

# Business customer experience Wales performance commitment for PR24

13 March 2023



# What is business customer experience in Wales? – the design

This purpose of this performance commitment is to incentivise good customer experience for business customers in Wales. This is important as customers of premises which use systems located wholly or mainly in Wales are mostly not eligible to choose their water retailer (only those that consume more than 50 megalitres of water a year are eligible to choose their retailer), unlike for business customers of water companies in England.

## **Business customer experience in Wales at PR19**

At PR19 the two Welsh companies (Dŵr Cymru and Hafren Dyfrdwy) had **identical bespoke performance commitments** for this measure:

- They measure the average customer score out of five from four quarterly business customer satisfaction surveys (250 interviews every three months from a **sample of all non-household customers**).
- Both companies currently have **absolute targets** of 4.5 out of 5. If a company performs below this target, it incurs underperformance payments and if a company performs above this target, it receives outperformance payments.
- We said in our final methodology for PR24 that we will **retain the business customer measure of experience as a performance commitment** for companies operating in Wales.



# Our approach to policy development

Strong and effective incentives



Robust comparisons and measures



Practical and proportionate



Focus on the long term

Deliver greater environmental and social value

“



Reflect a clearer understanding of customers and communities

Drive improvements through efficiency and innovation



# Initial focus of our review – high-level issues

## Coverage of customers

Currently, a company's score is based on customer satisfaction surveys from a sample of **all non-household customers**.

We could consider changing the sampling approach to have **50% of responses from direct contact customers and 50% from the generality of customers** (similar to C-MeX currently).

## Incentive design

Currently, business customer experience in Wales allocates incentive payments between companies based on **absolute targets**.

In C-MeX and D-MeX we currently use a relative approach to setting payments. For business customer experience in Wales, we could consider changing to a **relative approach using a cross-sector benchmark** using satisfaction against retailers in England.

We could also consider **amending the current approach** by, for example, moving to a 0-10 scale instead of 1-5.



# Timelines

February – May 2023

Engage with stakeholders on high-level design issues



December 2022

Confirm we will retain and review business customer experience in Wales in the PR24 final methodology

Summer 2023 – Spring 2024

Potentially engage with stakeholders on detailed implementation issues



Summer 2023

Publish companies' business customer experience in Wales performance for 2022-23

Summer 2024

Publish companies' business customer experience in Wales performance for 2023-24



May – June 2024

Consult on proposals in the PR24 draft determinations

December 2024

Publish decisions in the PR24 final determinations

April 2025

Changes to business customer experience in Wales take effect

