



CCWater Risk Based Written Complaint Assessments Overview 2014-15

1. Introduction

1.1 The Consumer Council for Water (CCWater) is an independent, non-departmental public body that represents the interests of customers of the water companies and licensed water suppliers in England and Wales.

1.2 Under our 'Right first time' objective, we work closely with the companies to ensure their service meets and exceeds customer expectations and they sort out problems quickly and without hassle. It is important that companies ensure complaints against them are minimised and dealt with effectively, avoiding the necessity of customers having to write to them again. As the consumer body, our work in this area includes:

- dealing with customer complaints against their water company;
- monitoring and reporting company performance through the number of complaints they receive;
- identifying emerging complaint trends and pressing the poor performing companies to improve; and
- sharing good practice to help bring the poor performers into line with the rest of the industry.

1.3 Written complaint assessments support this work. They provide our Local Consumer Advocates (LCAs) and staff with an opportunity to visit companies and review a sample of 25 written complaints. CCWater assessment panels score the complaints on how well the company has adhered to its complaint procedure, adhered to its timescales in responding, and whether it has covered all of the points the customer has raised. We also discuss wider complaint issues with companies, make general recommendations and share good practice from other assessments and more general company policies.

1.4 Complaint information is a key measure of company performance. CCWater's recommendations and sharing of good practice from the written complaints assessments has been one of the factors that has helped deliver the following industry improvements since the assessments began in 2008:

- written complaints against water companies in England and Wales have reduced by 61% since their peak in 2007/08;
- the number of times customers have had to write to their companies again over the same issue has reduced by over 70%;
- CCWater complaint investigations against companies have reduced by over 98%; and
- the difference between the worst performer and the industry average for complaints per 10,000 connections has reduced by 57%.

2. Background

2.1 Prior to the assessment process, CCWater local offices used to visit companies and audit a sample of written complaints, customer accounts in debt and

customer telephone contacts. CCWater's local offices oversaw this work and we discussed the audit findings at our public meetings.

- 2.2 The audits were recognised by companies and us as a valuable part of our role. However, as our local offices oversaw the whole process, the outcomes, such as the recommendations and good practice remained local issues to that CCWater area and we did not fully utilise the audit findings.
- 2.3 In 2008, we consulted with the industry and Ofwat on how we could improve the audits so they deliver the maximum benefit to customers. Respondents saw the value of the audits but wanted CCWater to carry them out more consistently. Companies also asked CCWater to share good practice with the whole industry. Other outcomes of the consultation included CCWater:
 - changing the title of 'audit' to 'assessment' as the original name had more financial implications;
 - created a comprehensive set of guidelines to act as a reference point for both companies and CCWater;
 - recruited a central resource (an Assessment Co-ordinator) to attend all assessments to ensure they would be carried out consistently; and
 - implemented a process of logging and tracking recommendations and sharing good practice.
- 2.4 Our main objective from the assessments is for companies to deliver better customer service and improve their complaint handling. We do this through suggestion rather than enforcement using a 'critical friend' approach. Where a company does something well we congratulate it, but where we feel it could do something better, our assessment panels offer ideas and make recommendations.
- 2.5 After CCWater initiated the assessments in 2008, company improvements were evident in subsequent years as most adopted the assessment panel recommendations and reduced complaints. In 2011, CCWater began to assess company written complaints on a risk based approach. This allowed us to focus our resources on the companies that would benefit the most from the assessment and in the most need to improve.

3. The Assessment Process

- 3.1 Under our risk-based approach, CCWater select companies based on their performance in our annual written complaint report under the following criteria:
 - A higher number of complaints per 10,000 connected properties in the year, compared to the rest of the industry;
 - A higher proportion of customers writing to the company again when they remain dissatisfied after the first company response;
 - A company receiving more written complaints than the previous year.

- 3.2 Ahead of the assessment, CCWater randomly selects 25 cases from a list provided by the company. Companies also complete a pre-assessment questionnaire. This provides CCWater's Assessment Panel with an overview of how the company is performing in the year on complaint numbers. The pre-assessment questionnaire also includes what steps or plans the company has to reduce complaints in the future.
- 3.3 On the assessment day, the company delivers a fifteen-minute presentation or discusses its complaint handling / service initiatives with the CCWater assessment panel. CCWater's assessment panel then reviews the 25 complaints and scores the company complaint handling on 'essential' and 'beneficial' criteria. For cases to meet the 'essential' criteria, the panel should agree the company has:
- adhered to its written complaint procedure;
 - dealt with the complaint effectively, addressing all of the customer's issues;
 - responded to the customer within its published timescales; and
 - resolved the complaint proportionately.
- 3.4 Beneficial criteria means the company has provided a named contact and if it provided an apology. Panels score the complaints in three ways:
- Good where the company has met all of the essential and beneficial criteria;
 - Acceptable if it has met all of the essential but not the beneficial criteria; and
 - Not acceptable if a complaint misses any of the essential criteria.
- 3.4 The outcome of the assessment is shared with the company on the day. The assessment panel gives positive feedback where it sees good practice and makes recommendations where the panel feels the company could improve.
- 3.5 After the assessment day, CCWater reports on its findings and logs the recommendations on a tracking sheet. The company responds to the recommendations and has an opportunity to appeal against any of the cases marked 'not acceptable'.

4. Outcomes from the assessments

- 4.1 In 2014, our assessment panels marked 76% of the cases 'good' or 'acceptable'. This is a lower average score than previous years. The main reasons CCWater assessment panels marked cases as 'not acceptable' were the company not answering all of the points in the customer's complaint. Another reason for the poorer scores was companies not evidencing in their responses that they provided or offered a complaint leaflet to the customer.
- 4.2 Part of the problem of companies not evidencing they offered or provided the customer with a complaint leaflet was companies increasingly using

telephone contacts to resolve customer complaints and not keeping a detailed record of the conversation and future commitments to the customer.

- 4.3 CCWater assessment panels saw telephone resolution as good practice but stressed to companies the importance in keeping complete records. This helps the company staff to identify all of the customer issues in the event of someone else picking up the complaint. It also acts as a reference point for companies so it can ensure it knows what it has to do to resolve the complaint and keep its promises.
- 4.4 We support companies resolving complaints by telephone where possible but companies should ensure they keep full and accurate records. We will monitor this in future assessments and the complaints we receive against companies.

5. Good Company Practice

- 5.1 Customer expectations are changing. More customers are using emails, social media and text messaging. We have seen water companies adapt to these changes, including discussion forums, greater use of text and social media and other innovations in customer service. Technological advances allow companies to improve their service and keep in contact with customers. In some cases, though, assessment panels saw companies mix new ways of communicating with the more traditional methods of post to suit the customer. This helps companies ensure that customers who contact via post or telephone are not receiving any detriment to service.
- 5.2 CCWater assessment panels noted the following areas of good practice with companies:
- offering a webchat facility for customers to contact and get an immediate response/resolution;
 - writing to customers to confirm telephone discussions and ensure the complaint was resolved;
 - listening to call recordings to double check what was agreed and following up in their response;
 - in their responses to written complaints not only giving a named contact but also what time they are available;
 - avoiding industry jargon which was confusing customers and prompting them to write again for the company to clarify;
 - implementing staff training on negotiating compensation;
 - sending water saving devices in their responses to customers querying usage;
 - offering site visits to customers when requested.

6. Assessment Panel Recommendations

- 6.1 Despite the areas of good practice, the number of cases marked as 'not acceptable' shows companies can still improve their complaint handling. In

many cases, our assessment panels were being more a 'critical friend', and providing suggestions on how companies could perform better. In total, CCWater assessment panels made 23 recommendations to companies in the year, most of which companies adopted. These included the company:

- send a closure letter to customers, and include everything it has done for the customer to resolve the complaint;
- include an email address and a link to the self help facility on the company website in the complaint leaflet;
- identify all of the customer issues from the outset to avoid customers having to make repeat contacts;
- case handler for operational complaints should include a telephone number and availability in their responses;
- introduce a system for case managers to assess complaints their teams deal with and identify any issues;
- better record complaints, in particular when using webchat and when a substantive response is given when calling rather than writing to customers;
- respond to queries with the same attention as when responding to complaints; and
- adopt a framework for when it escalates complaints to its second stage review.

7. Conclusion

7.1 Written complaint assessments provide us with the opportunity to discuss complaints directly with companies and see how they deal with actual cases. By assessing companies considered 'at risk', we can focus our resources where they will be most beneficial and help bring the company to a level with the rest of the industry.

7.2 We are pleased to see companies evidencing many improvements in what is a changing consumer landscape with more customers using social media and other technological advances. Assessments are one of the areas of work where we press companies to improve service and their complaint handling. The industry has seen significant reductions in written complaint numbers over the last seven years. We will continue to use the written complaint assessments to press water companies to deliver good service to customers and ensure the reduction in complaints carries on.