

Consultation under sections 13 and 12A of the Water Industry Act 1991 on proposed licence modifications to introduce customer-focused principles for all water companies

Hafren Dyfrdwy response

23 November 2023

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Ofwat consulted under sections 13 and 12A of the Water Industry Act 1991 on proposed licence modifications to introduce customer-focused principles for all water companies. The Hafren Dyfrdwy Board agrees to the proposed licence modification.

We support the introduction of the licence condition because we recognise the need for the sector to help repair customer trust. Importantly, we believe that the condition helps to promote customer service as a priority for the industry and encourages sustained delivery of outcomes with the appropriate and proportionate powers for enforcement. The licence condition also supports our current customer plans.

We have three suggestions for how the implementation and enforcement of the licence condition could work more effectively to deliver improvements for our customers. These summarise the points we made in our response¹ to Ofwat's 11 May 2023 consultation on the customer-focused licence condition.

- **Guidance** – we suggest the licence condition will deliver the most benefits for customers if the guidance is not overly-rigid and is capable of being adopted by all water companies in a way that does not conflict with existing customer initiatives. The summary of the guidance related to the licence condition in Annex 2 of the consultation is helpful and we responded to Ofwat's recent consultation on its draft vulnerability guidance ("Service for all"). We would welcome the opportunity to engage in any relevant working groups on further guidance to support the new licence Condition G.
- **Existing incentives and customer protections** – we suggest the licence condition will deliver the most benefits if does not duplicate or overlap with the existing customer protections and customer service incentives such as WATRs/ADR, C-MeX and the common ODIs.
- **Addressing incidents of prolonged service failures** – following on from point 2 we consider the most effective use of the principle-based regulation contained in the new Condition G would be to focus on scale events and prolonged service failure. This is because we already have well-developed mechanisms to assess our effectiveness in handling individual complaints and we will continue to work with CCW to drive ongoing improvements.

We note that there might be an error in the wording of the principle for customer care G3.5 which refers to, "appropriate support for customers in vulnerable circumstances". Annex 1 of Ofwat's conclusions on the 11 May consultation and Annex 3 of the 12 October consultation suggest that you intended to change the wording to say, "appropriate support for customers needing extra help".

Hafren Dyfrdwy

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¹ <https://www.ofwat.gov.uk/wp-content/uploads/2023/05/HDD.pdf>