

## **Ofwat – customer focused licence condition**

### **A response by Scope**

**November 2023**

#### **Introduction**

Scope welcomes the opportunity to respond to Ofwat’s consultation on the customer focused licence condition. We support Ofwat reviewing and updating these conditions.

Scope hopes that these licence changes will have a positive impact for disabled customers who have experienced harm or failures from their water supplier. Below findings from Scope’s energy and water service highlights the continued struggles disabled customers are facing.

#### **Findings from Scope’s Disability Energy Support (DES) service.**

Between 01 November 2022 and 01 November 2023, Scope’s DES service heard from 830 customers seeking energy and/or utility advice.

Of this total, 87 customers said they were in some level of water debt:

- In debt with all three utility types: 40 (46%)
- In debt with water only: 32 (37%)
- In debt with water and electricity: 10 (11%)
- In debt with water and gas: 5 (6%)
- 44 (51%) had no water repayment plan in place.

We welcome Ofwat’s decision to ensure that water suppliers return money to customers in 2024/2025, following their failure to meet targets<sup>1</sup> around pollution, leaks, and supply quality. However, we remain concerned about proposals to increase bills over the same period<sup>2</sup>.

---

<sup>1</sup> GB News (2023), ‘Most’ water firms to return millions of pounds to customers by reducing bills, <https://www.gbnews.com/money/water-bills-return-lower-bill>

<sup>2</sup> The Times (2023), Why water bills are going up, and how you can cut yours, <https://www.thetimes.co.uk/money-mentor/article/why-water-bills-are-going-up-and-how-you-can-cut-yours/>

The estimated average annual water bill increase stands at £232 per household<sup>3</sup>. This could not come at a worse time: disabled people are already struggling to pay for essential energy services alongside other utilities, and any increase will only drive disabled households into further debt.

## Context

Scope is increasingly concerned around proposed increases in water bills. When coupled with higher energy bills, many disabled households will be pushed into further debt. Over the last 12 months, the average annual debt of customers contacting Scope's energy and water service stands at £1,053. This debt brings with it deep anxiety and concern. Many of the disabled people we speak to have nothing left to cut back on and are being forced to make impossible choices.

While Scope acknowledges that many households benefit from the supplier fines, in 2024 and 2025, the proposals of an estimated £232 average annual rise in water bills over that same period is worrying.

Even with water social tariffs and supplier support available, £900 million worth of support remains unclaimed due to factors such as complicated eligibility criteria, inaccessible application forms, and support being difficult to find on supplier websites.

### **Scope's response to Ofwat's proposals:**

**1. Delete current Condition G and replace it with a new customer focused licence condition, the wording of which is set out in Annex 1.**

Scope agrees with Ofwat's proposal to introduce new customer-focused licence conditions to address declines in customer satisfaction, negative customer experiences, and a lack of support for vulnerable customers.

Paragraphs G3.2 and G3.5 relating to contact ease and appropriate support for customers in vulnerable circumstances are welcome improvements. However, we know that there is a consistently mixed

---

<sup>3</sup> Policy in Practice (2023), Water bills to jump by 40% yet £900 million of water social tariffs unclaimed, <https://policyinpractice.co.uk/water-bills-to-jump-by-40-yet-900-million-of-water-social-tariffs-unclaimed/>

approach to contact ease and finding the support provided by water suppliers.

Earlier this year, Scope undertook research to establish the ease of accessing information on water support<sup>4</sup>. This research rated 31% of suppliers as 'excellent' due to support information being mentioned on their front page. Whereas 25% were 'good' as the information was behind the financial help section and 38% were rated 'ok', as more clicks were required to access information. 6% were rated 'poor' as it took considerable time to find the information.

Moreover, only 12% of water suppliers provided an accessible copy of support forms that allowed customers to edit the document and attach their medical evidence before submitting. This is just one of many examples of the barriers which prevent disabled people from accessing and benefitting from the £900 million<sup>5</sup> gap in unclaimed support.

It is clear that Ofwat and suppliers have a key part to play in closing this gap and they should be providing clarity and transparency over what help is provided as well as routes to accessing it. This is particularly the case for a customer's water supply, considering that they cannot choose their water supplier.

The inconsistency and lack of standardised customer service across suppliers means some vulnerable customers may receive an excellent service and be able to access the support they are entitled to, while others may be unable to access any level of support.

It is concerning to Scope that some vulnerable and eligible households, including disabled households, are potentially missing out on vital support to help with their water bills.

Scope recommends that Ofwat implement a single, consistent, and cross-supplier approach within licence conditions, for the purpose of:

- Sharing support, enabling more disabled customers to easily identify their eligibility and claim the water support they are entitled to.
- Offering multiple methods of communication to customers.

---

<sup>4</sup> Scope (2023), Water desk research – Utilities Team.

<sup>5</sup> Policy in Practice (2023), Water bills to jump by 40% yet £900 million of water social tariffs unclaimed, <https://policyinpractice.co.uk/water-bills-to-jump-by-40-yet-900-million-of-water-social-tariffs-unclaimed/>

- Being customer focused and allowing disabled customers to communicate via their preferred method(s).

Water suppliers should make a commitment to be disability aware and fully equipped to support disabled people, whether this is on the phone, digitally or through the written communications they send.

Scope research shows<sup>6</sup> that of those who have been contacted by their supplier, 37% felt stressed, and 36% felt anxious and 34% felt upset or scared.

Scope would like to see a more consistent and customer-focused approach which prioritises the needs of disabled customers, across both the energy and water sectors to ensure that customer service is the same regardless of which supplier they are with<sup>7</sup>.

## 2. Delete Condition J.

Scope is in support of the removal of condition J.

### **For more information, please contact:**

██████████ - Data and Insights Adviser – Energy Proposition  
Policy (Consumer Affairs) ██████████

██████████ – Lead Policy Advisor  
Policy (Consumer Affairs) ██████████

---

<sup>6</sup> Scope (2022), Do the right thing: supporting disabled people through the cost of living crisis.

<sup>7</sup> Scope (2022), Do the right thing: supporting disabled people through the cost of living crisis.