



**A Consumer Council for Water Consultation:
Response document - further information**

**Collecting and publishing information from water
supply and sewerage licence holders**

Response to consultation questions

This section sets out the feedback we received to our nine questions together with our response.

Question 1:

Will you be able to provide the data we propose to collect as detailed in tables 1 and 2? If not, please explain. (See appendix for tables)

Respondents were generally supportive of the information we proposed to collect. We also informally discussed our proposal to collect data with some retailers that did not respond to the consultation. Most retailers reacted positively as they recognise the value it offers them in comparing their service provision with the rest of the market and giving CCWater the evidence it needs to act as a “critical friend” to help retailers improve their service.

The main areas of contention were regarding our proposals to collect “*unwanted contacts*” on an annual basis, and some additional clarity was sought about the meaning of ‘wholesale’ complaints.

Unwanted Contacts:

Four of the retailers who responded to our consultation said we should not be collecting this information because:

- It is part of Ofwat’s Service Incentive Mechanism (SIM) which has not applied to non-households since 2015.
- “*Unwanted contacts*” is a complex and subjective term that would require a clear definition and considerable effort to apply consistently across the industry.
- Identifying “*unwanted contacts*” requires additional analysis to prepare and would be a challenge for retailers’ systems to provide.

However, one respondent recommended that the data we collect should be separated into written complaints, telephone complaints and “*unwanted contacts*” while another felt the scope should be widened to include complaints received via email, telephone and social media.

While the water industry has traditionally treated written and telephone complaints differently, some retailers have told us that they would not be differentiating between them and would be providing both within their “total number of...complaints” submission.

CCWater response:

Our reasoning for asking for this measure to be reported was to get a fuller picture of customer dissatisfaction than written complaints could provide, namely by capturing complaints and contacts registered by telephone in the first instance.

In the past Ofwat tried to capture telephone complaints. After discussion with the companies, Ofwat concluded that identifying and classifying a telephone complaint was subjective and

dependent on the customer service agent taking the call and the verbal tone of the customer. For this reason, the industry preferred the more encompassing “*unwanted contacts*” measure. This covers the number of phone contacts received from customers that are ‘unwanted’ from the customer’s point of view. This includes a contact about an event or action that has caused the customer unnecessary aggravation (however mild). It also includes repeat or chase calls by the customer to the company. This is determined by the subject matter of the call, not whether it might constitute a complaint.

We accept that “*unwanted contacts*” is a measure that is derived from the Service Incentive Mechanism (SIM). Since this does not apply to retailers in the NHH market, it is likely to be difficult for retailers to capture this information without time to make the arrangements needed to do this.

However, we believe that there would be a significant gap in our monitoring if we do not seek to capture complaints made by telephone. Ofwat’s [Customer Protection Code of Practice](#) requires retailers to have a complaint procedure that will “*allow for complaints to be made orally and/or in writing*” (10.3.2). Therefore, retailers will need to accept and record complaints made by telephone.

We believe it will be important for retailers to be able to distinguish the channels by which they are receiving complaints in order to respond appropriately to the needs of their customers.

Clearly, some retailers have concerns about our proposals. Therefore, we propose to hold an industry workshop in summer 2017 in order to find a mutually acceptable solution to this issue. This will help us to understand what information retailers are collecting through their systems and, with this in mind, determine a way forward for retailers to provide data relating to telephone contacts which is consistent and comparable.

Our intention is, therefore, to remove the requirement for annual submission of “*unwanted contacts*” and initially to collect written complaints data only.

However, retailers may wish to consider how they might record and report complaints received by telephone. One of the options for discussion at the summer workshop is replacing “*unwanted contacts*” with a telephone contacts measure. If this option was deemed appropriate then we would look to introduce it, in pilot form, as soon as was practicable after the workshop with full introduction from April 2018.

Social media

The definition of written complaints, included in the appendix of the consultation, states that companies should include complaints received via social media if this is advertised as a method for making a complaint, for example to an advertised Twitter account. Customers are increasingly using social media as a means of making contact with companies, so retailers will need to consider the best way to capture this information. For the avoidance of doubt, customers making general comments about a retailer but not tagging them into the conversation would not be counted as a complaint.

Wholesale complaints

Most respondents welcomed the idea of being able to identify separately those issues which generated complaints but were due to wholesale rather than retail service failures.

Some respondents asked for clarification on the definition of wholesale-related complaints to ensure reporting consistency.

One retailer felt that the market codes ([CSD002](#)) were limited in what they prescribed as *wholesale service failures*. CSD002 does not capture some wholesale issues that could result in a complaint to a retailer (e.g. data errors and charging the incorrect wholesale tariffs such as surface water drainage).

The potential for inconsistent reporting was also highlighted in cases where a complaint has resulted from actions by both the wholesale and the retailer. Clear guidance about how a wholesaler complaint should be defined and how “mixed” complaints should be categorised was requested.

One respondent suggested that it would be useful for CCWater to collect information from retailers which clarified the root cause of the wholesale complaints received (e.g. *billing and charging; metering; water services; sewerage services; administration*). Another suggestion it was for retailers to provide a breakdown showing which wholesaler the complaints related to.

CCWater response:

Retailers should report a complaint as resulting from wholesaler action only where no part of the complaint relates to the activities of the retailer. In the case of “mixed” complaints, these should not be included in the wholesaler category since it indicates dissatisfaction from the customer with something for which the retailer is at least partly responsible.

In addition to the wholesale service failures contained within CSD002 any complaint relating to the water service, wastewater service, wholesale charges and data error originating from wholesaler information should be attributed to wholesale.

We will keep this under review to try to ensure there is consistency in reporting among retailers. We will also supply some case studies to retailers to show examples of what we would consider to be wholesale service failures.

While we agree that root-cause information would be useful, we believe that making this a requirement would create an unnecessary reporting burden for retailers. As per our question 8, we may, however, seek to obtain this additional contextual information from individual retailers if we have particular concerns about the number of complaints being received. We would welcome any retailer providing this information to us voluntarily.

Question 2:

Will you be able to provide the data at the frequency we propose as detailed in tables 1 and 2? If not, please explain

Most respondents confirmed that they would be able to provide the complaints data monthly. One respondent stated that they would not be able to provide the data monthly as this would be a reporting burden, and that data should be collected quarterly. Another respondent emphasised the need for there to be clear definitions about what was being requested, and that this should not be changed frequently.

CCWater response:

As there is general support for monthly collection of data, we intend to collect the information at this frequency from April 2017. We expand on this in our response to question 4.

Question 3:

Will you be able to provide the data within four weeks of the end of the reporting period as proposed? If not, please explain.

The majority of respondents replied that they would be able to provide the data within four weeks of the end of the reporting period. However, it was also highlighted that, as this was a new process, it would require some system changes to put in place which would take time.

Two respondents suggested different arrangements for the early months of the market to allow retailers time to put processes in place to gather and share the requested information. One respondent suggested that April and May data be reported in June, while another suggested allowing an additional four weeks (eight weeks in total) to report monthly data during the first three months of the retail market.

In our discussions with Ofwat, it was noted that without two or three months worth of data, it would be difficult to get context, determine a complaint baseline or note any trends.

CCWater response:

We recognise that this consultation has taken place at a busy time, close to the opening of the NHH retail market, and that implementing data collection regimes will require retailers to make changes to their systems.

In view of this we intend to collect data for April and May 2017 in June to allow time for retailers to make any required changes and clarify any further concerns with our approach. The first set of data should therefore be reported by **29 June 2017**. Each subsequent month's data will then be due four weeks after the end of the month. A full timetable is included in the appendix.

Question 4: Do you agree with our rationale for collecting written complaints data on a monthly basis in the first year of the market and then moving to quarterly collection in subsequent years? If not, please explain.

Most respondents to the consultation supported our proposals to collect complaints data for the first year following market opening before moving to quarterly collection from April 2018. One respondent stated that they would be happy to continue providing data monthly into 2018.

Two respondents stated that CCWater needed to be clearer on the rationale for monthly reporting, while another respondent felt that we should collect information quarterly in the same way as we do with the water and sewerage companies.

CCWater response:

As we stated in our consultation document, monthly submission of complaint data will allow us to get a picture quickly of how retailers are operating and help us to identify any problems at an early stage.

We do not feel that quarterly data collection would give us this visibility. Quarterly collection would mean the first set of data would not be collected until the end of July, with the second wave not available until the end of October.

As we expect retailers will be likely to take a monthly complaint tally, and our reporting proforma is straightforward, we think the monthly reporting burden on retailers is minimal.

We believe that customers are most likely to encounter issues in the early weeks and months of the new market as many find themselves exited or switching to new retailers, or renegotiating with their current retailer. Monthly collection of complaint data from retailers, along with the contact we receive directly from customers, will allow us to understand if there are issues that we need to explore further with retailers in order for them to improve their systems and thus provide a better service for customers.

We also feel that as most retailers have expressed an interest in taking advantage of more frequent health checks of their own customer service levels this would outweigh a monthly reporting burden.

In our discussions with Ofwat, we have agreed that a monthly meeting with them to discuss industry issues and industry data gives better market visibility than quarterly in the first year. Indeed, [Ofwat suggests](#) that industry-level (no breakdown by retailer) complaints could be published on a monthly basis.

We will review the frequency of the data collection and determine whether or not to change to quarterly data collection from April 2018 as currently planned.

Question 5:

Do you support our proposal to share the data with Defra, Ofwat and MOSL on an in-confidence basis as part of the market monitoring framework? If not, please explain.

There was unanimous support for our proposal to share the data we receive with Defra, Ofwat and MOSL. One respondent asked us to ensure that there was no duplication with the information that these organisations would be collecting themselves.

CCWater response:

Respondents understood the value of CCWater sharing information with other industry parties. Ofwat and CCWater have agreed that we are best placed to collect complaint-related data and that this will fit into its market monitoring regime. Ofwat will then have no need to duplicate efforts or burden retailers by asking for a separate submission of the same complaint data.

We will also determine how to share information with Defra and MOSL in the most effective manner.

Question 6:

Do you support our proposal to share anonymised data with all retailers on a quarterly basis? If not, please explain

The majority of respondents welcomed our proposal to share anonymised data with retailers each quarter, recognising that this could help to identify any issues and allow CCWater to support any retailers who needed to provide better service.

One respondent believed that we should wait to see how the market has developed before sharing this information, while another felt that it would be unnecessary as MOSL would be publishing performance data.

There was also a view that any data that is shared should be put into an appropriate context, and explained with accompanying notes.

CCWater response:

We believe that there is value in producing comparative data as early as possible to allow retailers to see how their complaint handling compares to their competitors. Waiting to see how the market develops without sight of comparative evidence could lead to some retailers developing practices that are later difficult to reverse.

The competitive pressure of wanting to be toward the top end of complaint performance will, we believe, drive positive retailer behaviour. CCWater's ability to talk frankly with water companies about their relative performance was part of the reason that written complaints have fallen so sharply from their peak in 2007-08 to the levels currently reported.

Retailers can provide commentary alongside their data submissions should they consider that this would place their performance in context.

The information that MOSL publishes will cover switching and renegotiation rates rather than customer complaints.

Question 7:

Do you support our proposal to publish audited year-end data on a comparative basis? If not, please explain.

There was strong support for this proposal among respondents.

One respondent sought clarification of the term “audited”, concerned that this might result in additional work for retailers. There was a view that the data published should comprise retailer complaints only (excluding those identified as having originated due to wholesaler action). It was felt that otherwise retailers’ reputations could be impacted by the performance of wholesalers.

Only one respondent felt that CCWater should not publish this data and should wait to see how the market develops.

CCWater response:

We will publish this information as intended.

By “audited” we meant that retailers would have the option, if they desired, to carry out assurance on their monthly data to ensure their year-end figure was accurate. Water companies traditionally make minor retrospective data adjustments at the year-end to any data which they have submitted during the year, after undergoing their own internal verification processes.

We will consider the format in which the data is published but are minded to show total complaints and the split between complaints attributable to retailers and to wholesalers.

We will consider publishing contextual information should retailers provide it.

Question 8:

Do you support our proposal that additional information may be requested from specific retailers on an as and when required basis? If not, please explain.

Most respondents were content with this proposal, asking only that CCWater considers carefully the reason for making any additional requests so as not to create an unnecessary burden for retailers.

Two respondents also specifically stated that such requests should only be made with a reasonable timescale in which to provide the additional information. One respondent asked for more detail on what sort of information would be requested.

CCWater response:

We do not want to create a burden for retailers but if complaint figures cause us concern then we will ask the retailer in question for more information on the reasons for this. We expect that retailers are very likely to have to hand the extra information we might ask for and in many cases may want to volunteer it to explain their data.

For example, we expect that most retailers will already know the high level category breakdown for their complaint data (e.g. billing, metering, etc.) and which wholesalers are generating most wholesale-related complaints.

For any non-standard data requests we would discuss timeframes with the relevant retailer.

Question 9:

Are there any other areas you consider would be beneficial for CWater to collect comparable information from all retailers? If yes, please provide details.

Respondents suggested a range of other areas for us to consider:

- Limit comparative data to customer complaints only;
- Use SPIDs instead of customer numbers;
- Measure the average length of time taken to resolve a complaint;
- Report on the number of escalated complaints a retailer deals with;
- Develop a common categorisation as part of the monitoring framework;
- Holding a workshop to discuss the responses to this consultation.
- Consult with participants on the benefits of an electronic submission system;

CCWater response:

We want to collect customer numbers as we feel that this will be a more meaningful denominator for normalising the complaints data we receive from retailers. Moreover, it is clearer for customers to understand. A supermarket chain, for example, would count as one customer, no matter how many of their premises or SPIDs were registered with the retailer.

The use of premises or SPIDs would put very large retailers in a comparatively better position than small retailers who might not have many multi-site customers.

We will consider the other suggestions we have received as we review this process during the year, but are not minded to make any additions or changes to the proposals outlined in our consultation document at this stage - other than in respect of unwanted contacts - as this could place a burden on some retailers.

We do propose to hold a workshop in summer 2017 to discuss how best to capture the “unwanted contacts”/ telephone complaints data that we require. The workshop will also be used to discuss the categorisation of wholesale related complaints to ensure there is consistency of reporting. If time is available, and there is interest from participants, there may be scope to discuss the other suggestions. We will share details of the proposed workshop shortly.

Appendix:

TABLE 1: FROM 1 APRIL 2017

| Data | Frequency |
|---|------------------|
| A. Total number of written complaints (inclusive of B). | Monthly |
| B. Total number of written complaints deemed to be caused by a wholesaler service failure (as a subset of A). | Monthly |
| C. Total number of customers served. | Monthly |
| D. Total number of written complaints (to correct/adjust previously submitted data) | Annually |

TABLE 1a: Expectations for data collection following summer 2017 workshop (subject to change dependent on outcomes of workshop)

| Data | Frequency |
|---|------------------|
| A. Total number of written complaints (inclusive of C). | Monthly |
| B. Total number of telephone complaints (inclusive of D) | Annually |
| C. Total number of written complaints deemed to be caused by a wholesaler service failure (as a subset of A). | Monthly |
| D. Total number of telephone complaints deemed to be caused by a wholesaler service failure (as a subset of B). | Annually |
| E. Total number of customers served. | Monthly |
| F. Total number of written complaints (to correct/adjust previously submitted data) | Annually |

We currently expect that all monthly data submissions will change to quarterly submissions from April 2018. We will write to Retailers to confirm our decision on this in 2018.

DATA SUBMISSION DATES

| REPORTING PERIOD | DATE DUE |
|------------------------|-------------------|
| April 2017 May 2017 | 29 June 2017 |
| June 2017 | 31 July 2017 |
| July 2017 | 29 August 2017 |
| August 2017 | 29 September 2017 |
| September 2017 | 30 October 2017 |
| October 2017 | 29 November 2017 |
| November 2017 | 5 January 2018 |
| December 2017 | 29 January 2018 |
| January 2018 | 1 March 2018 |
| February 2018 | 29 March 2018 |
| March 2018 | 30 April 2018 |

End of year (audited) data will be due six weeks after the 31 March 2018, if retailers choose to submit it.

The data collection template is available on the CCWater website. Responses should be emailed to:

marketreform@ccwater.org.uk and copied to denis.patel@ccwater.org.uk

Definitions (from [Service Incentive Mechanism - guidance for collating customer service information for calculating the SIM score. Ofwat March 2015](#)):

Written Complaints:

This covers any written communication from a customer or a customer's representative, alleging that an action or inaction of the company, or a service or lack of service provided by the company or agent/contractor has fallen below their expectation, even if written in mild and friendly terms. This includes any expression of annoyance or dissatisfaction by the customer, or disagreement with the company.

Written complaints include those made by letter, fax and email, and comments written on a piece of company correspondence which the customer returns to the company, such as a bill, except where it is threatening or abusive to an individual. Companies should include complaints received via social media if it is advertised as a contact method for making a complaint.

'Advertised' includes: company sources (for example, letters, complaint leaflets, reports and website) and public sources of information (for example, printed and electronic directories).