



The voice for water consumers
Llais defnyddwyr dŵr

**CCW's response to
Ofwat's Forward Programme 2021-22
consultation**

February 2021

1. Introduction

CCW is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators.

We welcome the opportunity to comment on Ofwat's Forward Programme 2021-22. This document sets out CCW's response.

2. Executive Summary

We continue to support your goals and ambitions for the sector, including:

- Transforming water companies' performance
- Driving water companies to meet long-term challenges through increased collaboration and partnership
- For water companies to provide greater public value.

We also support the customer needs you have identified as they align with our views, although we believe there are four areas you could highlight in this section of the programme. We believe you should include in the final version of your Forward Programme:

- Ofwat and CCW's joint program to transform water companies' approach to complaint handling following the joint data request we issued, and subsequent report ([here](#))
- Our partnership working to help understand the needs of consumers in vulnerable circumstances
- A clearer case for Ofwat to make the market for small and medium size (SMEs) work more effectively
- More work to identify what public value is and how the sector can demonstrate progress on how it is achieving it.

We have outlined in our response where our strategic work will support your goals and ambitions and welcome a further discussion

3. Detailed Response

Deepening your understanding of customers

We fully support this strand of work. We believe it is critical for the regulator to understand consumers and their views in order to implement regulatory changes that benefit consumers. We are committed to supporting this objective.

Our collaborative work with Ofwat has gone from strength to strength since the work on the water supply interruptions after the 'Beast from the East' storm in 2018. We now collaborate on a list of projects including:

- Transforming water companies' complaint handling practices

- Our joint work to help water consumers recover from challenges caused by the COVID-19 pandemic, through a new programme of work, so we can create the right environment for water companies to offer help and support to those that need it most including:
 - Working with Ofwat to review the number of business customers on COVID-19 and other repayment plans ([here](#))
 - Our [joint statement](#) setting out Ofwat and CCW's joint expectations of retailers in their approach to ensuring business customers are treated fairly, including in relation to pursuing disconnection or legal action against those affected by COVID-19 measures
 - Working collaboratively with Ofwat and MOSL in monitoring the unwinding of temporary vacancy flags that were applied to business customers' premises during the first COVID-19 lockdown in 2020 ([here](#)).
- Developing joint research projects, such as the research on business customer insights for the last few years, and for 2021-22, potentially new research on affordability and sewer flooding, with other topics to be explored
- Strategic water resources development through RAPID
- Ensuring consumers' voices are reflected in water companies' submission by helping to assess water companies' submissions on the Green Recovery initiative.

We also now have regular engagement with the new Ofwat Head of Wales. This should prove beneficial for a more joined up approach to consumer issues in Wales.

Holding companies to account for improved performance

We share your desire to see a marked improvement from the poorest performing water companies and retailers where the impact on consumers and the environment is felt the most. This aligns with our work to support and scrutinise the poorer performers by sharing best practice, not only through sector-wide workshops, but also in targeted one-to-ones with the companies and retailers we are trying to help improve.

We have been working particularly closely with water companies such as Thames Water, Southern Water and WaterPlus to share informative data and best practice from the sector with them and to support them to improve complaint handling performance. We are committed to continuing the collaboration with your Company Performance Monitoring and Engagement Team.

Improving the effectiveness of markets

We share your aim to improve the effectiveness of markets, particularly the non-household retail water market in England. A minority of the retailers in this market need more help and support to ensure they improve their poor performance to businesses and other non-household customers. This will have a positive impact on the experience their customers receive and help to reduce the high levels of complaints that their customers are making.

There is also a strong case for Ofwat to make the market for small and medium size (SMEs) work more effectively. Larger users and multi-site businesses are better

placed to navigate the market, but the sector’s focus on delivering an effective service to SMEs has been poor.

There is also joint work we can do with MOSL to improve how the Codes Panel operates. We want to ensure more effective and dynamic meetings, so we can deliver working changes that make sense from a customer point of view and deliver customer benefits. We would wish to work with you on your review of business customer bad debt and protections for business customers.

Customer Needs

We support the customer needs that you have identified and they mostly align with our mission and objectives that we outlined in our consultation on our draft Strategy ([here](#)).

CCW strategic objectives/campaigns	Ofwat identified customer needs
Climate resilient water and wastewater services for present and future consumers/end sewer flooding misery	Reliable, resilient, safe and good quality water and wastewater services Leaving the environment in a better condition for future generations
Affordable water & wastewater for everyone/end water poverty	Value for money for customers, keeping bills affordable
Services shaped by the views of consumers	Companies acting in long-term interests of society and the environment.

The gaps in your customer needs compared to our objectives and campaigns are around creating effective and easy to use complaint processes and services that meet everyone’s needs. We know you are working in both of those areas, on services to consumers in vulnerable circumstances and through joint working with CCW to support water companies on improve their complaint practices.

There is also a case for a full review of the Guaranteed Standards Scheme (GSS). One of our 2021 campaigns to end sewer flooding misery aims to improve standards of service to those who suffer sewer flooding, with enhanced provision for those who experience repeat sewer flooding. Many of the wider GSS measures don’t reflect real world compensation levels, and there has been a case for some time for a comprehensive review to be undertaken.

These aspects could be brought out more strongly in this part of your Forward Work Programme.

Companies acting in long-term interests of society and the environment

We will continue to help Ofwat with its work to prepare for PR24. We will continue to publish papers conduct research on what we think PR24 should look like, especially in relation to consumers.

Ofwat will be aware of the papers we have published ([here](#)) to date on:

- Improving consumer engagement for PR24
- A framework for water company research
- Lessons learnt from the 2019 Price Review.

We are conducting research on the environment that's asking for consumers perspectives on a range of issues from both a customer and a citizen point of view. The findings could inform this work. We also have a focus on future customers as a strand that crosscuts our whole strategy, and plan to hold a best practice seminar on this during the summer.

We will also continue to collaborate with Ofwat and others on the Green Recovery initiative to ensure that the plans, which progress, have consumer backing. This will be because water companies have evidenced that these plans will deliver benefits, which consumers support, at a price they can afford.

Innovation

We will continue our work with the industry as they develop the Centre of Excellence to promote and share innovation across the sector for the good of consumers. We also look forward to working with Ofwat and their partners to ensure that the consumer voice is represented as part of Ofwat's Innovation fund and that there is evidence of customer centric projects utilising the innovation fund..

Public Value

We support the industry thinking in terms of social value as this builds upon many of the policies and principles that CCW has adopted over many years. However, this must result in positive outcomes for consumers and drive a real change so there is more the sector can do to both identify what is public value, and demonstrate progress on how it is achieving it. Our response to Ofwat's discussion paper on public value is [here](#).

Concluding Thoughts

Your Forward Programme outlines several areas, which we can work together on to improve the experience of water and sewerage consumers. We can do this by:

- Forging better relationships and joint working initiatives
- Improving the consumers' complaint journey
- Sorting out the business retail market in England, and
- Shaping the next Price Review for the benefit of all consumers.
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Affordability review

In addition to the above we anticipate the opportunity to work with Ofwat on the outcomes of the affordability review to drive any recommendations forward either through partnership working and/or considering the recommendations in the context of PR 24.

We look forward to working with you as we deliver our Strategy, which aligns in several areas with your Forward Programme.

Enquiries

Enquiries about this consultation should be addressed to:

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