the customer's behalf.
<b>Re-engage with customers over missed instalments and make sure follow up action is proportionate</b>		
<b>6.21</b>	Make efforts to re-engage with the customer after an initial occurrence of a failed repayment arrangement	Where repayment arrangements are not met, proactive communication to the customer is embedded within existing collections processes. This may include promotion of financial support, communication via various channels, or communication to reinstate payment arrangements.

<b>6.22</b>	Action taken when instalments are missed should be proportionate.	All recovery action implemented aims to be proportionate and prioritises customer service and financial support, this includes when payment arrangement instalments are missed.
<b>7 Treat customers facing debt recovery action with care.</b> Customers whose accounts are managed by debt recovery agents should, wherever practicable, receive the same level of service and care as those whose accounts remain with the water company. The potential consequences of having their debt managed by a third party should be no more severe than if the service was provided directly by the company		
<b>Treat customers facing debt recovery action with empathy, sensitivity and provide the same quality of service as other customers</b>		
<b>7.1</b>	Treat customers facing debt recovery action with empathy, sensitivity and provide the same quality of service as other customers – regardless of their payment and debt history.	All debt recovery processes prioritise best practices in customer service and providing financial support regardless of customers debt, debt history or payment arrangement. Colleagues are trained in tailoring promotions of support for customers based on circumstances and indicative data, this ensures empathetic and quality service provided to all customers.
<b>Ensure the needs of priority service register customers are met</b>		
<b>7.2</b>	Those customers registered by companies as requiring priority services should not have their accounts passed to debt collection agencies where an agent is not able to provide the service which the customer requires. Where a debt is passed to an agent and it becomes apparent that the customer requires priority services which the agent cannot provide, the account should be returned to the water company.	Customers requiring billing specific priority services will not currently be referred to debt collection agencies where these services are unable to be provided. Reviews are being undertaken again with all agencies to ensure full visibility of all priority services that are available with each agency used.
<b>Use reputable debt collection companies that treat customers fairly and in line with agreed levels of service</b>		
<b>7.3</b>	Where companies choose to use external collection agents, engage a reputable agent to carry out debt collection. Agents should abide by industry codes of practice, treat customers fairly and in line with agreed levels of service.	Yorkshire Water only uses reputable debt collection agencies where best practices and agreed service levels are adhered to. There is a robust and rigorous tendering process for all agencies and quality audits regularly undertaken for assurance.
<b>7.4</b>	It is expected that companies will have systems and processes in place to ensure that its contractors are acting in compliance with its code of practice on debt recovery and meet the standards set out in the Financial Conduct Authority handbook – or equivalent publication. We would expect companies to ensure that these requirements are reflected in the contracted terms and arrangements when employing any third party to act on their behalf.	Clear terms and conditions are in place with all debt collection agencies and compliance with these, and all appropriate legislation, is regularly monitored and reviewed. This includes, but is not limited to, regular communication and audits.
<b>7.5</b>	Make sure that individual accounts are passed to one debt collection agent at a time. This will avoid confusion for the customer and potential duplication of effort by agencies.	As part of long standing and embedded collections processes, customer accounts are only referred to one debt collection agency at a time.

7.6	Make sure that a full and accurate history of the debt is passed to the debt collection agent.	Embedded collection strategies ensure that only customer accounts at the same stage of collections, and the same customer segmentation, are referred to debt collections agencies. This enables agencies to be fully aware of history. Continuous improvement activity is currently underway to review the information shared with agencies to ascertain if this could be further improved.
<b>Regularly and robustly check customers facing debt recovery action are treated sensitively</b>		
7.7	Be able to verify on a regular basis that customers whose debt is managed by a debt collection agency are sensitively dealt with through a robust audit process. This may include regular reports from the agent on the progress of customers' accounts and payments.	Long established processes with debt collection agencies ensure visibility of performance and activity with all customer accounts and payments. In addition, regular audits are undertaken with all agencies utilised to ensure processes and practices.
7.8	To satisfy themselves that their customers are receiving the appropriate level of service, water companies are expected to hold copies of standard communications materials sent by debt collection agents and make sure that these conform to the standards expected of the water companies themselves.	All debt collection agency customer communications are obtained in advance of activity and are reviewed in line with standard internal processes for best practice, language and tone.
<b>Continue to communicate directly with customers facing debt recovery action</b>		
7.9	Make sure that customers whose accounts have been passed to debt collection agents are kept informed of this action. Customers should not find themselves in a position where it is harder to agree payments than if they were dealing directly with the water company. The debt collection agent should offer the same range of payment options as the company wherever it is practical to do so.	Customers are informed that their accounts are being referred to a debt collection agency in advance of this action being taken. All financial support is available to customers via the debt collection agency in the same way as would be via Yorkshire Water. Customers are also advised how to contact should they be unhappy with any treatment from the allocated debt collection agency.
7.10	In some cases, it may be necessary to treat a customer's current charges separately from any arrears. The company may wish to agree payment terms for the current bill directly with the customer while leaving the collection of debt in the hands of the agent. If this is the case, it is important to make sure that the customer fully understands that payments are due to both parties. Ideally, all charges should be collected together in order to avoid confusion for the customer.	Embedded collections processes aim to collect all charges together to ensure ease and clarity for the customer wherever possible. In rare instances where historical charges are being recovered, this will be clearly communicated with the customer and current charges will not follow recovery action to ensure customers are not being charged multiple times.
<b>Retain access to the customer's account</b>		
7.11	Retain access to the management of the customer's account, should the need arise, as the debtor will typically remain the customer of the water company. Good practice will allow water companies to be able to obtain access to the customer's account and details such as the amount which a customer has agreed or has been asked to pay, should they be approached directly by the customer or by third parties acting on behalf of the customer, such as debt advisers. Regular and effective	Regular and effective communication between Yorkshire Water and all debt collection agencies is embedded as part of the relationship. This communication enables information about customer circumstances, debt repayments or payments to be provided as appropriate.

	communication systems should be in place between the company and agent to share information regarding payments made or other activity on the account when necessary.	
<b>Allow customers to raise disputes involving the agent with the water company</b>		
<b>7.12</b>	Make sure that customers who are unhappy with the way the agent has dealt with them are: <ul style="list-style-type: none"> <li>• aware that they can raise their concerns directly with the water company;</li> <li>• how they can do this; and</li> <li>• that it is easy for them to do so.</li> </ul>	As part of all communications to customers advising that debt is being referred to a debt collection agency, customers will be advised how to contact Yorkshire Water should they be unhappy with the way they are treated. This is also included in the code of practice on debt.
<b>Speak to local authorities to find alternatives to evictions where non-payment of water charges could result in evictions</b>		
<b>7.13</b>	Where eviction for the non-payment of water charges is a possibility, companies should have effective channels of communication in place with local authorities to make sure that such cases are discussed with a view to alternative solutions being found.	Yorkshire Water have effective channels of communication in place with all external organisations who provide payments for water charges on behalf of customers. There are no known examples of customers being evicted for the non-payment of water charges.
<b>Only sell debt to reputable parties and where other recovery activities have been exhausted</b>		
<b>7.14</b>	Companies that choose to sell debt to a third party should only do so when all other debt recovery activities have been attempted.	Yorkshire Water does not sell debt to any third parties.
<b>7.15</b>	Make sure that you only sell debt to a reputable agent who abides by industry codes of practice such as that of the Credit Services Association and the guidance on debt collection issued by the Financial Conduct Authority in its handbook.	Yorkshire Water does not sell debt to any third parties.
<b>Tell courts promptly when customers clear their debts</b>		
<b>7.16</b>	Notify courts promptly when customers in relation to whom court enforcement orders have been made clear all or a substantial part of their debts.	Updates to courts, as well as any other relevant external organisations as/when required, are provided promptly on receipt of debt repayments.
<b>Demonstrate service levels to CCW</b>		
<b>7.17</b>	Show CCW that customers whose accounts have been placed with agents are not receiving a lower level of service than customers whose accounts remain with the water company. CCW will also wish to confirm that companies have effective quality control arrangements in place. At audits it is desirable for CCW to have: <ul style="list-style-type: none"> <li>• access to the agent and their documentation, including copies of standard communications materials; and</li> <li>• the option to meet the agent, visit the agent's premises or look at individual cases as part of their regular assessments of companies' debt recovery operations.</li> </ul>	As part of any CCWater audit, demonstration of best practices in customer service is available, including the option to view standard agent communications and the option to meet any agents used, should these be required in undertaking the deliverables of the audit.

<b>7.18</b>	The code of practice under which the agent operates and the service agreement or equivalent document should also be made available to CCW, provided there are no confidentiality concerns.	Code of practice and high level service level agreements would be shared with CCWater, if/when required, as long as information required does not raise confidentiality concerns.
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