

CONSUMER COUNCIL FOR



CYNGOR DEFNYDDWYR



Written Customer Complaints
Complaint Handling in the Water Industry
England and Wales
April 2012 - March 2013

2012/13 report

October 2013

Written Complaint Handling in the Water Industry England and Wales

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1. MANAGEMENT SUMMARY

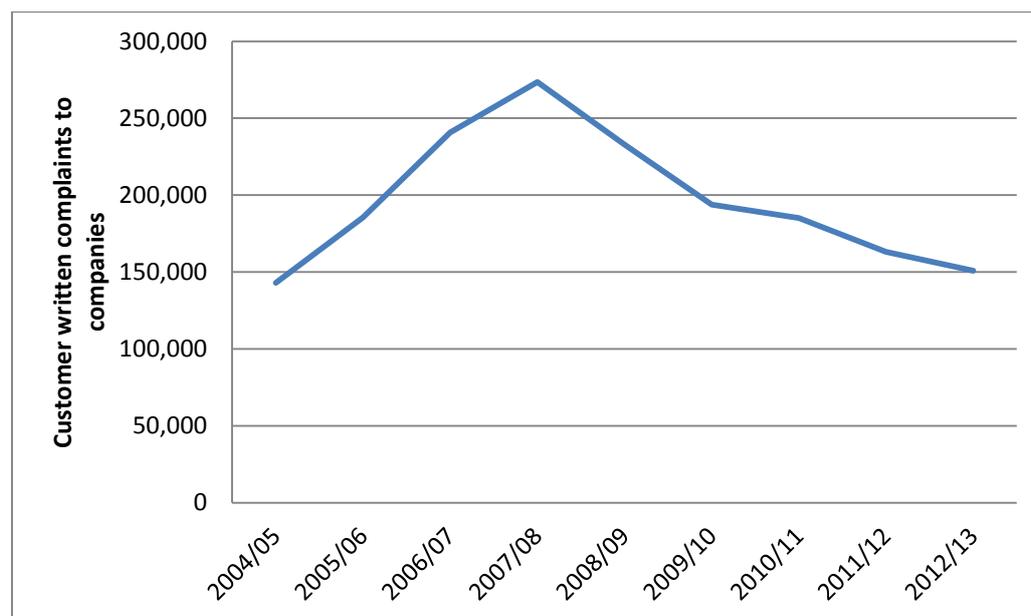
An improvement but still more to do

The Consumer Council for Water (CCWater) is pleased to report that, for the fifth successive year our pressure on companies to improve their service has helped reduce customer complaints. In 2012/13, written complaints by domestic and business customers to water companies reduced by 7.4% on the previous year. Telephone contacts defined as calls which, from the customer point of view, they did not want to have to make, reduced by 14.8% on 2011/12. While we welcome these improvements, some companies still need to do much more as:

- the industry has still not returned to the level it was in 2004/05;
- there are still some companies with a disproportionately high number of complaints; and
- our research shows customers felt water companies should improve their communication to help address customers' concerns over affordability and value for money.

Although complaint numbers have fallen, they have done so at a much slower rate than the previous year and this needs to improve. We also want to see the companies with disproportionately high written complaint numbers catching up with better performing companies.

Chart 1: Overall trend of written complaints to water companies 2004/05-2012/13



CCWater uses the information from written complaints to identify areas of concern for both individual companies and the industry as a whole. Where we see problems we challenge water companies to improve their service or change their policy. This report complements the information we get directly from customers who we assist with complaints about their water company along with our research to gauge customers' views.

Last year we commissioned customer research in several areas including value for money, drought, water saving, customer perceptions on leakage and their expectations of CCWater. Each year we also carry out an Annual Tracking Survey to identify changing domestic customer views of the services they receive from water companies. The findings from our 2012/13 Annual Tracking Survey showed 70% of customers surveyed were satisfied with the value for money from their water company, compared to 85% overall customer satisfaction with service.

We are using the research and information to help ensure customers get the best possible deal from the next price setting process. The industry regulator Ofwat reviews and sets the price limits for the companies every five years with the next Price Review (PR14) taking place in 2014. At the heart of this process are Customer Challenge Groups (CCGs) which include CCWater representatives. Through CCGs and directly with each company, CCWater discusses and challenges each water company on its business plan by making sure they listen to their customers and prices are acceptable to them. This will help reduce the risk of complaints increasing the way they did after 2004/05.

Improvements achieved with written complaint numbers

In 2012/13, water companies received 150,942 written complaints from consumers compared to 163,027 in the previous year (see Table 1). Following our pressure on the water industry as a whole, and poor performing companies in particular, written complaints have fallen by almost 45% since their peak in 2007/08. Written complaints are now just under 8,000 away from the level they were in 2004/05.

Nearly all of the water companies reported a reduction in customer complaints compared to the previous year, but there are still areas where the industry must improve. More than half of the written complaints received by companies were about billing and charging. Complaints about sewerage services increased by more than 50% compared to 2011/12. There was also an increase in complaints about metering.

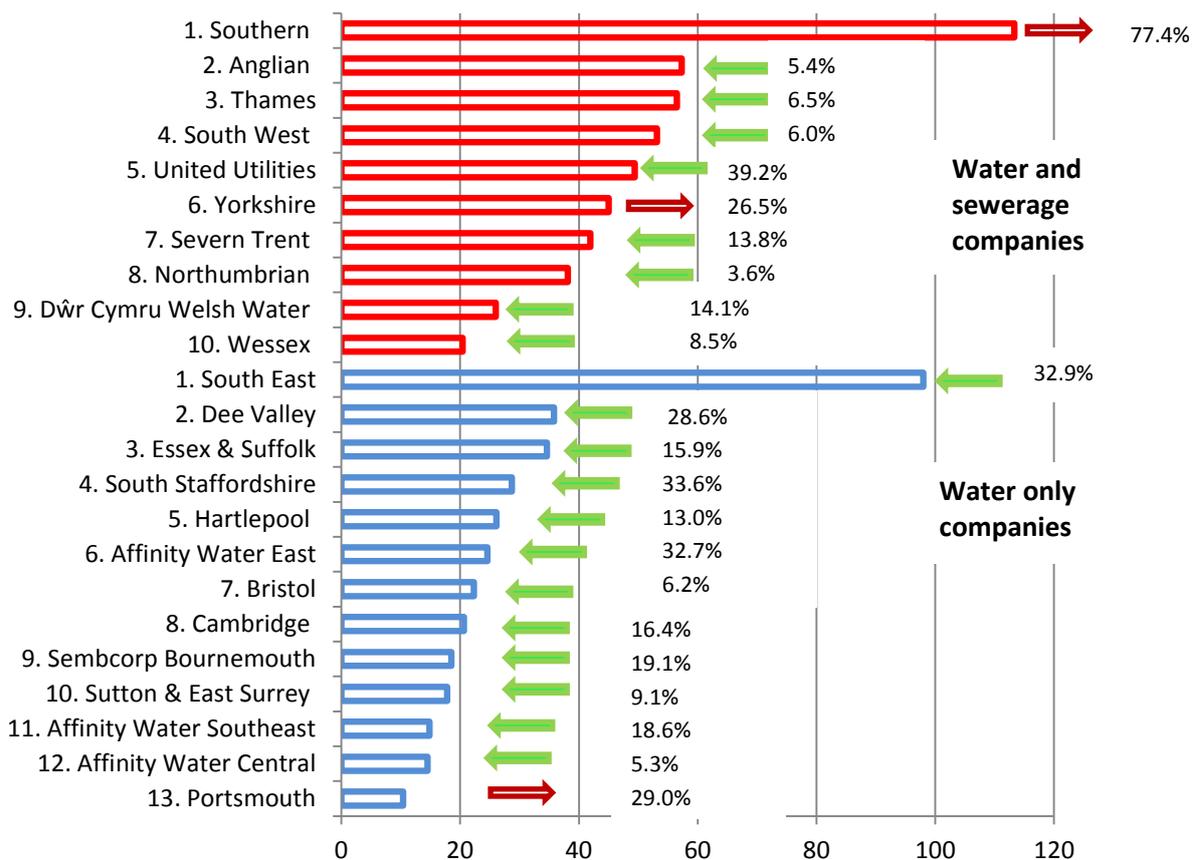
Table 1: Main complaint category numbers 2011/12-2012/13

Complaint Category	2011/12	2012/13	% change
Billing & charges	102,410	85,300	-16.7
Water	25,561	23,027	-9.9
Sewerage	14,474	21,980	+51.9
Metering	7,576	8,466	+11.7
Other	13,006	12,169	-6.4
Total	163,027	150,942	-7.4

We have pressed companies to be more proactive by identifying the root causes of why complaints are being made and improving both their service and communication to customers. CCWater also visit the poorer performing companies and assess their written complaint handling by reviewing a sample of complaints. We make service improvement recommendations and share our findings with the rest of the industry.

Because water companies vary in size we compare them by complaints per 10,000 connections. Chart 2 shows the complaints per 10,000 connections and the percentage increase or decrease on the previous year.

Chart 2: Complaints per 10,000 connections 2012/13 and increase or decrease from previous year



	Percentage increase in complaints compared to 2011/12
	Percentage decrease in complaints compared to 2011/12

Poorer Performing Companies

Southern Water reported a steep rise in complaints compared to the previous year. This was partly due to inadequate staffing resources and because their customers were not happy about receiving the highest increase in water and sewerage charges in the year. It was the worst performer based on the standardised industry measure of complaints per 10,000 connected properties. This is not the first time Southern Water has been the poorest performer and it is disappointing to see the company lose the gains it has made since 2008/09.

South East Water again had the highest number of complaints per 10,000 connections for a water only company. They did receive almost a third fewer complaints compared to the previous year but the company remains a poor performer compared to the rest of the industry.

Companies are given an incentive to improve their performance through Ofwat's Service Incentive Mechanism (SIM). This measures complaint handling through the number of customer contacts and a sample survey. Those companies which perform can be given a potential additional revenue of up to 0.5% in the first year of the five year price review period, with poor performers receiving a potential penalty of up to -1%. But this has not prevented some companies from falling well behind the rest of the industry. We believe the SIM has an insufficient incentive and penalty which should be strengthened. We have

also called for additional incentives and penalties to be introduced based on customer perceptions of value for money and a satisfaction survey of a sample of all customers.

Improvements in performance

United Utilities had the highest reduction in customer complaints, down 39.2% on the previous year, with South Staffs Water (-33.6%) and Dee Valley (-28.6%) also reporting a large fall in complaints. Affinity Water East (-32.7%) and South East Water (-32.9%) also reported large reductions in the year, although in both cases this largely reversed the increase in the previous year.

Repeat contacts, where customers write in more than once about the same issue, fell by 18% in the year but again there is still room for improvement. Almost 17% of Thames Water's written complaints were repeat contacts. We will continue to press Thames Water and all companies to resolve customer complaints quickly and keep their customers informed of progress if full resolution of the complaint may take some time.

The number of customers who contacted CCWater to complain about their water company fell from 11,333 to 10,410 in 2012/13. During the year we pressed companies to give back to customers, compensation and bill reductions totalling £1.9million, taking the overall figure to more than £16million since we were formed in October 2005.

We also helped some customers with disputes about operational matters, such as poor water pressure and sewer flooding and advised customers on issues including unmeasured charges and ways to save money. Our online water meter calculator helped customers decide whether they might be better off switching to a meter. A total of 170,000 customers visited our water meter calculator during 2012/13, helping to identify a potential £4.4million in savings.

CCWater's future work

It is crucial that companies deliver proposals at the next Price Review which are acceptable to customers and address their concerns over affordability and value for money. Water companies receive more complaints about billing and charges than any other issue. Unacceptable price increases could result in a spike in complaints and reverse the progress that has been made.

We will work to ensure companies improve their service to customers by identifying issues through the complaints we receive against companies and company policies. Where we see problems we will address these with companies through our regular meetings, sharing good practice on complaint handling and when we visit companies to take them to account for any poor complaint handling. We will also continue to challenge Ofwat over whether poorer performing companies are being suitably penalised in the SIM.

2. Introduction

The Consumer Council for Water (CCWater) is the statutory consumer organisation representing water and sewerage customers in England and Wales. It was established on 1 October 2005 to represent the interests of domestic and business customers. We have four regional committees in England and a committee in Wales. This is our seventh annual report which covers the written customer complaints sent to water companies and the complaints CCWater receives from customers against companies in the year. The complaint numbers cover the period from 1 April 2012 to 31 March 2013.

This report's appended tables give more detail on the complaint numbers by main category and complaint escalations, where the consumer has written to the company again over the same issue. We use the information from this report to:

- assess company performance with other information we have, such as the complaints we receive against water companies, research from our Annual Tracking Survey which asks domestic customers about their overall satisfaction with service and value for money. It compares water companies with other service providers, such as energy companies, landline suppliers and local authorities;
- compare companies' performance by their written complaints per 10,000 connections and press those companies that need to improve; and
- challenge companies who too often fail to resolve customers' complaints first time to improve their complaint handling.

CCWater will use this report's information to press the poorer performing companies through meetings with their senior level staff to discuss where they are going wrong and what they need to do to reduce their high complaint numbers. We also visit some of the poorest performers and review a sample of cases through our written complaint assessments.

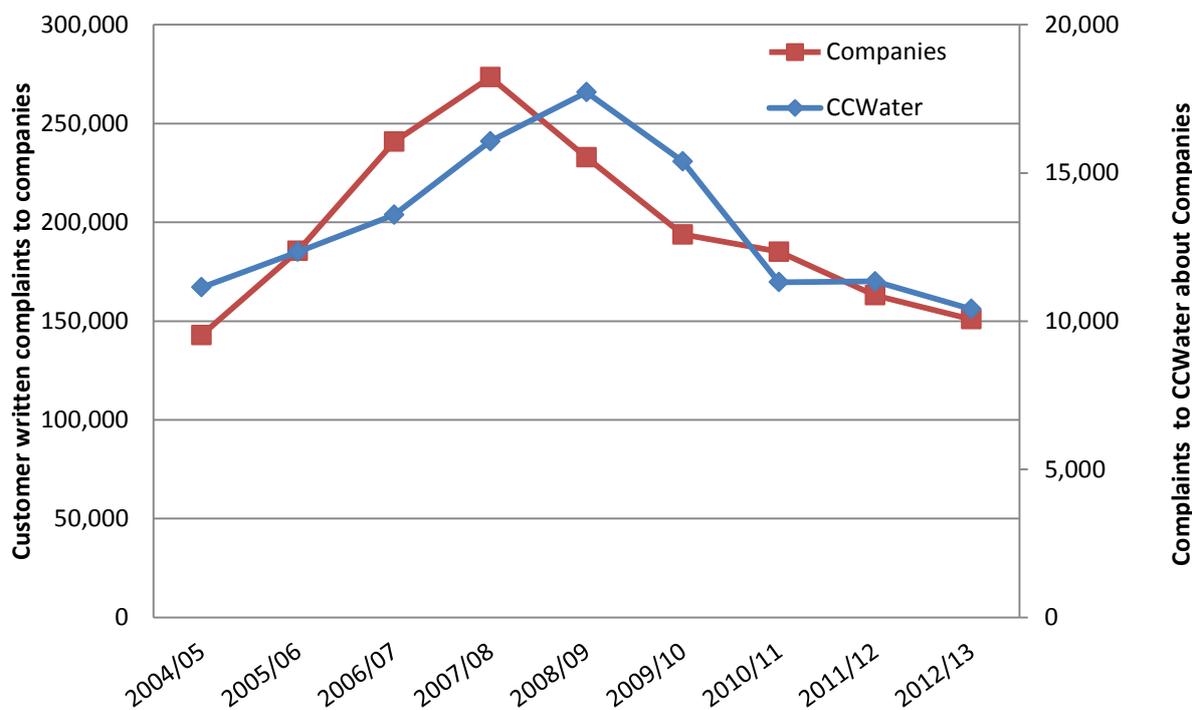
The information we gather from this report will also be fed into our discussions with Ofwat about improving customer service in the water industry. One area we will look to explore with the regulator is an incentive or penalty for companies based on customer perception of value for money. One of the findings of CCWater's research on drivers of customer satisfaction was companies should better communicate to customers the services they provide and how they invest their money.

3. Complaints to the water industry

In 2012/13 our work in improving water companies' customer service helped reduce customer complaints for the fifth year running. Chart 2 shows a reduction in written complaints to companies (including email) of 7.4% from 163,027 to 150,942. Complaints received by CCWater against companies, which include those made by telephone, decreased by 8.1% from 11,333 to 10,140. Complaints made by customers to the industry have fallen by almost 45% since peaking in 2007/08.

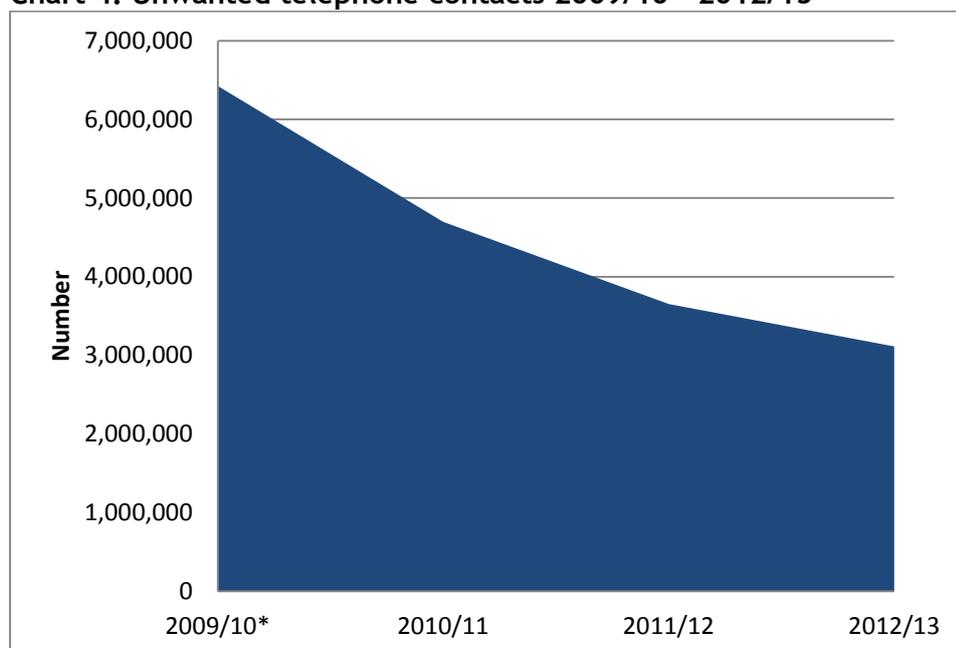
We welcome these reductions but there is still room for companies to improve. Going forward, we will push the industry to continue to deliver better services for customers and drive complaint numbers below the 143,000 level of 2004-05. Improvements in communication technology mean more customers have email access which companies offer as a method of contact. Companies should use these improved forms of communication to their advantage by keeping customers better informed and managing complaints more effectively to avoid the need for customers to make repeated contacts.

Chart 3: Written customer complaints to companies and CCWater 2004/05 to 2012/13



The reduction in written complaints offers an insight into the improving industry performance, but it provides only part of the picture. Telephone complaints are not included in this report but companies provide the total number of unwanted telephone contacts for Ofwat’s regulatory measure, the SIM. Unwanted telephone contacts are defined as calls which, from the customer point of view, they did not want to have to make. They include telephone complaints but also customer chase calls, or a second contacts about issues, which are not necessarily a complaint in the eyes of the customer but something which has caused them unnecessary aggravation. We expect these numbers to be much higher than written complaints as many are more transactional in nature. Chart 4 shows the unwanted telephone contacts from 2009/10-2012/13. The trend shows these have reduced broadly in line with written complaints. There is also a similar slowdown in the reduction which we have seen in written complaints.

Chart 4: Unwanted telephone contacts 2009/10 - 2012/13



*Pilot year for unwanted contacts which may not be reflective of industry performance

Issues which directly affected water customers in the year included:

- **water restrictions in some areas** - CCWater worked with companies, government and the Environment Agency on how best to communicate with customers when water supplies are under increased pressure. We also carried out research to help us gain a better understanding of customer views on drought. Going forward, we are working with companies to ensure they build in sufficient resilience to future demand and potentially extreme weather.
- **a very wet summer** - the early dry spell gave way to well above average rainfall and an increase in complaints about flooding from sewers. The transfer of private sewers to company ownership in October 2011 meant water and sewerage companies took responsibility for more of the sewer network, where previously the pipes were owned by the owner of the property. Throughout the year we continued to press companies to reduce the risk of sewer flooding. We also communicated our research to companies on how they could improve customer knowledge about drainage issues.
- **compulsory metering programme** - we worked with Southern Water and South East Water before they introduced compulsory water meters for households to ensure the companies were sensitive to the needs of customers, especially where there was a potential impact on bills. We continued to monitor this throughout the year through the feedback we received from customers who contacted us.

Customers are still struggling to make ends meet financially. Across England and Wales, 13% of domestic customers surveyed in our Annual Tracking Survey felt their water bill was not affordable. Affordability is one of our key priorities and we are working with the industry to deliver appropriate assistance for customers who are struggling to pay. Companies risk high complaint numbers if they fail to address this issue by not providing appropriate assistance to customers, such as payment plans or advice on the most suitable customer tariffs.

Value for money is also an area where customers are looking for companies to improve, and we are pressing them to better communicate how they are spending customers' money. We are also looking to Ofwat to introduce an incentive based on customer

perceptions of value for money. Since 2005 we have helped secure over £290million of extra investment, customer assistance and price reductions. In 2013 we have renewed our push for companies to make significantly more investment for customers from company profits, with considerable success.

Another part of our work to help address affordability and value for money involves our role on the Customer Challenge Groups (CCGs). Every five years, Ofwat reviews and sets the price limits for the water companies in England and Wales. For the forthcoming Price Review in 2014, our call for customer views to be heard and put at the heart of the process led to the setting up of CCGs, of which CCWater is a key part. These groups discuss and challenge companies to ensure their business plans are acceptable to customers.

4. Complaint numbers by company

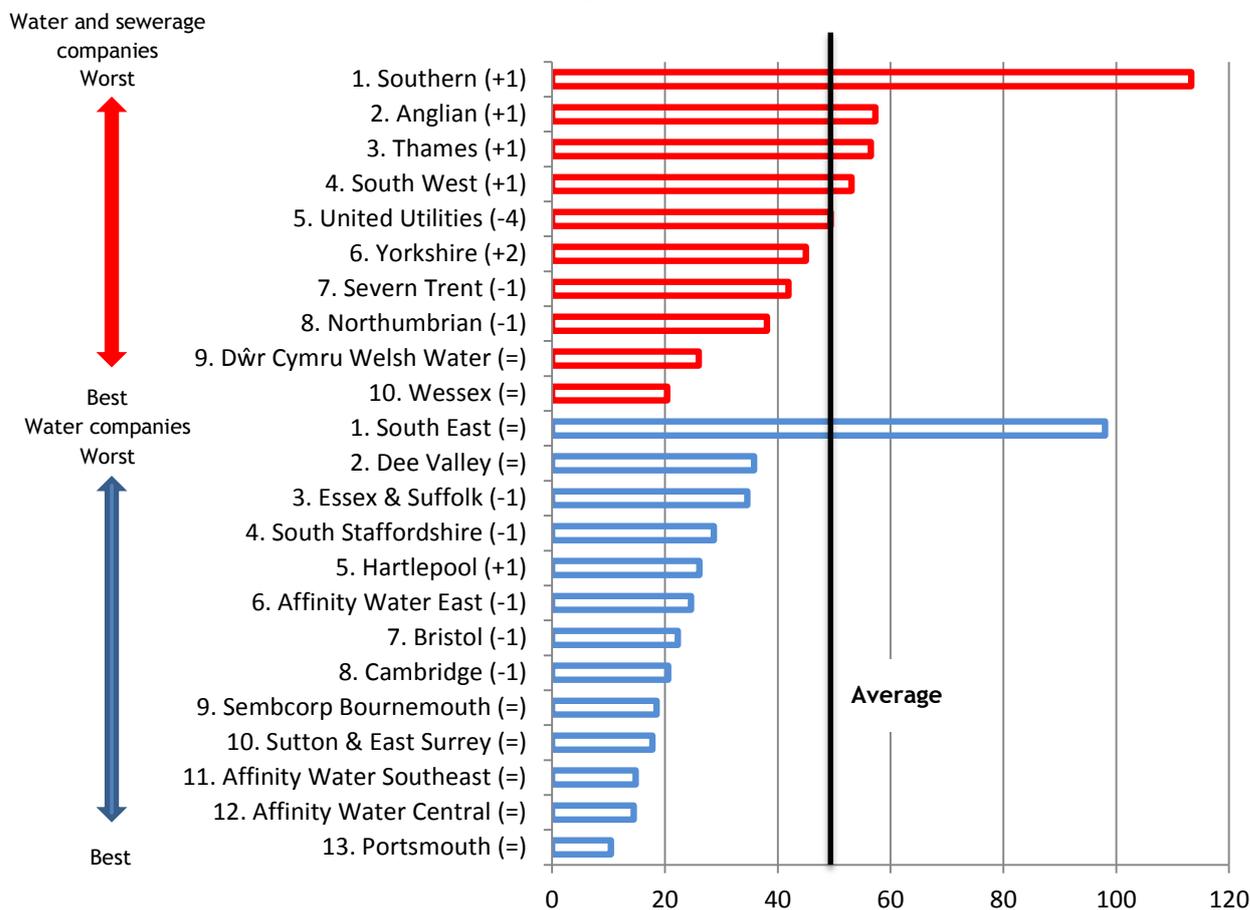
All companies apart from Southern Water, Yorkshire Water and Portsmouth Water reported fewer complaint numbers in 2012/13 compared to the previous year as shown in Table 2. Water and sewerage and water only companies are separated to take into account the additional service provided by the former.

Table 2: Complaints to companies 2011/12-2012/13

Water and sewerage companies	2011/12	2012/13	% Change
<i>Better than the previous year</i>			
United Utilities	27,107	16,493	-39.2
Dŵr Cymru /Welsh Water	4,660	4,003	-14.1
Severn Trent	20,706	17,858	-13.8
Wessex	2,817	2,577	-8.5
Thames	34,466	32,232	-6.5
South West	4,518	4,246	-6.0
Anglian	17,683	16,722	-5.4
Northumbrian	4,997	4,817	-3.6
<i>Worse than the previous year</i>			
Yorkshire	8,443	10,677	+26.5
Southern	12,863	22,815	+77.4
Water-only companies	2011/12	2012/13	% Change
<i>Better than the previous year</i>			
South Staffordshire	2,475	1,643	-33.6
South East	13,095	8,787	-32.9
Affinity East	269	181	-32.7
Dee Valley	622	444	-28.6
Sembcorp Bournemouth	465	376	-19.1
Affinity Southeast	140	114	-18.6
Cambridge	323	270	-16.4
Essex and Suffolk	3,231	2,717	-15.9
Hartlepool	131	114	-13.0
Sutton and East Surrey	552	502	-9.1
Bristol	1,229	1,153	-6.2
Affinity Central	1,987	1,881	-5.3
<i>Worse than the previous year</i>			
Portsmouth	248	320	+29.0
All companies	163,027	150,942	-7.4

Because the water industry consists of different sized companies, we compare company performance by the number of complaints per 10,000 connections. Companies that performed worse in comparison to the other companies from the previous year and have moved up the chart are denoted by '+'. Companies that improved and moved down the chart are denoted by '-'. Companies that remained in the same position are shown as '='.

Chart 5: Customer complaints per 10,000 connections 2012/13



In 2012/13, the industry average for complaints per 10,000 connections was 49, a reduction from 53.2 in the previous year. Disappointingly, Southern Water and South East Water received more than twice the number of complaints per 10,000 connections than the industry average. South East Water improved on last year but remained the worst water only company. Southern Water was the worst performer overall and had the highest increase in complaint numbers. Their problems stemmed from:

- insufficient staffing resources when they extended their call centre opening hours
- its customers getting the highest overall bill increases in the year for a water and sewerage company
- more customers contacting them about their compulsory water meter programme for households; and
- billing properties the company previously thought were unoccupied.

There is no justification for companies to receive double the industry average number of complaints. Southern Water needs to do a lot more to reduce its complaints and improve its service. In our Annual Tracking Survey, the company scored below the industry average in customer perception of whether they were getting good value for money. Both Southern

Water and South East Water need to demonstrate how they are going to address their customer service failings in their forthcoming business plans. Both companies have committed to improving their performance and we will watch this closely.

United Utilities improved significantly in the year with the highest reduction in written complaints. CCWater regularly met with the company and highlighted key process and policy areas that the company needed to improve to increase customer satisfaction. The company listened and made service improvements to these areas and have a programme of customer experience initiatives in place. The company is now in a much better position. Previously, it was the worst performing water and sewerage company. They still received just above the industry average number of written complaints per 10,000 connections in the year so we will be looking for them to continue to improve in 2013/14.

Wessex Water was again the best performing water and sewerage company. The company built on its good performance in previous years with a further complaint reduction of 8.5% by continuing to place a strong emphasis on customer service.

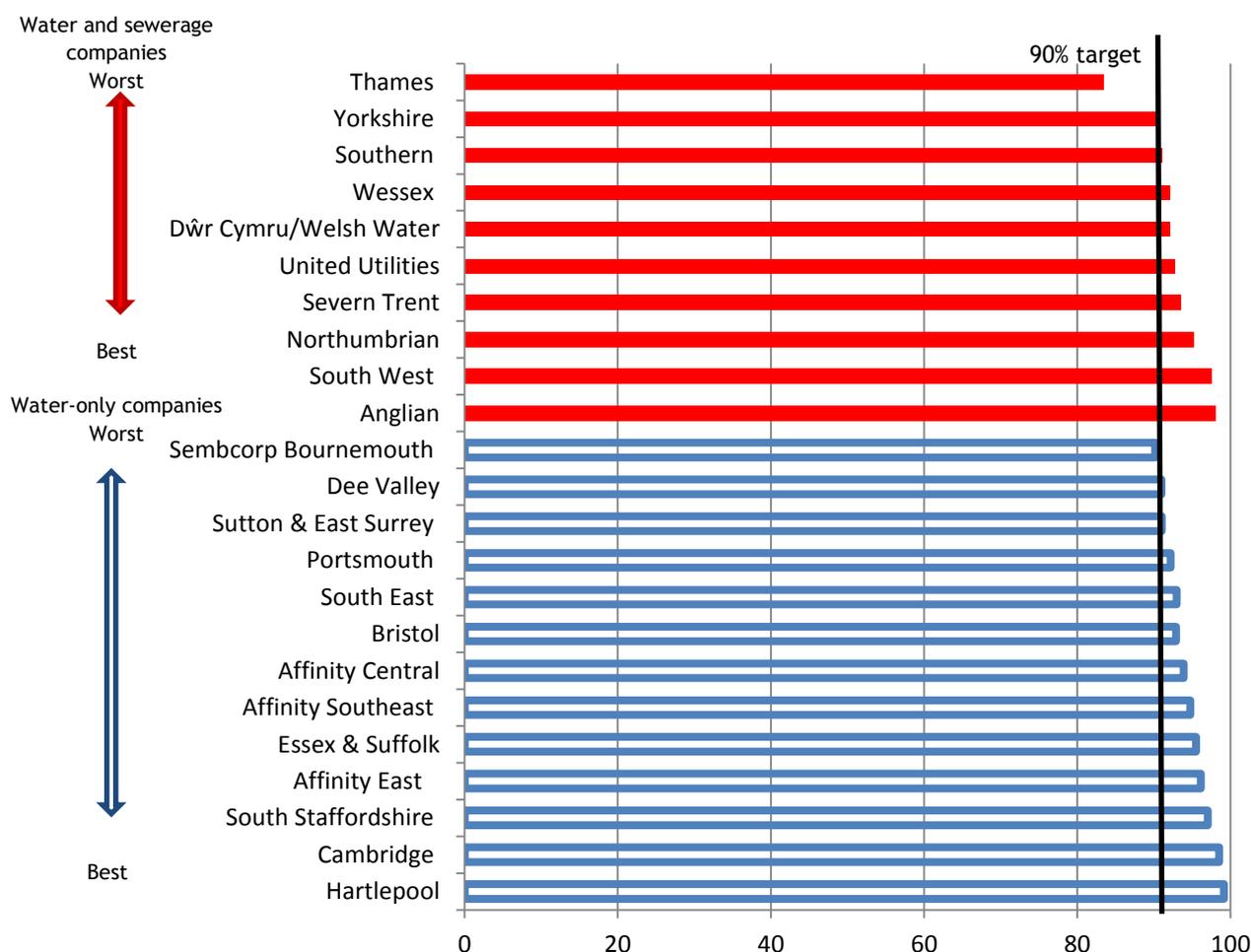
For the second year running, Portsmouth Water received more complaints compared to the previous year, but maintained its position as the best performer in the industry for complaints per 10,000 connections. Affinity Water Central (formerly Veolia Water Central) remained the second best company when comparing complaints per 10,000 connections.

5. Complaints resolved after the first written contact

Companies getting things 'Right First Time' has been one of CCWater's main objectives since we began in 2005. We have continually stressed the importance of companies delivering good service and avoiding giving customers cause to complain. We expect companies to resolve the complaints they receive without unnecessary delays and avoid the necessity for the customer to contact them again. We ask companies to provide the numbers of written complaints where the customer has had to write in again about the same issue.

We are pleased that companies have responded to our pressure to resolve complaints first time. Overall, 91.3% of written complaints were resolved after one letter or email in 2012-13, an improvement on the previous year's figure of 90.2%. Chart 6 shows all companies' percentage figure for resolving complaints first time.

Chart 6: Customer complaints resolved first time by companies



We expect companies to resolve at least 90% of complaints after one letter or email. Once again, Thames Water fell short of this with only 83.4%, although this was an improvement on the previous year (80.9%). All of the other companies met our target but we will continue to press them to do more by identifying where they need to improve policies or service areas, especially when there are high numbers of complaints about a particular issue.

6. Complaints received by CCWater against companies

Wherever possible, companies should work to avoid their customers having to go through lengthy correspondence. Nearly all companies now have two stages in their written complaint procedure. First, a member of the company’s customer service team will deal with the initial written correspondence and should the customer remain dissatisfied and write again, a more senior member of staff will review it.

When customers send complaints against their water company to CCWater, we will help them reach a resolution regardless of where their complaint is within the company procedure. We ensure it is resolved quickly, effectively and the company addresses all of the customer’s points in delivering a reasonable solution. We also advise customers on what service they can expect from their water company.

Our earlier intervention with complaints has helped the company resolve the complaint to the customer’s satisfaction and minimise the number of investigations. When a customer has gone through the company complaint procedure but remains dissatisfied and

approaches CCWater, we will investigate the complaint if we feel there are issues the company have not addressed or should have done better. Out of the 10,410 complaints CCWater received against companies in 2012/13, there were only six investigations against companies and one against a licensed water supplier, down from 22 in the previous year. In many cases we have advised the company what they should do before the complaint reached that stage, ensuring a quicker resolution for customers and reducing their inconvenience.

Companies have responded to our pressure and have worked with us to deliver better complaint handling practices. In previous years we investigated hundreds of complaints against some companies who last year had none.

Resolving complaints quickly benefits customers but it also helps companies in the following ways:

- satisfied customers have a better perception of their company;
- less resources are used in dealing with the complaint; and
- complaints CCWater investigate and those that reach the second stage carry a higher penalty in Ofwat's SIM.

In many complaints we find the company could have done more, and for individual cases in 2012/13 we pressed companies to carry out works, give an apology or a comprehensive explanation where they could not take any more action. Our work helped customers receive compensation or bill reductions totalling £1.9million.

7. Main categories of customer complaints made to water companies

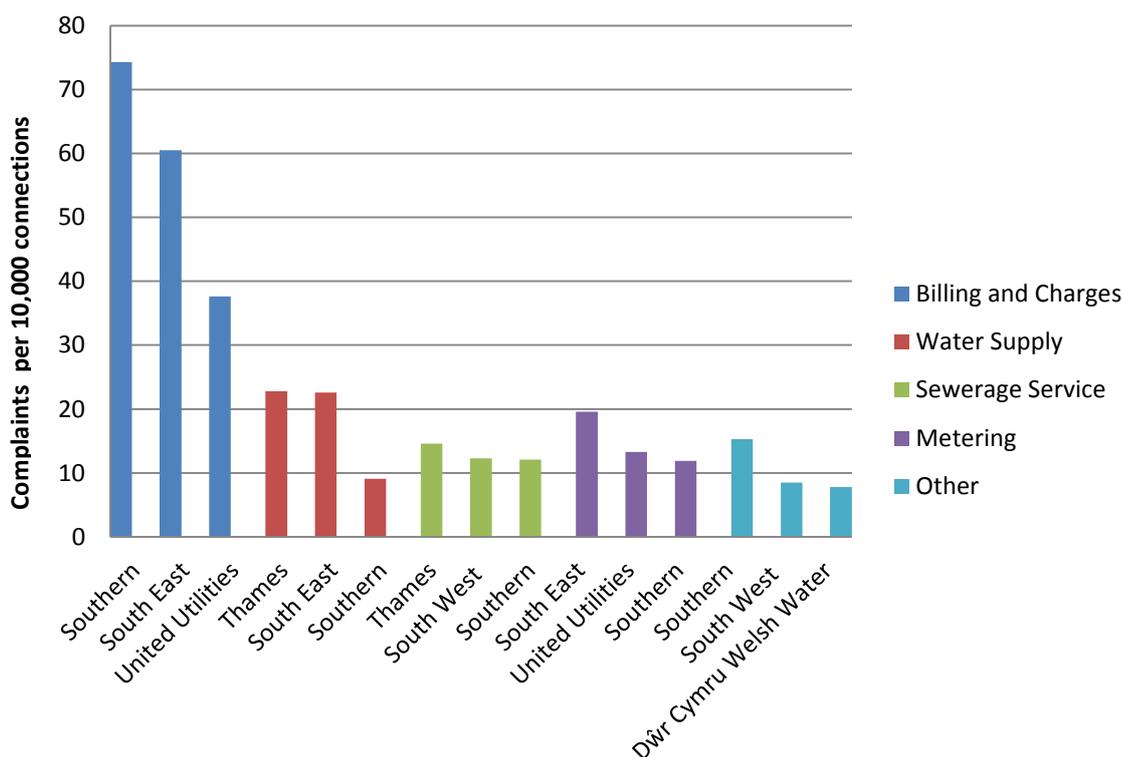
To identify areas of customer service where companies need to improve, we ask companies to report their written complaint numbers under five main categories:

- billing and charges;
- water supply (water pressure, quality, leakage);
- sewerage services (drainage, sewage treatment, sewer flooding);
- metering; and
- "other" services (company administration, attitude of staff)

The appendices to this report give more detail to the main categories of complaints.

Chart 7 shows the three poorest performing companies for each of the five main categories. Because companies use different systems for recording complaints, the figures should not be used for comparative purposes. However, it does give us a flavour of general issues, such as water and sewerage services which are sometimes affected by the weather, and price increases which have affected the number of complaints about billing and charges.

Chart 7: Highest number of main category complaints per company per 10,000 connections



Billing and charging complaints - water companies nearly always receive more complaints about billing and charges than any other category. There are a lot of potential service failures in this category as well as general customer perceptions about charges being too high or unfair.

Southern Water received the most complaints per 10,000 connections about billing and charges followed by South East Water. This was also reflected in the total written complaints they received. United Utilities received the third highest number but improved on the previous year.

Water supply complaints - in the early part of 2012, some companies introduced hosepipe bans because of low rainfall. CCWater pressed them to communicate the need for customers to restrict water use for some purposes and as a result there was actually a decrease of 9.9% on customer complaints about water supply compared to the previous year. The restrictions did not last because of above average rainfall levels in the spring and summer of 2012.

Thames Water and South East Water were above the industry average for water supply complaints per 10,000 connections and pushed the average up. Compared to the previous year, Thames Water had fewer complaints about water supply (-4.7%) and South East Water had slightly more (1%). Thames Water has made little progress on the previous year. Early in the year, Thames Water experienced problems with delays in repairing pipework and customers having to repeatedly get in touch. CCWater has addressed this with the company and insisted their operational teams are appropriately resourced and work better with their call centre staff.

Sewerage service complaints - the dry start to spring 2012 and water restrictions gave way to one of the wettest summers on record. Sewerage service complaint numbers are prone to severe weather and in 2012/13 only United Utilities received fewer complaints

about sewerage services compared to the previous year. Overall, the industry received almost 52% more complaints than in 2011/12, up from 14,474 to 21,980. In the previous year, water and sewerage companies took over responsibility for more of the sewer network. We worked with the water and sewerage companies to ensure they communicated information about the transfer of private sewers to customers. Following CCWater research, we also raised with companies how they could give customer more information about drainage issues.

For the second year running Thames Water had the most complaints per 10,000 connections for sewerage services, with United Utilities' reduction making them the lowest.

Because of the potential severity of some sewerage service complaints and the need for companies to sometimes carry out capital works in the longer term, CCWater accepts that a 90% resolution after the first written complaint cannot always be achieved.

Metering complaints - metering complaints increased in 2012/13 for the second year in a row. Total complaint numbers for the industry rose from 7,576 to 8,466, an increase of 11.7%. During the year over 13% more properties were metered compared to 2011/12.

'Other' services complaints - there was a decrease of 6.4% of complaints about 'other' services in 2012/13. These types of complaints are not always severe compared to some operational complaints, but previously some companies have had a high increase, where they have struggled to respond to customers calling in.

Southern Water's high increase in complaint numbers is reflected in the 'other' category where they received the highest proportion of complaints per 10,000 connections. South West Water received the second highest number but improved on the previous year from 10.1 to 8.5 complaints per 10,000 connections.

8. Billing and charges complaints from metered customers

Water customers are charged either by their usage through a meter or on an unmeasured basis based on a property's rateable value. Just under half of the properties in England and Wales pay by a meter. The proportion of metered customers varies between companies, depending on company policies such as Southern Water or South East Water's compulsory metering.

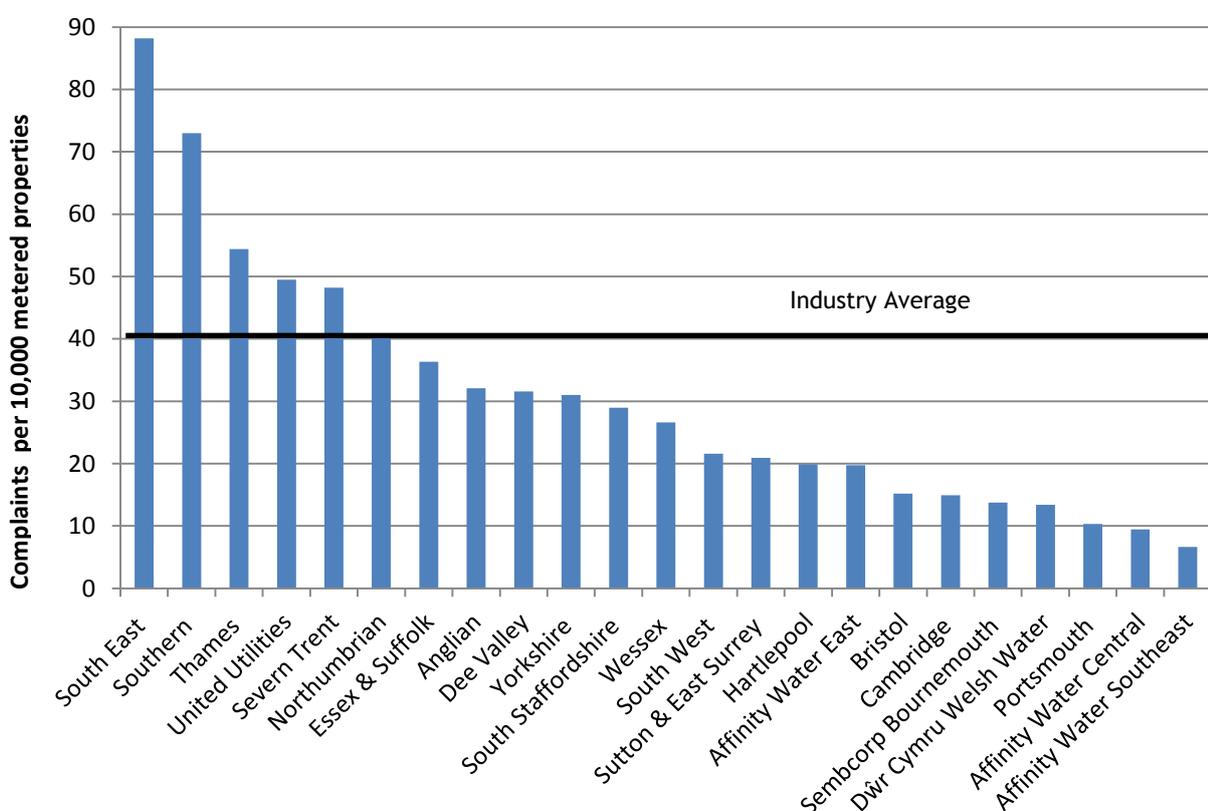
Some other water companies in areas where water supplies are under pressure will install a meter when customers change property. Other companies will only install a meter at the request of the customer. Nearly all newly built properties are metered and customers who feel they may be better off on a meter have the option of a free installation from their water company. There are advantages for some customers to pay by a meter. CCWater's online water meter calculator identified potential savings for customers totalling £4.4million in 2012/13.

Many of the billing complaints CCWater receive against companies are from customers on a meter arising from problems such as:

- leakage;
- incorrect or infrequent meter reads;
- faulty meters;
- a spike in consumption; or
- standing charges.

We ask companies to provide the numbers of complaints they receive in the billing and charging category of metered customers to identify any issues. Chart 8 shows the billing and charges complaints based on 10,000 metered properties.

Chart 8: Billing and charges complaints from measured customers per 10,000 metered properties



CCWater pressed companies on matters such as meter reading frequency and identifying unexplained increases in consumption and meter accuracy. We have called on companies who have introduced surface water drainage charges for business customers based on the size of their premises to ensure there are appropriate measures in place to manage the impact.

In many cases, it is within a company’s control to keep measured billing complaints to a minimum. Regularly reading meters and identifying when customers use a much higher than expected amount of water and addressing this early is within the company remit. In 2012/13, one in ten complaints against companies received by CCWater involved customers disputing their measured charges. From these complaints we helped secure almost £400,000 for customers.

9. Conclusion and CCWater future actions

CCWater welcomes the reduction in complaints for the fifth year running and it is clear the industry has responded to our pressure to improve customer service and complaint handling. While we are pleased with the progress that has been made, we still have work to do.

The increase in sewerage service complaints shows how susceptible the industry is to severe weather and we will continue to work with companies to minimise any impact on their services from changing weather patterns.

There are still some companies who need to improve their customer service and complaint handling to bring themselves into line with other companies. We will be pressing these poorer performers to improve through our meetings with them and assessments of how they have dealt with specific cases. We will also be continuing to press Ofwat for a stronger incentive and penalty in the SIM. Success in these areas will be key to our wider challenge to the industry to bring written complaint levels below where they were in 2004/05.

Most customer complaints against water companies are about billing and charging with a significant proportion of them from customers who pay by meter. The biggest issues for domestic customers reflected in our Annual Tracking Survey were value for money and affordability.

Many household budgets are coming under increasing pressure due to the financial climate and it is vital companies respond to customers' concerns over affordability and value for money. We are negotiating with each water company to produce a business plan their customers find acceptable and affordable. We will also be putting pressure on Ofwat to be less generous with companies, and to focus strongly on the customer when it makes its decisions on the Price Review in 2014.

We will continue to push for a company incentive based on customers' satisfaction with value for money and general customer perception of satisfaction with their water company in addition to Ofwat's SIM. The water and sewerage pipe network needs to be maintained but customers must feel they are getting good value for money. That is why it is crucial companies clearly communicate the services and investment they are delivering to customers. We will be pressing companies to improve their communication as well as their services.

We will use the information in this report, along with our customer research and the complaints we receive against companies, to press underperforming companies to deliver better customer service and build on the gains already made.

Once again our focus continues to be on ensuring complaints reduce, the poor performers come closer to the rest of the industry and customers get an equally good and consistent level of service.