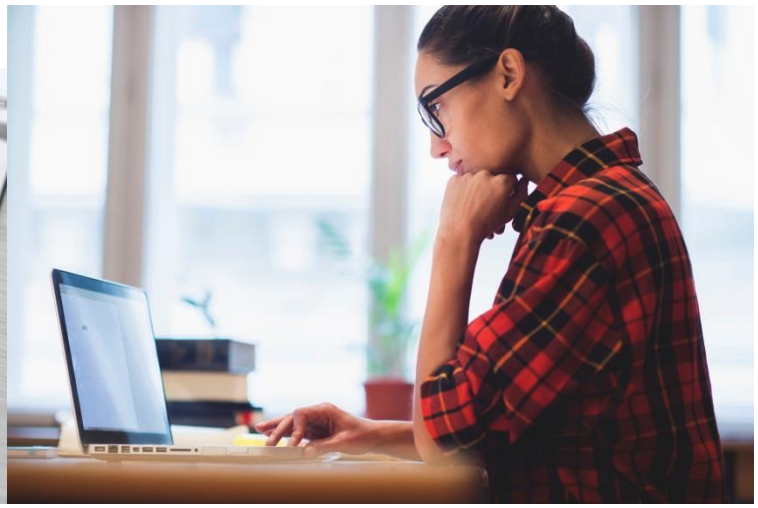
Complaints to Water Companies
England and Wales
April 2015 - March 2016



2015-16 report **September 2016**

The Consumer Council for Water (CCWater) is the statutory consumer organisation representing customers of the water and sewerage (WASC) and water only (WOC) companies in England and Wales. Our duties include:

- dealing with customer complaints against their water company and advising customers on water and wastewater issues;
- assessing company performance from the information we obtain through research and complaints, challenging the companies that need to improve and commending companies that deliver better service;
- ensuring customer views are heard through our research on areas such as customer satisfaction with value for money and the service customers receive from their water company; and
- working with the industry, regulators and other stakeholders to ensure customers do not face any detriment from changes in the water industry and future price setting.

The information from this report provides evidence of the level of customer service provided by companies. We use this information to monitor industry and individual company performance. Where customers are being let down, we challenge the companies to put things right. We do this through our meetings in public and meetings with senior water company staff. We also visit the poorer performing companies to review their complaint handling based on a sample of their written complaints. Our regular meetings with the industry regulator, Ofwat, also give us an opportunity to highlight areas of concern.

This is our tenth annual complaint report. It covers:

- the number of written complaints (sent by post, email, web or fax) from customers to the water companies in England and Wales in 2015/16;
- complaint trends from 2004/05;
- a breakdown of complaints by five main categories: billing and charges; water service; sewerage service; metering and 'other' complaints that fall outside the previous categories;
- written complaints from non-household customers and how the numbers compare to household customer complaints;
- the number of unwanted telephone contacts to water companies from household customers;
- the number of customer complaints for each company resolved after the first written contact; and
- complaints against companies received by CCWater last year by telephone, post, email, webform, fax and visit.

The report focuses primarily on written complaints made by household and non-household customers, as these provide the most consistent and comparable way of assessing the performance of each water company. We also include information about unwanted telephone contacts made by household customers to water companies. These contacts do not exclusively include complaints and can cover a wide range of calls where customers have reported a service issue or had to chase their water company for action to be taken.

Each section of the report looks at company performance in 2015/16 and then examines trends over the past five years or more.

Detailed data on the complaint numbers can be found in appendices 1 to 11.

Contents

Complaints to Water Companies in England and Wales, April 2015 – March 2016

Section		Page
1	**Executive summary**	**1**
Chart 1	Written complaints and unwanted telephone contacts from customers to water companies 2004/05 to 2015/16	
Chart 2	Written complaints from customers to companies per 10,000 connections in 2015/16 and change from 2014/15	
Table 1	Company performance for complaints per 10,000 connections 2011/12 to 2015/16	
Chart 3	Written complaints per 10,000 connections by main category household and non-household customers 2015/16	
2	**Overall industry written complaint performance**	**8**
Chart 4	Total written complaints from customers to water companies from 2004/05 to 2015/16	
3	**Customer written complaints to water companies – an overview by company**	**10**
Chart 5	Written complaints from customers to companies per 10,000 connections in 2015/16 and change from 2014/15	
Chart 6	Complaint performance per 10,000 connections 2006/07 to 2015/16	
Table 2	Written complaints from customers to water companies from 2011/12 to 2015/16 per 10,000 connections	
4	**Written complaints to water companies - by type of complaint**	**16**
Chart 7	Complaint trends per 10,000 connections by type of complaint 2008/09 to 2015/16	
Chart 8	Billing and charges complaints per 10,000 billed properties 2015/16	
Chart 9	Measured billing complaints per 10,000 metered properties 2015/16	
Chart 10	Water service complaints per 10,000 connected properties 2015/16	
Chart 11	Sewerage service complaints per 10,000 sewerage connections 2015/16	
Chart 12	Metering complaints per 10,000 metered properties 2015/16	
Chart 13	Complaints under the ‘Other’ category 2015/16 per 10,000 connections 2015/16	
5	**Company performance in resolving complaints after the first written customer contact**	**25**
Chart 14	Written complaints from customers resolved after the first written contact 2015/16	

6 Complaints by non-household customers to water companies 27

Chart 15 Household and non-household main category complaints per 10,000 connections 2015/16
Chart 16 Non-household written complaints to companies per 10,000 connections 2015/16

7 Telephone contacts from household customers to resolve issues (Unwanted contacts) 30

Chart 17 Written complaints and unwanted telephone contacts from customers to water companies 2004/05 to 2015/16
Table 3 Unwanted contacts from household customers 2015/16, and per 10,000 connections

8 Customer complaints received by CCWater about water companies 33

9 Future CCWater work 34

Appendices

1 Written complaints to companies 2004/05 to 2015/16
2 Written complaints to companies per category and 10,000 connections in 2015/16

Written complaints received by companies and investigated by CCWater in 2015/16:

3 Billing and charges
4 Water supply
5 Sewerage services
6 Metering
7 "Other" services
8 Overview of complaints to companies escalated (customers wrote more than once) 2015/16
9 Overview of non-household customer complaints 2015/16
10 Total unwanted telephone contacts to Water Companies from Household Customers 2015/16
11 Complaints to CCWater about companies 2015/16

1. EXECUTIVE SUMMARY

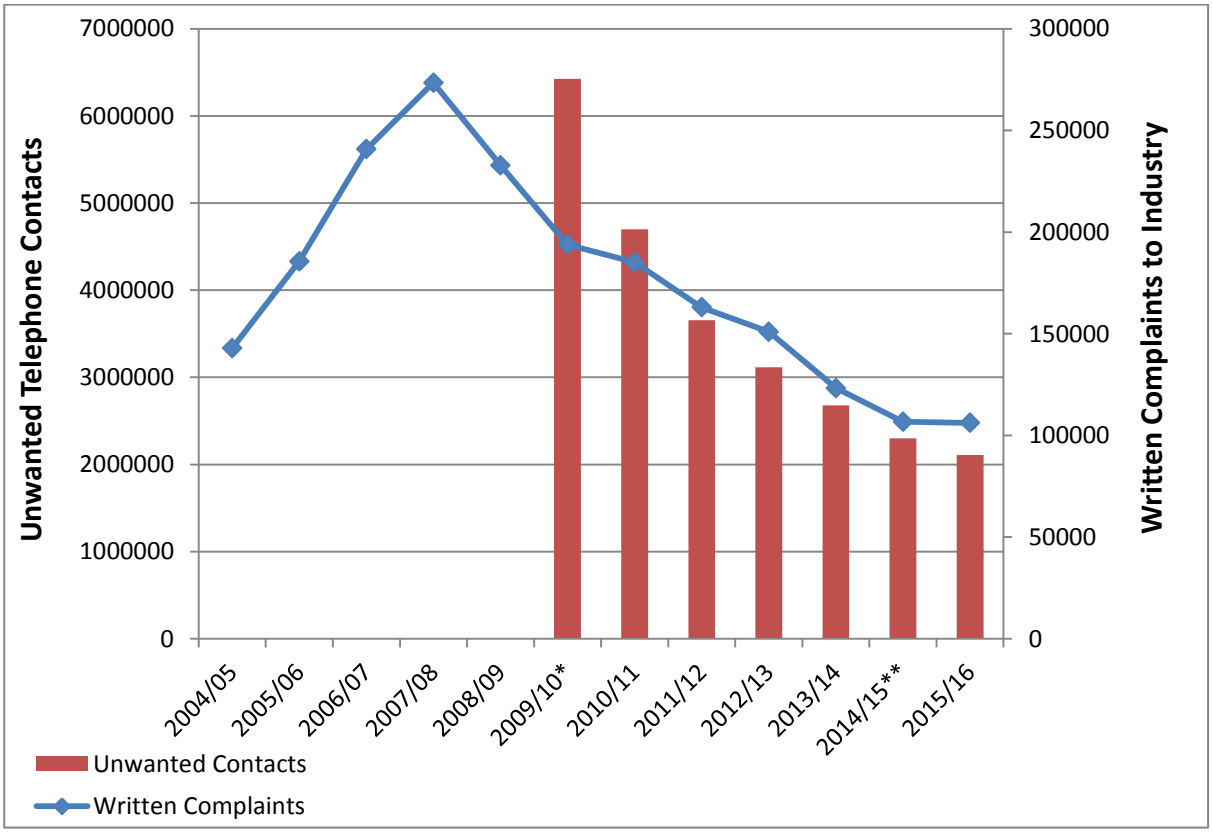
Industry's progress in reducing complaints disappointingly grinds to a halt in 2015/16

The improving trend of falling complaints from customers of the water companies in England and Wales almost ground to a halt in 2015/16. Companies reported 106,196 written complaints in the year from household and non-household customers compared to 106,693 for 2014/15, a decrease of just under 0.5%. The number of contacts from customers who had to make an 'unwanted' telephone call to their water company to resolve an issue or complaint also fell, by 8.2% on the previous year.

Ten water companies reported a rise in written complaints and five reported a rise in unwanted telephone contacts on the previous year. The Consumer Council for Water (CCWater) is concerned that if these companies do not take positive action to improve their performance, there is a danger that the downward trend of the previous years may slide back into reverse.

Chart 1 shows the longer term trend of written customer complaints and unwanted telephone contacts to water companies since 2004/05 and its slowdown last year.

Chart 1: Written complaints and unwanted telephone contacts from customers to water companies 2004/2005 to 2015/16



*2009/10 was a pilot year for unwanted contacts which may not be truly reflective of industry performance
**2014/15 includes unwanted contacts for household customers only for most companies, from 2015/16 the number is solely household customers

We believe that the industry can make further progress in reducing complaints and improving their service to customers. Some companies have performed very well year-on-year and are continuing to reduce customer complaints. However, other companies continue to receive far too many complaints and it is unacceptable they are lagging behind the rest of the industry, despite our challenge to them to improve.

Individual company performance – a cause for concern

Almost half of the companies reported an increase in complaint numbers, the highest number since 2008/09. While the year-on-year variances are to be expected these usually affect very few companies and have little influence on the downward trend in complaint numbers. But 2015/16 was different: ten companies reported an increase in complaints, some markedly, causing the improving trend of complaints to the industry to stall.

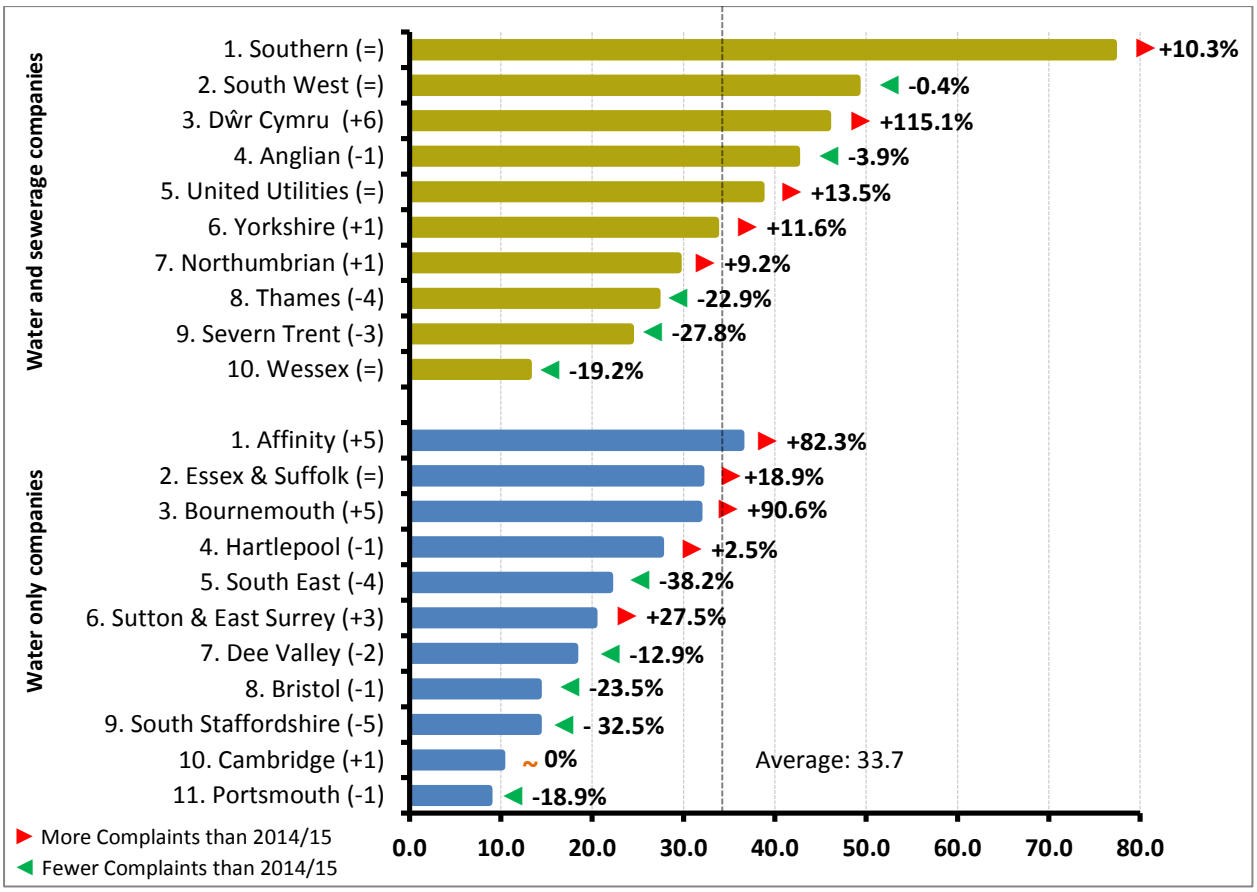
As companies have different numbers of customers, we normalise complaint numbers by showing them on a per 10,000 connections basis. By dividing the number of complaints per 10,000 connected properties we can:

- identify the best and worst performing companies overall and in five different complaint categories;
- look at the changes in their relative positions; and
- use this information to address any issues at a local level.

Chart 2 shows the customer complaints per 10,000 connections and the percentage increase or decrease on the previous year.

We show improving companies which have a lower position on the chart as (-) and companies with a higher or worsened position as (+). We separate the water and sewerage companies and water only companies because the former provide an additional service which generates other types of complaint.

Chart 2: Written complaints from customers to companies per 10,000 connections in 2015/16 and change from 2014/15



Problems caused by the introduction of a new billing system and more rigorous debt collection led to a doubling of complaints to Dŵr Cymru. Bournemouth also had problems with introducing a new billing system and customer complaints to the company increased by over 90%. We have stressed continually to companies that when they implement new billing systems they must ensure that they take all necessary steps to avoid customer detriment. It is not fair on customers that this issue continues to arise.

Affinity was the worst performing water only company for complaints per 10,000 connections. Its increases in complaints over the past three years have bucked the industry trend, so its current position was inevitable. The company's problems last year were compounded by the additional customer contact generated by its compulsory metering programme, and company staffing issues which led to delayed responses to customers, causing further complaints.

For the fourth consecutive year Southern was the worst performing company. At over 77 complaints per 10,000 connections this level of complaint remains more than twice the industry average, and the gap between Southern and the rest of the industry is widening. The company has a lot of work to do to close that gap. We expect the company to do so.

To assure customers that companies are addressing the rise in their complaint numbers our Regional and Wales Committee Chairs have requested interim reports covering the first six months of 2016/17 from Dŵr Cymru, Bournemouth, Affinity and Southern. These reports will highlight:

- monthly complaints under the five main categories of complaint - billing and charges, water service, sewerage service, metering and 'other' complaints (see appendices);
- companies' explanations for significant month-on-month increases or decreases in complaint numbers;
- the actions each company has taken, or is planning to take, to reduce complaint numbers; and
- company expectations on complaint numbers for the 2016/17 reporting year for each of the five main categories of complaint.

We have asked companies to provide their reports by 31 October 2016. We will then provide an update on their progress in the complaints section of our 'Delving into Water' report to be published in November.

Best performers

Wessex was again the best performing water and sewerage company for complaints per 10,000 connections. Its consistent improvement has put it way ahead of the rest of the water and sewerage company field and it leads the way in customer service. Portsmouth regained its position as the best performing water only company, overtaking Cambridge which still remains a consistently good performer. South Staffs was the third best performing water only company, recording fewer complaints for the fifth consecutive year.

Companies which are improving

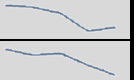
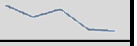
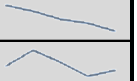
South East's improvement in its customer service has paid dividends with fewer complaints and an improved position in the industry rankings. This improvement comes at a time when the company is metering all its household customers – a policy which has caused problems for other companies in the region. For the first time since 2005/06 South East was not the worst performing water only company for complaints per 10,000 connections.

South East also had the biggest reduction in complaints with 38.2% fewer than in 2014/15. Other companies that saw significant reductions in complaint numbers were South Staffs (down 32.5%), Severn Trent (down 27.8%), Bristol (down 23.5%), Thames (down 22.9%) and Portsmouth (down 18.9%).

Five-year trend

Table 1 shows how each company has performed since 2011/12 for complaints per 10,000 connections.

Table 1 Company performance for complaints per 10,000 connections 2011/12 to 2015/16

Water Company		Complaints Per 10,000 Connections					Year on Year Trend
		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	
Water and Sewerage Companies	Anglian	60.8	57.3	44.5	44.5	42.4	
	Dŵr Cymru	30.4	26.0	26.4	21.4	45.8	
	Northumbrian	39.6	38.1	35.1	27.0	29.4	
	Severn Trent	48.8	41.9	43.8	33.8	24.2	
	Southern	64.5	113.3	81.1	70.4	77.1	
	South West	56.8	53.1	55.6	49.7	49.0	
	Thames	60.7	56.5	38.2	35.5	27.1	
	United Utilities	81.5	49.4	40.8	34.2	38.5	
	Wessex	22.5	20.4	17.1	16.2	13.0	
	Yorkshire	36.1	45.0	37.8	30.2	33.5	
Water Only Companies	Affinity	16.6	15.0	17.4	20.1	36.3	
	Bournemouth	23.0	18.5	18.0	16.7	31.7	
	Bristol	23.2	22.3	20.3	18.6	14.1	
	Cambridge	24.5	20.6	12.4	10.3	10.1	
	Dee Valley	50.4	35.8	29.6	20.9	18.1	
	Essex & Suffolk	41.3	34.6	28.7	27.4	31.9	
	Hartlepool	30.1	26.1	18.5	27.1	27.5	
	Portsmouth	8.1	10.4	7.6	10.8	8.7	
	South East	147.1	98.0	69.4	35.5	21.9	
	South Staffordshire	43.4	28.7	22.9	21.0	14.1	
	Sutton & East Surrey	19.7	17.8	16.4	15.9	20.2	
Industry Average		53.2	49.0	39.8	34.2	33.7	

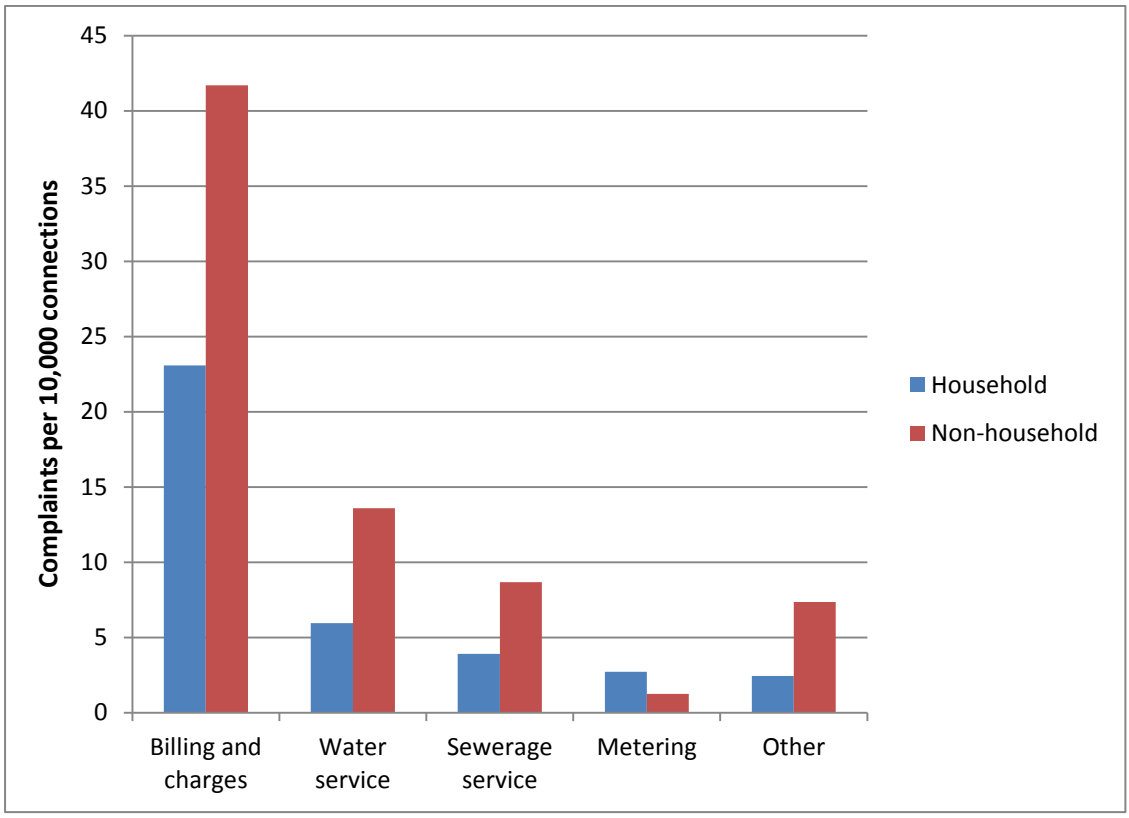
Key	
Complaints per 10,000 connections best performers	
Complaints per 10,000 connections reasonable performers	
Complaints per 10,000 connections worst performers	

Southern's consistently poor complaint record is evident over the past five years. In contrast, South East has shown steady improvement since it was the worst performing company in 2011/12. We commend Wessex and Portsmouth for having consistently low complaint numbers per 10,000 connections.

Written complaints from non-household customers

We are concerned that the number of complaints per connection from non-household customers is well above those from households in four of the five main categories; the exception is metering. Service to non-household customers is an area which the industry must put right as a priority given the opening of the retail market in April 2017. Our survey of small and medium sized businesses showed an improving level of satisfaction among those who had been in touch with their water company, 69% in 2016 compared to 56% in 2014. However, for the same survey, the figure was 74% back in 2012.

Chart 3: Written complaints per 10,000 connections by main category household and non-household customers 2015/16



In April 2017 the customer-facing retail element (billing, meter reading and administration) of the water market will be opened up to competition for non-household customers in England. This will give customers of water companies which are wholly or mainly in England the freedom to switch retail water supplier.

This will generate different types of issues as new retailers enter the market and non-household customers are able to switch their service provider. Retail providers which deliver poor service to non-household customers will not only suffer reputational damage, but also risk losing customers in the future.

Conclusion

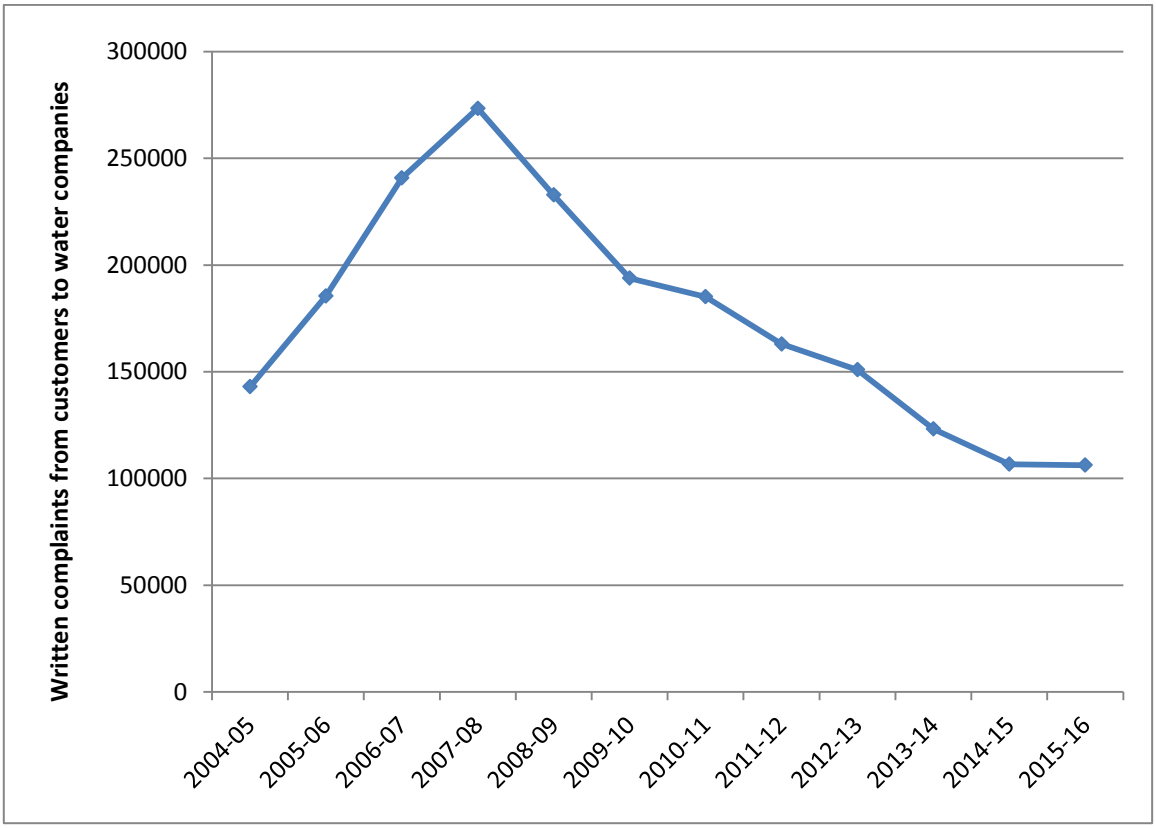
We are disappointed that the welcome progress the industry has made in reducing complaints halted last year. Too many companies reported a rise in customer complaints with some reporting substantial increases on 2014/15. As well as our request for the six-month interim reports from Dŵr Cymru, Bournemouth, Affinity and Southern, we will continue to raise complaint issues in our regular meetings with companies and press them to ensure this does not mark the start of an upward trend in customer complaints. Where there has been an upward trend we will be expecting significant improvement in the coming year. In particular, we will be putting additional pressure on Southern and expect it to bring its performance into line with the rest of the industry quickly.

2. Overall industry written complaint performance

We are disappointed and concerned that for the first time since the number of written customer complaints from households and non-households to water companies reached their peak in 2007/08, the downward trend in complaint numbers almost ground to a halt last year. Complaints fell by 0.5% compared to 2014/15 but this compares poorly to the stronger improvements in previous years which ranged from 4.5% to 18.4%.

Chart 4 shows the written customer complaints to the industry from 2004/05 to 2015/16.

Chart 4: Total written complaints from customers to water companies from 2004/05 to 2015/16



We do not want to see last year's slowdown signal the start of a rise in complaint numbers in future years. The consumer landscape is changing and with widespread use of the internet and social media customers have more access than ever before to information and ways of communicating with their companies. Water companies that are unable to adapt and effectively deal with these methods of contact and meet the expectations of their customers will struggle in the future.

Furthermore, we expect new complaint issues to emerge when the retail element of the water market opens to competition for non-household customers in England in April 2017. Possible examples include customer complaints about delays in switching, contractual and service disputes and new entrants into the market. Companies will need to be ready for these issues.

Although complaints are marginally lower than they were in 2014/15 we believe that the industry can and should do better. Some companies performed well but others continued to lag behind the rest of the industry. Our biggest concern is that ten companies reported an increase in complaints in 2015/16.

3. Customer written complaints to water companies – an overview by company

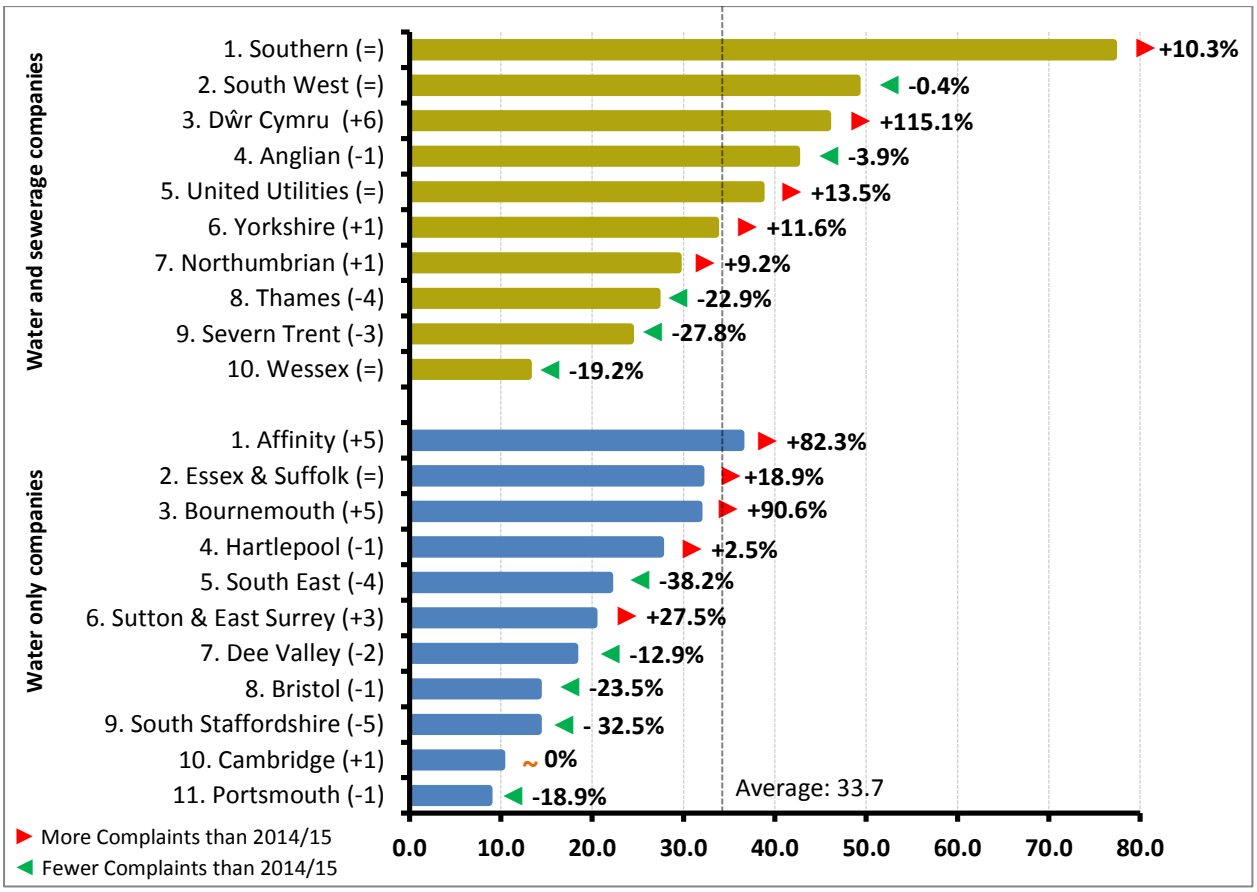
Last year saw more companies reporting an increase in complaints than in any year since 2008/09. Ten companies, Affinity, Bournemouth, Dŵr Cymru, Essex and Suffolk, Hartlepool, Northumbrian, Southern, Sutton and East Surrey, United Utilities and Yorkshire reported higher numbers than in the previous year. We expect that in some years a few companies may report more complaints if a problem arises, such as extreme weather events causing flooding problems, mains bursts or water quality incidents. However, we do not expect or find it acceptable that nearly half of the industry reported increases.

For some companies the increase was considerable with one – Dŵr Cymru – more than doubling its number of complaints compared to 2014/15. These increases are unwelcome to us and to their customers. In our regular meetings with companies we will address this issue and stress the need for the companies to remedy their problems and deliver better customer service.

As companies have different numbers of customers we compare their performance by looking at the number of written complaints they receive per 10,000 connected properties. Chart 5 shows:

- the number of complaints per 10,000 connections for the water only and water and sewerage companies in 2015/16;
- whether the company has improved its relative position (-) or fallen back (+) compared to the previous year (companies that remained in the same position are denoted by (=); and
- the percentage increase or decrease in complaint numbers compared to the previous year.

Chart 5: Written complaints from customers to companies per 10,000 connections in 2015/16 and change from 2014/15



Worst performers

We are very concerned about Southern's performance. Over four consecutive years the company has been the worst performer for complaints per 10,000 connections, and in 2015/16 had more complaints than the previous year, widening the gap with the rest of the industry. It was also the worst performer in relation to the number of complaints CCWater received against companies during the year. The company's universal metering programme and various systems issues have contributed to its situation. We have met the company regularly to discuss its problems and plans to address the underlying reasons for high complaint levels. The company's lack of improvement is therefore disappointing,

Our strong criticism of Southern in last year's report has not yet prompted the improvement in results we sought. We therefore feel it is necessary to place greater pressure on the company to turn its situation around. Our Regional Committee Chair has written to Southern requesting an interim report for the period 1 April to 30 September 2016. This report will highlight:

- the number of complaints per month under the five main categories of complaint (see appendices);
- an explanation for significant month-on-month increases or decreases in complaint numbers;

- the actions the company has taken or is planning to take to reduce complaint numbers; and
- company expectations on complaint numbers for the 2016/17 reporting year for each of the five main categories of complaint.

Dŵr Cymru is the first company since 2008 to report more than twice the number of complaints compared to the previous year. This increase in complaints followed the introduction by the company of a new billing system. We challenged Dŵr Cymru on the implementation of this system some two years before it introduced it. One of our main concerns was the interface between the company's debt management and the new billing system. The company implemented a staff training programme but there were still occasions when complaints arose through human error. The new billing system, coupled with the company carrying out more rigorous debt collection, has had a big impact on its position compared to the rest of the industry for complaints per 10,000 connections.

A new billing system was also the main reason for a significant increase in complaints to Bournemouth, additionally customers had to wait longer before they could get through to the company. These factors contributed to complaints rising over 90% on the previous year. The company also explained to us that there were other problems with its system not taking Direct Debit payments and failing to update customer details when they changed address.

We have highlighted problems where companies have implemented new billing systems in previous complaint reports, so it is disappointing that this issue continues to feature in our reports.

Affinity was the worst performing water only company. It had difficulties implementing a compulsory metering programme which led to problems with staff struggling to cope with additional customer contacts. Last year was the third successive year the company received more complaints. Having repeatedly bucked the improving industry trend, it was inevitable the company would find itself in this position.

One of the reasons United Utilities received more complaints was due to a water quality incident in summer 2015. Traces of the Cryptosporidium parasite, which can cause gastrointestinal illness, were detected in water samples taken by the company at a treatment works which supplies 320,000 homes and businesses in West Lancashire. As a precautionary measure the company advised customers in the area to boil any water used for drinking or in the preparation of food. In some cases customers had to do this for over 4 weeks. The company received over 1,300 written complaints about this issue.

Through our representations on behalf of customers we were able to press United Utilities to agree to pay a higher level of compensation to its customers for the costs and inconvenience caused them. Customers received between £50 and £60 depending on the length of time they were subject to the boil water notice. United Utilities also agreed to offer additional compensation to customers where it could be shown that they had suffered greater financial loss because of the disruption.

The record-breaking wet winter brought more flooding complaints to some of the companies in the west and areas of the north of England and Wales. In particular, Yorkshire had over 50% more complaints about its sewerage service than in the previous year.

Better performers

Special mention should go to South East who for the third year running reported the biggest reduction in complaints (down 38.2%). It is also no longer the worst performing water only company for complaints per 10,000 connections. The company has come a long way since its poor position in 2011. We have been critical of the company's poor performance and complaint levels and it accepted that it needed to do better and committed to improve.

We are delighted that South East has managed to turn around its performance while undertaking compulsory metering for all of its household customers. This is a policy which has caused problems for other companies in the region. The company's success is the result of a mixture of innovation and initiatives that place customer care and satisfaction at the centre of all its activities:

- Listening to customers – with over 20% of customers providing feedback on their contact with the company;
- Encouraging ideas from staff and acting on feedback;
- Directors owning complaints about their area of responsibility;
- Briefings for new customer service staff;
- One person being a point of contact for a customer query and seeing it through to the end; and
- Increased digital communication with web chat and a two-hour response time for replying to emails.

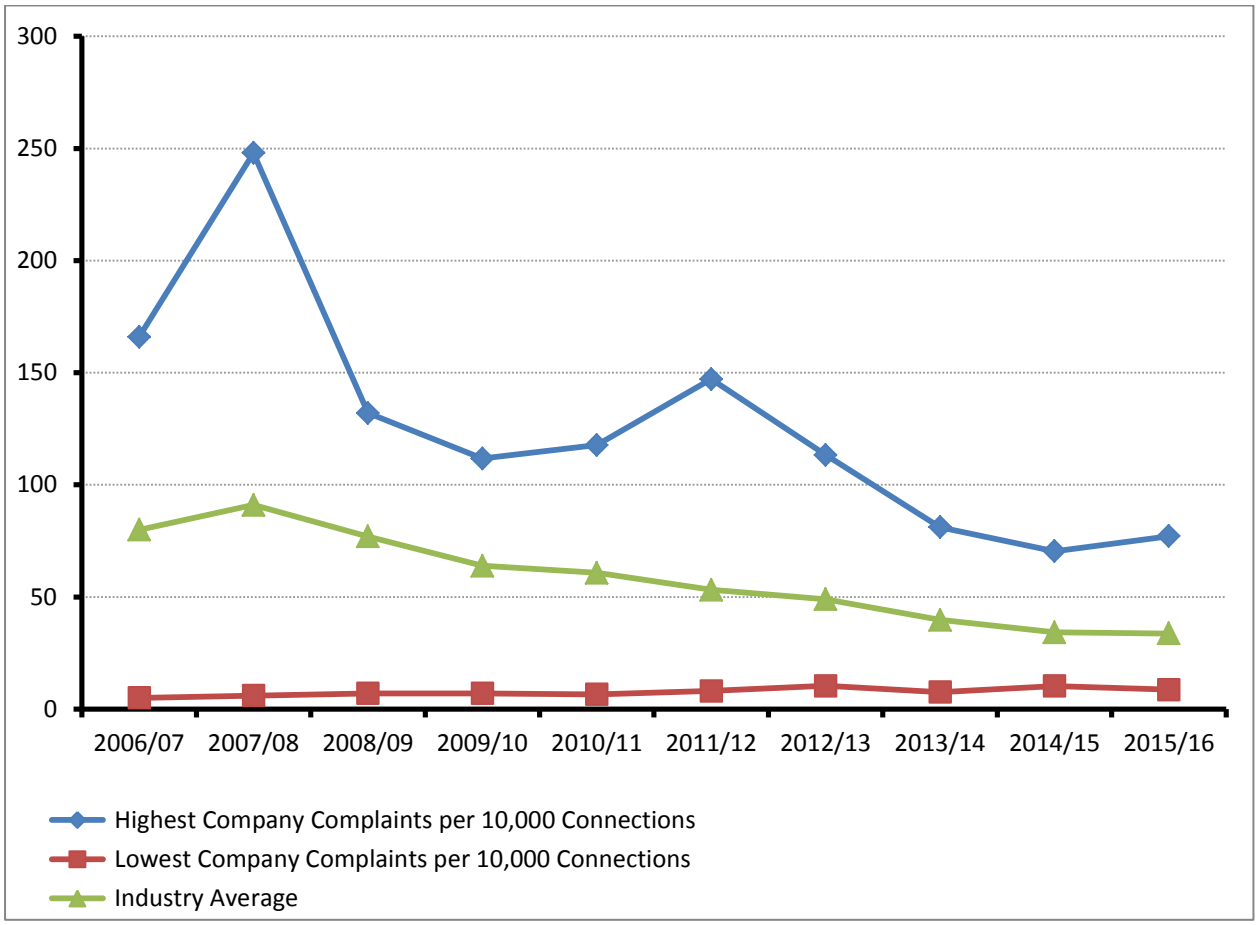
Wessex was once again the best performing water and sewerage company for complaints per 10,000 connections. Only three water only companies reported proportionately fewer complaints per connection. Portsmouth regained its position as the best performing water only company and the best in the industry.

Notable reductions in complaints were reported by South Staffs (down 32.5%), Severn Trent (down 27.8%), Bristol (down 23.5%), Thames (down 22.9%) and Portsmouth (down 18.9%).

Best and worst performing companies over time

The previously narrowing gap between the best and worst companies over time widened last year due to Southern's increase in complaints. Chart 6 shows the average complaints per 10,000 connections and the best and worst performing companies.

Chart 6 Complaint performance per 10,000 connections 2006/07 to 2015/16

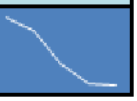


Individual company trends over time

Southern's problems over the past four years are evident from the information in Table 2, which shows the five-year trend for complaints per 10,000 connections. South East's improvement since 2011 is also evident as it moved from a very poor position to a respectable average compared to the other companies.

We commend Wessex and Portsmouth for consistently being in the lower quartile of complaint numbers. Bristol, Dee Valley, Cambridge, South Staffs and Thames have also shown continued improvement over the whole five-year period.

Table 2: Written complaints from customers to water companies from 2011/12 to 2015/16 per 10,000 connections

Water Company		Complaints Per 10,000 Connections					Year on Year Trend
		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	
Water and Sewerage Companies	Anglian	60.8	57.3	44.5	44.5	42.4	
	Dŵr Cymru	30.4	26.0	26.4	21.4	45.8	
	Northumbrian	39.6	38.1	35.1	27.0	29.4	
	Severn Trent	48.8	41.9	43.8	33.8	24.2	
	Southern	64.5	113.3	81.1	70.4	77.1	
	South West	56.8	53.1	55.6	49.7	49.0	
	Thames	60.7	56.5	38.2	35.5	27.1	
	United Utilities	81.5	49.4	40.8	34.2	38.5	
	Wessex	22.5	20.4	17.1	16.2	13.0	
	Yorkshire	36.1	45.0	37.8	30.2	33.5	
Water Only Companies	Affinity	16.6	15.0	17.4	20.1	36.3	
	Bournemouth	23.0	18.5	18.0	16.7	31.7	
	Bristol	23.2	22.3	20.3	18.6	14.1	
	Cambridge	24.5	20.6	12.4	10.3	10.1	
	Dee Valley	50.4	35.8	29.6	20.9	18.1	
	Essex & Suffolk	41.3	34.6	28.7	27.4	31.9	
	Hartlepool	30.1	26.1	18.5	27.1	27.5	
	Portsmouth	8.1	10.4	7.6	10.8	8.7	
	South East	147.1	98.0	69.4	35.5	21.9	
	South Staffordshire	43.4	28.7	22.9	21.0	14.1	
	Sutton & East Surrey	19.7	17.8	16.4	15.9	20.2	
Industry Average		53.2	49.0	39.8	34.2	33.7	

Key	
Complaints per 10,000 connections best performers	
Complaints per 10,000 connections reasonable performers	
Complaints per 10,000 connections worst performers	

Service Incentive Mechanism

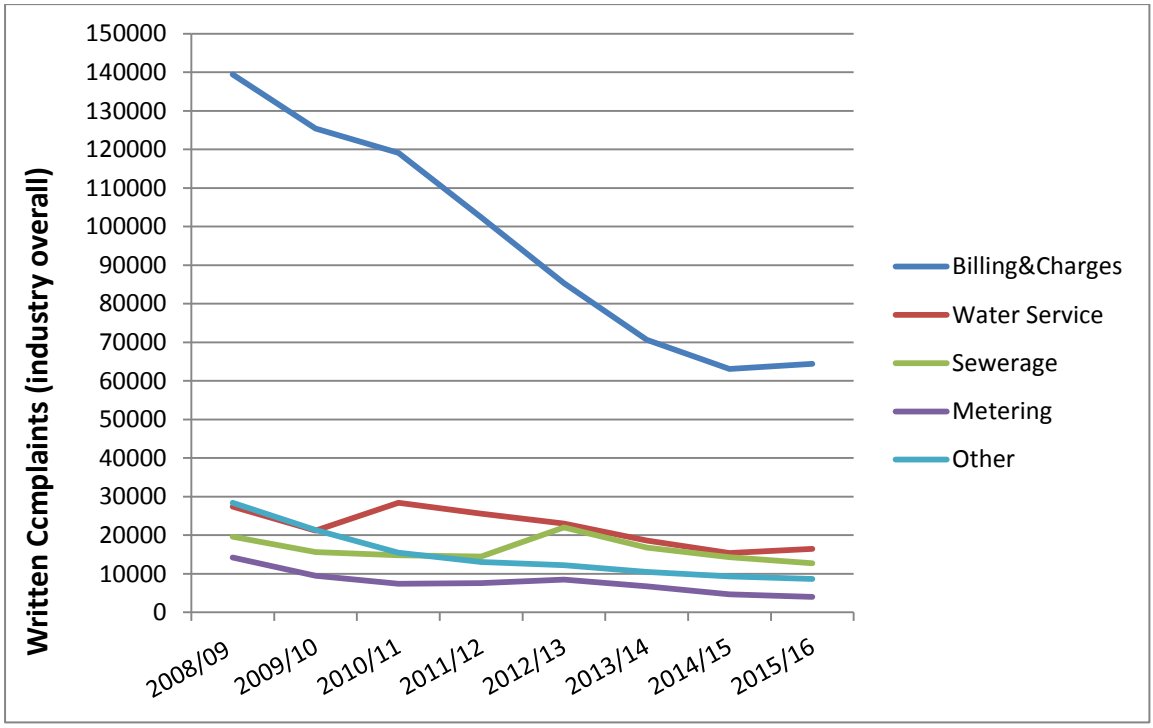
Ofwat incentivises water companies to improve their customer service performance through its Service Incentive Mechanism (SIM). This measures service to household customers through a count of total customer contacts and complaints and a survey of customers who contacted their company. Companies that perform well are given up to 0.5% additional revenue in the first year of the five-year price review period, with poor performers handed a penalty of up to -1%. It is disappointing that this incentive has not encouraged some companies to reduce complaints as much as others.

4. Written complaints to water companies – by type of complaint

We ask companies to allocate the complaints they receive into five main categories: billing and charges, water service, sewerage service, metering and 'other' complaints which do not fall under any of the previous categories.

Chart 7 shows the trend for each category since 2008/09.

Chart 7: Complaint Trends per 10,000 connections by type of complaint from 2008/09 to 2015/16



Billing and Charges

This category is consistently the biggest area of complaint and accounted for just over 60% of all complaints to companies in 2015/16. This category covers a wide range of services, including liability for charges, prices and debt recovery.

Customer complaint: *I received a bill from my water company for £842 for a 5-month period. I told them this was false as they had turned my meter off so there was no way they could know. They never contacted me wanting to resolve this; they merely sent demand letters.*

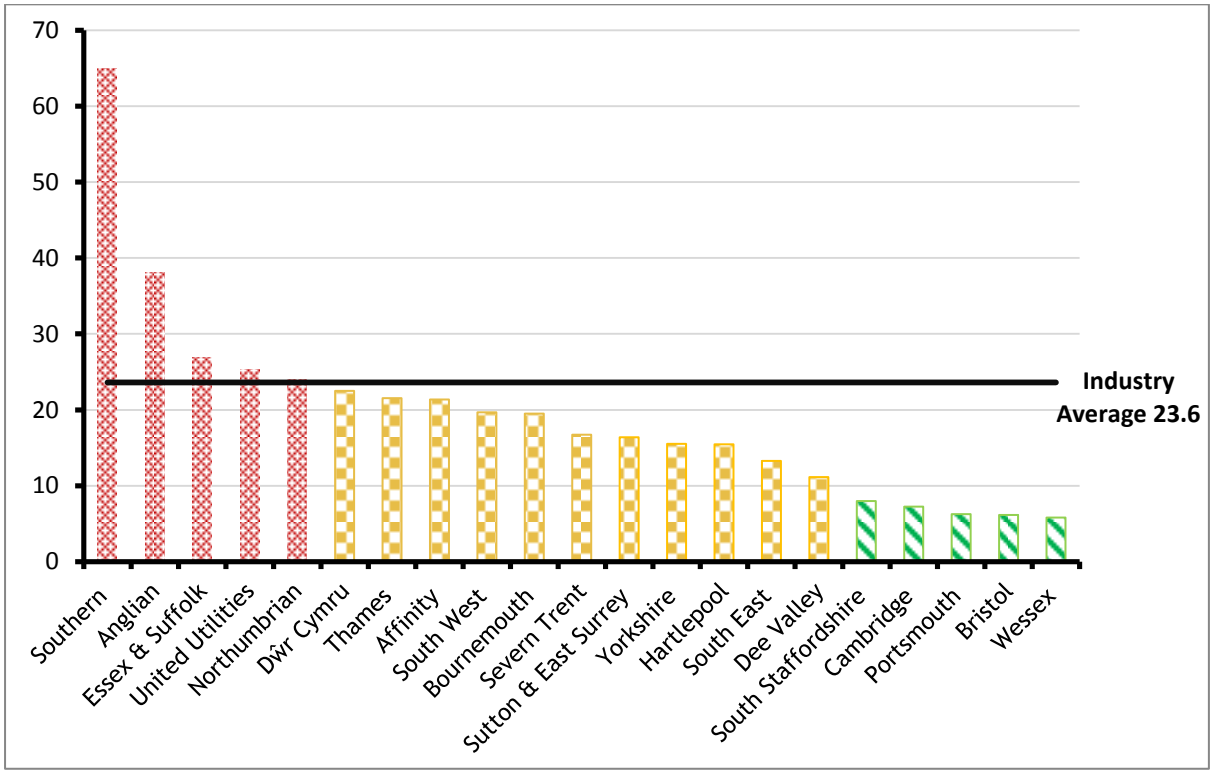
More than half the customer complaints CCWater received about water companies in the year were about billing and charges, including affordability, customer perceptions on their charges and value for money. In the year we:

- pressed Anglian to extend the period for its phasing out of its SoLow tariff;
- researched customer views on value for money, affordability and retail competition;
- assessed five companies on their handling of customers in arrears by reviewing a sample of 25 accounts; and
- helped over 5,000 customers with their complaint against their company on billing and charging issues.

Chart 8 shows the number of billing and charges complaints per 10,000 billed properties for each company in 2015/16. As companies have different systems for reporting complaints and have some variations on how they label complaint types, these charts should be viewed with an element of caution when making direct comparisons between companies. However, they do provide an insight into which companies have done well and which should do better. For this and subsequent charts in this section we have colour-coded the companies in the following way:

Key	
Complaints per 10,000 connections lowest 25% (good performers)	
Complaints per 10,000 connections 26% to 74% (reasonable performers)	
Complaints per 10,000 connections highest 25% (poor performers)	

Chart 8 billing and charges complaints per 10,000 billed properties 2015/16

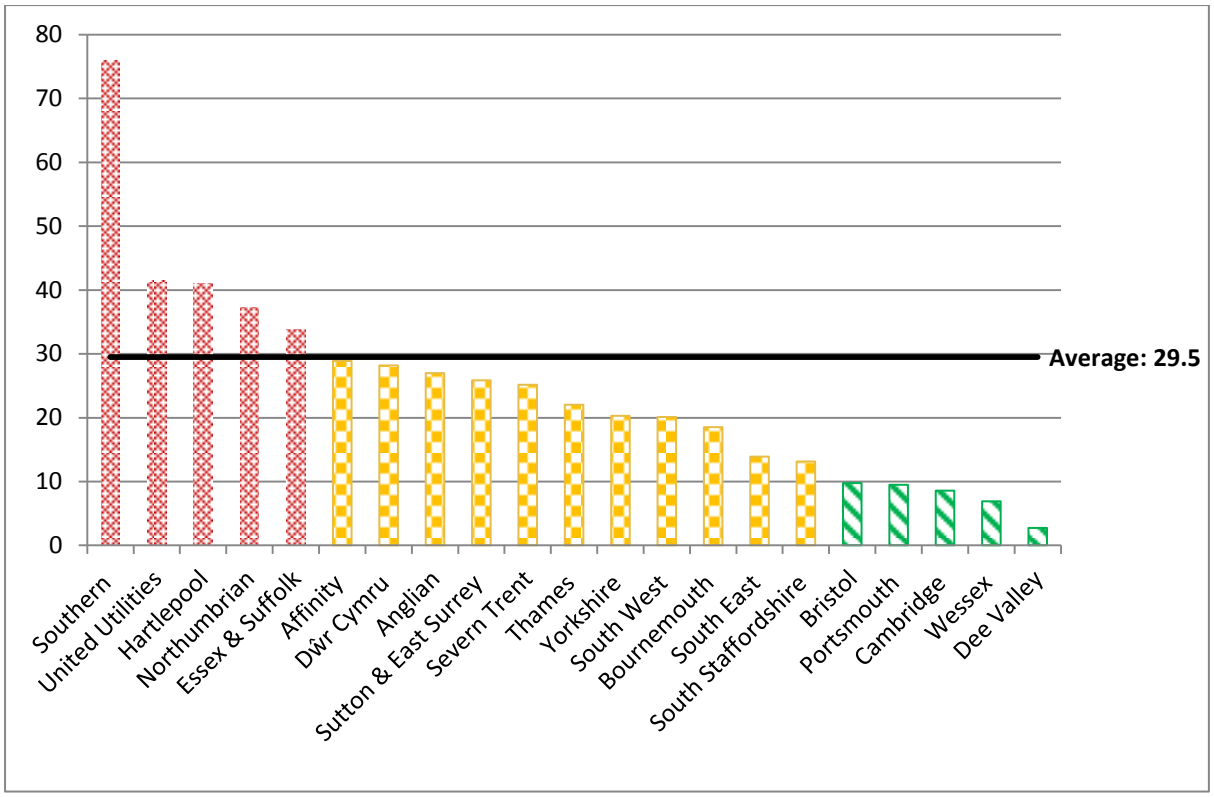


Southern was by far the worst performer in this category. Its problems have already been mentioned in this report but there is no excuse for a company to lag so far behind the rest of the industry. Taking Southern out of the equation there are still considerable differences between the best performer, Wessex, and Anglian which had the second highest number of complaints in this category.

Customers pay for water charges either on an unmeasured basis – which is usually based on the rateable value of a property for household customers - or through a meter. The proportion of metered customers has increased over time as customers can choose to have a meter installed free of charge by their water company and nearly all newly built properties are now metered.

More issues can arise from a metered supply, including higher than expected bills, leakage, company failure to read a meter, or disputes about the various charges. As a result, figures show metered customers are more likely to complain. In 2015/16 there were on average 29.5 billing and charges complaints per 10,000 customer metered properties. This compared to 16.9 complaints per 10,000 unmetered properties. Chart 9 shows the performance of individual companies and the level of metered customers who complained about billing and charging.

Chart 9: Measured billing complaints per 10,000 metered properties 2015/16



Many of the complaints we get from customers about water companies are about customers disputing their measured charges. This is often because a company has not taken a meter reading for some time or there has been higher than expected consumption caused by loss of water through a leak or faulty appliance. Sometimes customers are convinced that they have not used the level of water they have been charged for. We mediate with the company on behalf of the customer and press for a reasonable resolution depending on the evidence surrounding the complaint.

Like the billing and charges complaints overall, Southern had the highest number of complaints per 10,000 connections. Most of its customers are now metered following the near conclusion of the company's Universal Metering Programme.

Water supply

Customers expect a safe, clean and reliable drinking water. Generally, the types of complaints in this category involve leaks, interruptions to supply, water quality issues including taste, smell and colour or flooding caused by mains bursts. Chart 10 shows company performance on water service complaints.

Customer complaints about their water supply also increased on the previous year. We have already mentioned the impact of United Utilities' boil water notice incident. Other companies that reported an increase in complaints about water supply were Affinity, Bournemouth and Dŵr Cymru.

Part of our work in the year was to ensure that water companies made reducing leakage a priority and met customer expectations on this issue. We also supported successful campaigns with the Energy Saving Trust and Waterwise to help customers save water, energy and money.

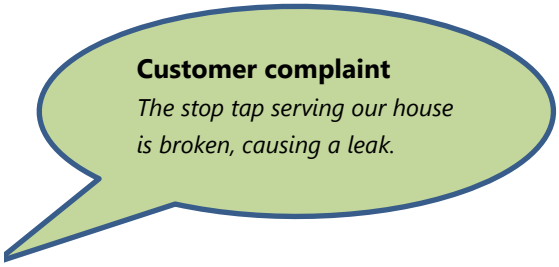
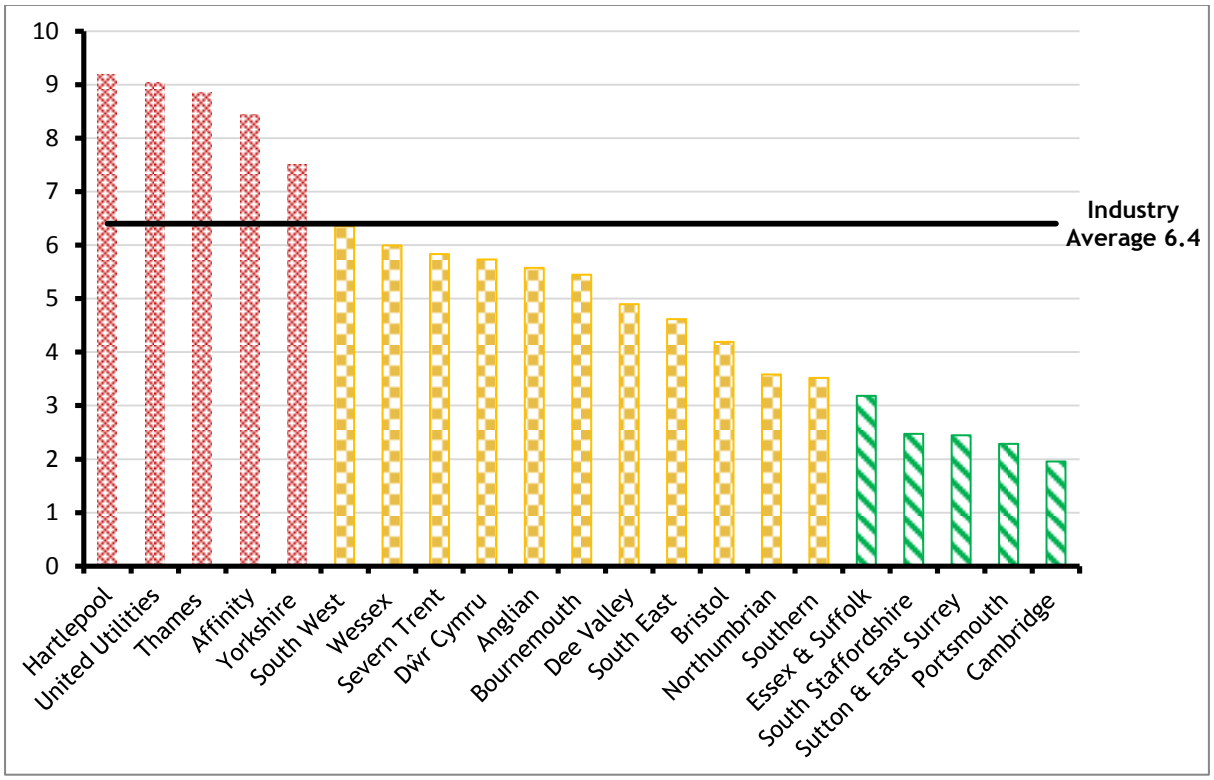


Chart 10: Water service complaints per 10,000 connected properties 2015/16



Hartlepool reported the highest number of water service complaints per 10,000 connections. United Utilities had the second highest number of complaints, followed by Thames and Affinity.

Cambridge and Portsmouth were the best performers for this type of complaint. Again, the difference between the best and worst companies is significant, although the complaint numbers are much lower than for the billing and charges category.

Sewerage service

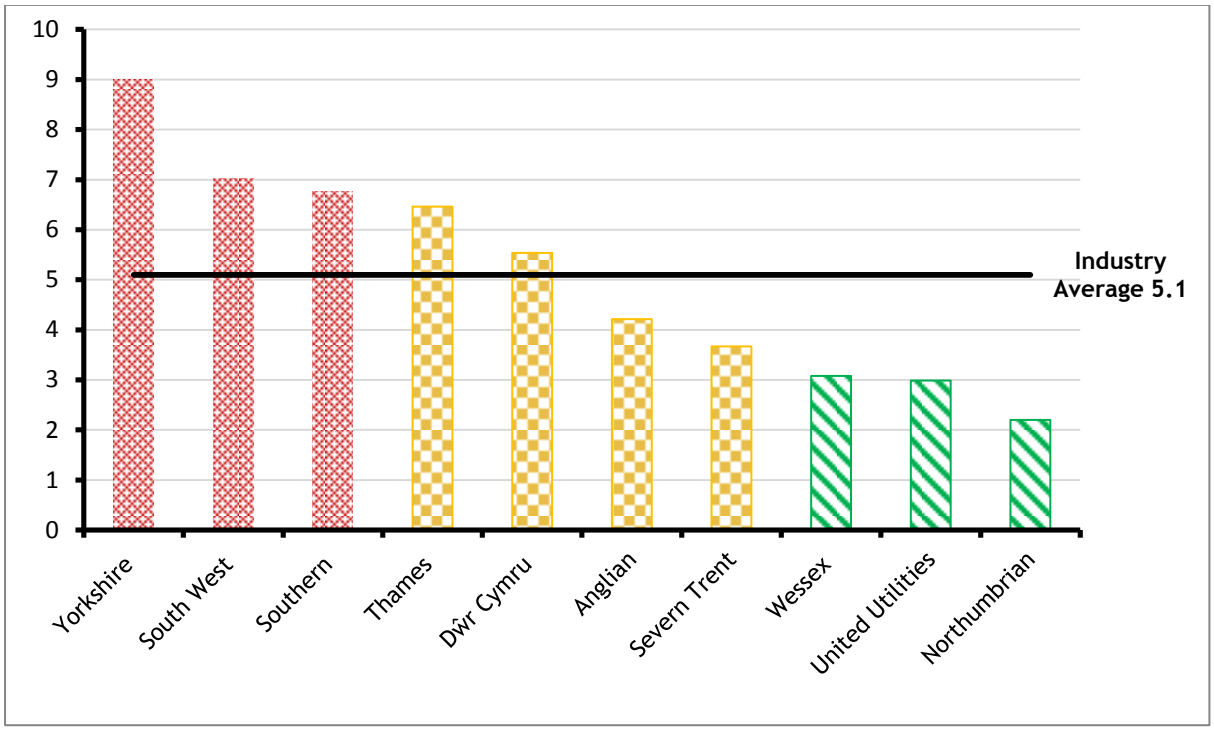
Sewerage service complaints do not make up a high percentage of the total number but in some cases, such as internal sewer flooding, can cause the greatest distress to customers.

This is an area of service vulnerable to extreme weather. Heavy or persistent rainfall can have a serious effect on the complaint numbers of this category. In 2015/16 the north of England experienced two severe flooding events. When rivers burst their banks, flood water can overwhelm the sewer network. This can cause sewers to overflow, discharging foul water and solids onto open spaces and into properties.

All sewerage companies have clear policies for attending sewer flooding incidents and doing a clean up of the property or area. However, this can still lead to complaints as many customers remain fearful of a repeat incident if the company is unable to promise a speedy and permanent solution.

Chart 11 shows individual company performance for complaints per 10,000 connections for sewerage service complaints.

Chart 11: Sewerage service complaints per 10,000 sewerage connections 2015/16



Yorkshire received the most sewerage service complaints per 10,000 connections. Its area was badly hit by severe weather in the winter of 2015/16 on at least two occasions. In contrast, the other companies in the northern area, United Utilities and Northumbrian, compared well to the rest of the industry. Sewerage service complaints across the industry were down 11.4% compared to the previous year, from 14,303 to 12,666.

Operational problems with metering

More than half of all household customers in England and Wales are now on a meter. Because the demand for water in areas of the south east of England has been deemed an area of water stress, (the demand for water exceeds the available amount during certain periods). Most companies in that region have implemented or are implementing a metering programme for all their households; most non-households are already metered.

CCWater regards metering as the fairest measure of charging but it needs to be implemented very sensitively, helping customers with any negative financial impacts.

Our online water meter calculator gives customers an indication of whether they could save money if they opt to have a free meter installed. To date the calculator has helped to identify £15 million in potential savings for customers.

A meter may not benefit all households though and where a meter has made it increasingly difficult for customers to afford their bills, we work with the industry to offer support, either through social tariffs or other financial assistance.

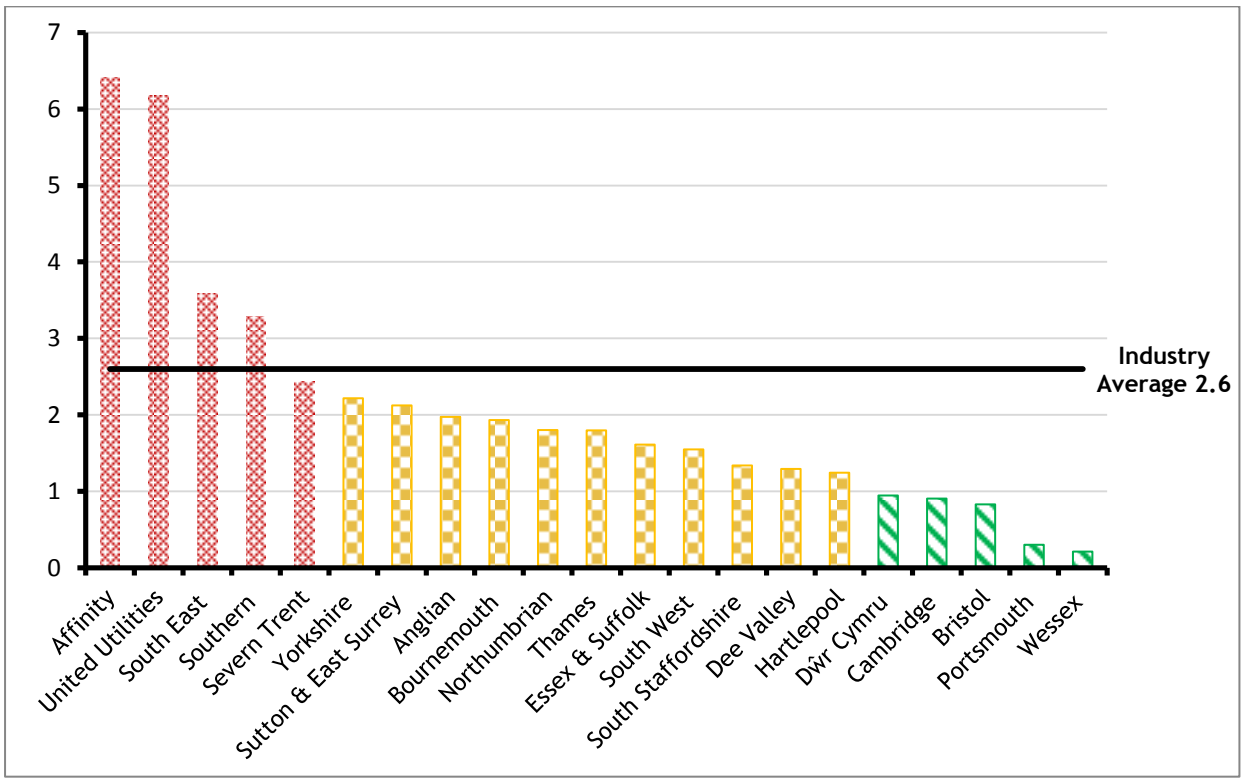
Complaints within this category are more likely to relate to operational issues only. Causes of complaint include where a meter is faulty, its location or where a customer has had a request to install a meter refused.

Customer complaint

Hi, I have recently moved to my new property. I am told it is compulsory to put a water meter in the property.

We assess company performance on the basis of the number of complaints per 10,000 metered properties. Chart 12 shows the individual company complaints received per 10,000 metered properties.

Chart 12: Metering complaints per 10,000 metered properties 2015/16



Affinity's compulsory metering programme has led to it being the worst performer in this category.

Complaints about 'Other' services

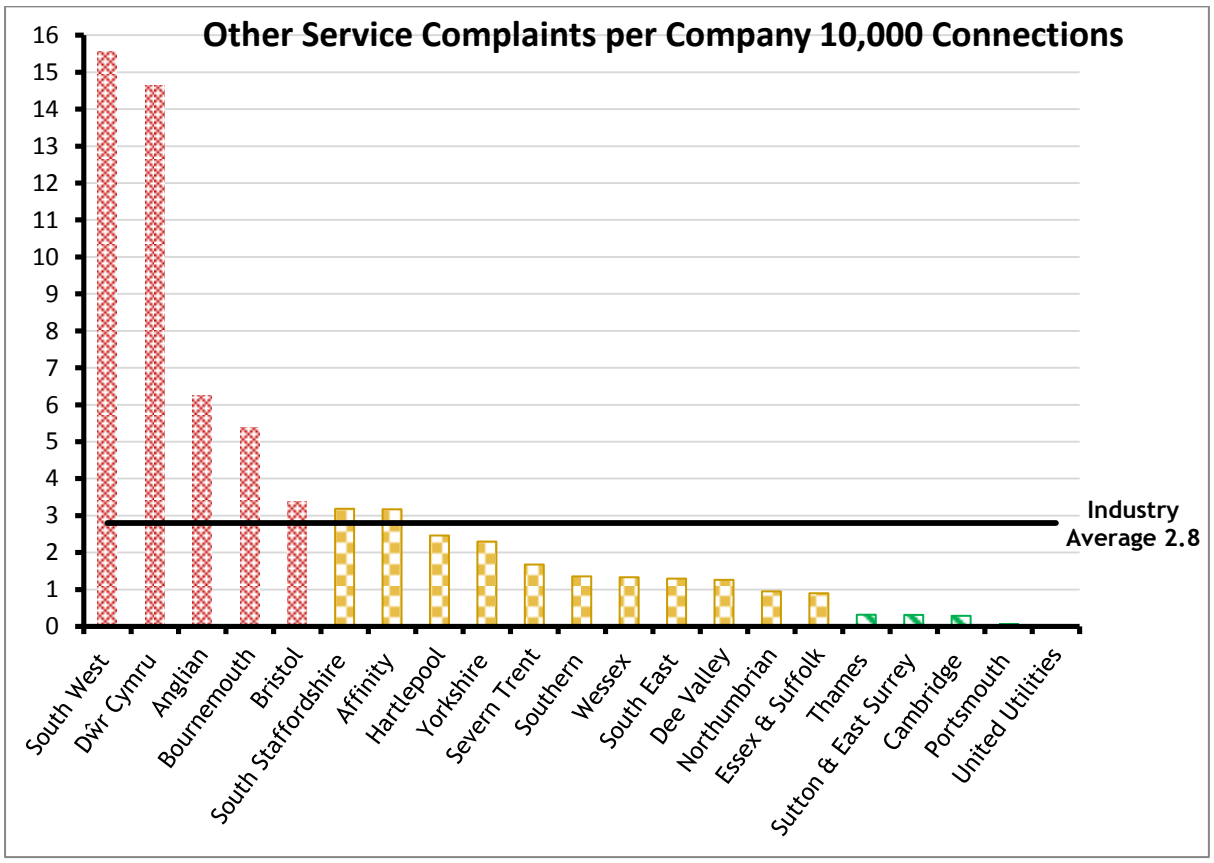
'Other' customer complaints include those about company administration, such as failure to send a response or from customers experiencing problems with a company's telephone system. Although these complaints are often not as severe for customers as for some of

the other main categories, companies which allow their front-line resources to become stretched often see complaints increase. Chart 13 shows the complaints under the 'other' category per 10,000 connections for each company.

Customer complaint

My water company keeps turning up unannounced at my house to 'survey' my property, despite me having an agreed appointment time where the survey was completed.

Chart 13: Complaints under the 'Other' category 2015/16 per company per 10,000 connections



Two companies – South West and Dŵr Cymru – reported a significantly higher number of complaints in this category than the industry average.

Often it is another service failure which prompts a customer to complain about a company's administrative services. Poor administration will contribute to the customer's perception of bad service and lead to more complaints. We have raised continually with the industry the importance of companies resolving matters quickly, "right first time" and to the customer's satisfaction.

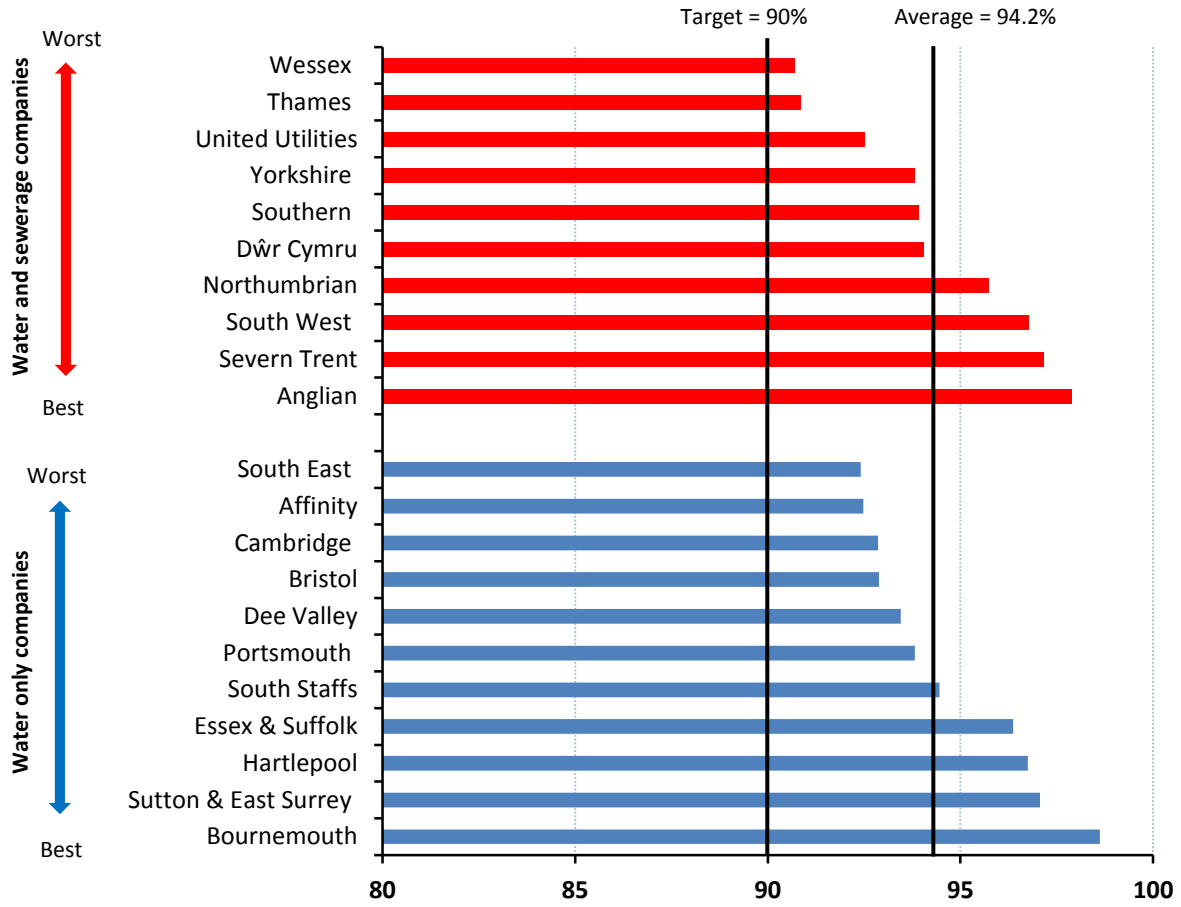
5. Company Performance in resolving complaints after the first written customer contact

It would be unreasonable to expect companies to resolve all complaints after one written contact, but we expect them to deal with at least 90% without the need for the customer to write in again. Companies often miss the opportunity for first time resolution through avoidable mistakes such as not responding on time, not covering all of the points the customer has raised at the first time of asking, or staff not being sufficiently empowered to resolve the customer's issue there and then.

Each year for companies that are identified in this report as performing poorly, we visit the company premises and assess a sample of 25 of their written complaints. Our teams make recommendations to each company and where we see good practice from which we believe other companies will benefit we will share it. This is an effective way of monitoring company performance and making sure the companies are doing what they say they are doing in their respective complaint procedures.

Last year 94.2% of complaints were resolved at the first stage of the company procedure, a 0.2% decrease on the previous year. Company rankings are shown in Chart 14.

Chart 14: Written complaints from customers resolved after the first written contact 2015/16



For the first time all the companies reported that they had resolved over 90% of written complaints after the first written contact. Not a great deal separates the best performers from the worst performers but there still remains room for improvement. Before 2020 we expect the industry to move towards 95% right first time. Thames has committed to do this as one of its outcome delivery incentives for this pricing period. South West has also committed to reach this target for its operational contacts.

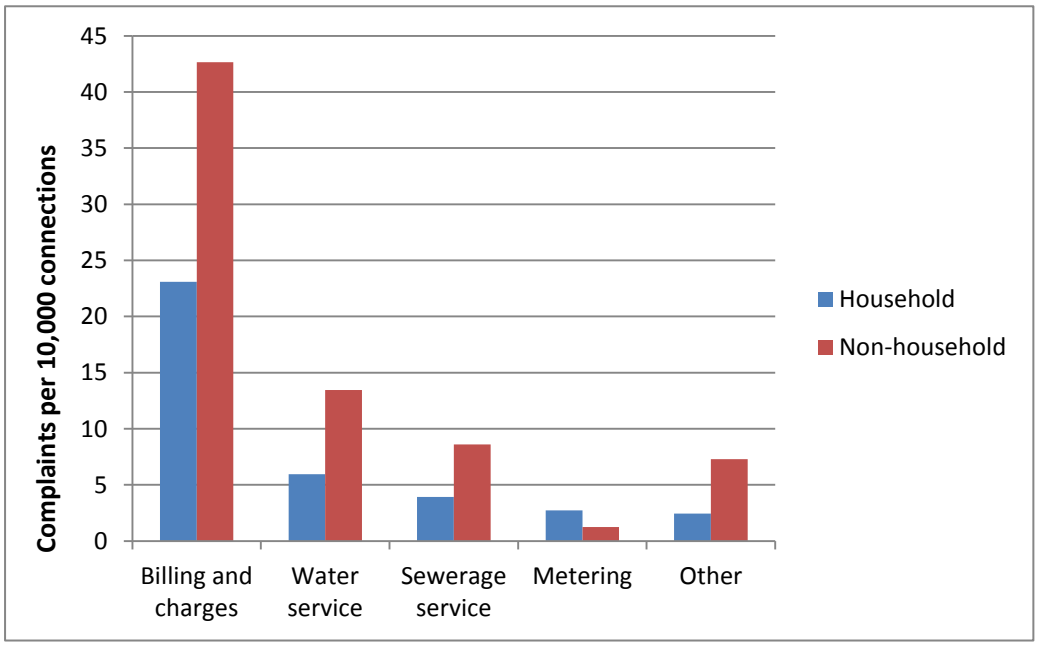
6. Complaints by non-household customers

We are very concerned that non-household customers are being let down on the service they receive from their water companies. Non-households include commercial premises, factories, farms, hospitals, universities, etc. Across the industry non-household complaints to the water companies were well above the levels of complaints from household customers when comparing complaints per 10,000 connections. Our research of small and medium sized businesses in 2016 revealed higher levels of satisfaction with their contact with the water company compared to the research in 2014 (69% compared to 56%). However, it is still below the 2012 figure of 74%.

The industry must deliver better service to non-household customers. With the introduction of retail competition for non-household customers in England in April 2017, customers of water companies which are wholly or mainly in England will have the freedom to switch retail water supplier. Companies that perform badly will not only receive more complaints and face pressure from us, but will also face reputational risk in losing their customers.

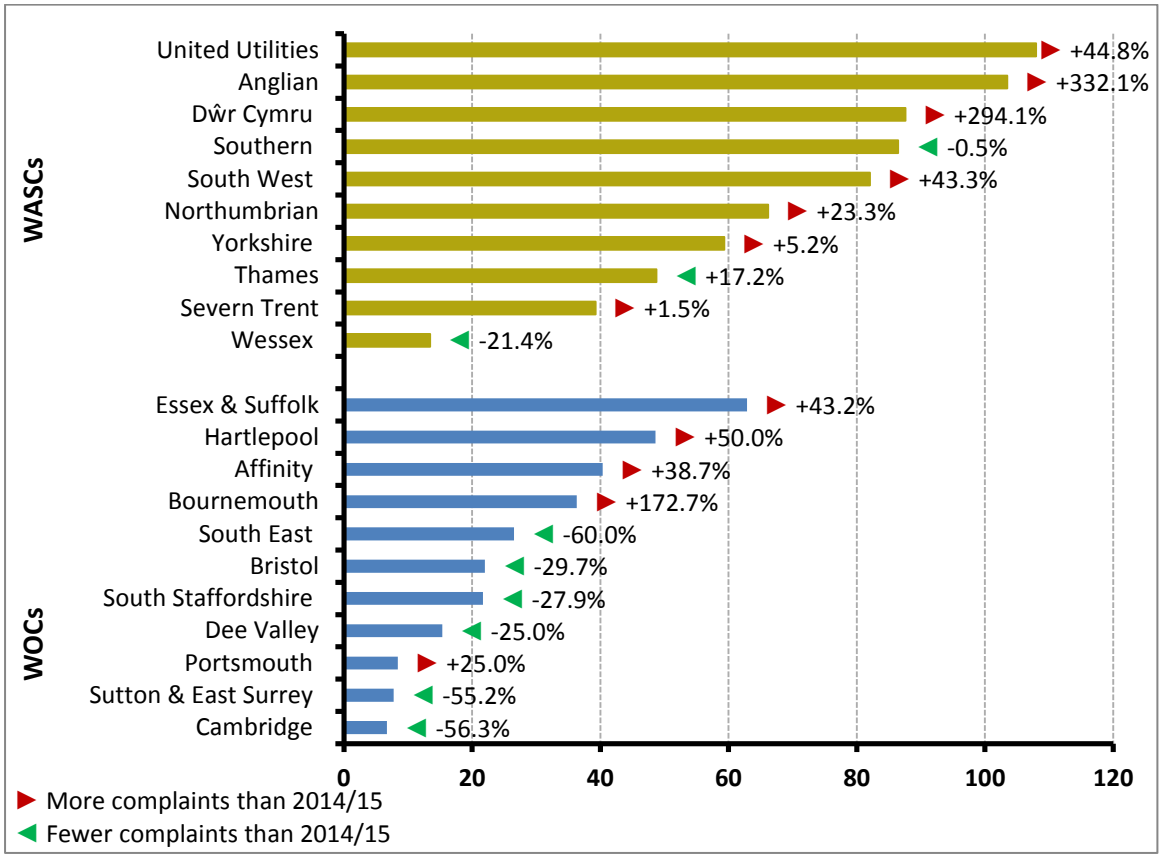
There were 61.6 written complaints per 10,000 connections for non-household customers compared to 31.9 for household customers. Chart 15 shows non-household complaints for each main category compared to household complaints.

Chart 15: Household and non-household main category complaints per 10,000 connections 2015/16



As was the case in complaints from all customers, highlighted previously in this report, there are big differences between companies when comparing non-household complaints per 10,000 connections, as Chart 16 shows.

Chart 16: Non-household written complaints to companies per 10,000 connections 2015/16



There are huge differences between the best and worst performing companies when comparing their complaints per 10,000 non-household connections. United Utilities was the worst performer, followed by Anglian and Dŵr Cymru.

There are also some sizeable percentage increases on the previous year. Many of the increases in non-household complaints mirrored the problems with the whole customer base, in particular Dŵr Cymru and Bournemouth. Household and non-household complaints have only recently been reported separately by companies but we will be monitoring this closely in the future.

Thames, Southern and Portsmouth will relinquish their retail service to non-household customers when the market opens for competition in April 2017 since they are selling their retail business to other providers. Severn Trent and United Utilities are also merging their retail services to non-household customers, as well as Bristol and Wessex.

To ensure that CCWater is prepared for the challenges that retail competition is likely to present we:

- Commissioned customer research to understand what they expect from a competitive non-household retail market in 2017;
- Engaged directly with customers and their representative groups to explore how best to raise awareness of the new market among customers;
- Used what we have learned above to influence the market designers so that codes and regulations protect customers, while still encouraging their participation in the market; and
- Have planned our approach to dealing with new complaint issues from non-household customers about switching and related issues.

Our work has given us up-to-date customer evidence to shape our approach and to brief regulators and government. Bodies that represent different groups of customers, for example the Federation of Small Businesses (FSB), welcome the idea of partnering with us to disseminate messages to their members. We aim to reach out to as many non-household customers as possible in the run up to the opening of the market.

We hold a business customer forum twice a year where attendees raise issues and discuss with us any concerns. We also offer advice to business customers on our website and deal with their complaints against water companies. We will use the information from the complaints we receive against the water companies to examine in more detail why there are such big differences between companies and whether these are caused by company policies or service failures. In addition we will also monitor the numbers of non-household customers who switch retail providers as an alternative to complaining to their existing service provider.

7. Telephone contacts from household customers to resolve issues (Unwanted contacts)

Many written complaints begin with a telephone contact to the company. This is the company's chance to put the matter right quickly with the customer. It is often one of the few occasions the company gets to communicate with the customer outside of billing. Companies should use this opportunity to listen to their customers and improve their service.

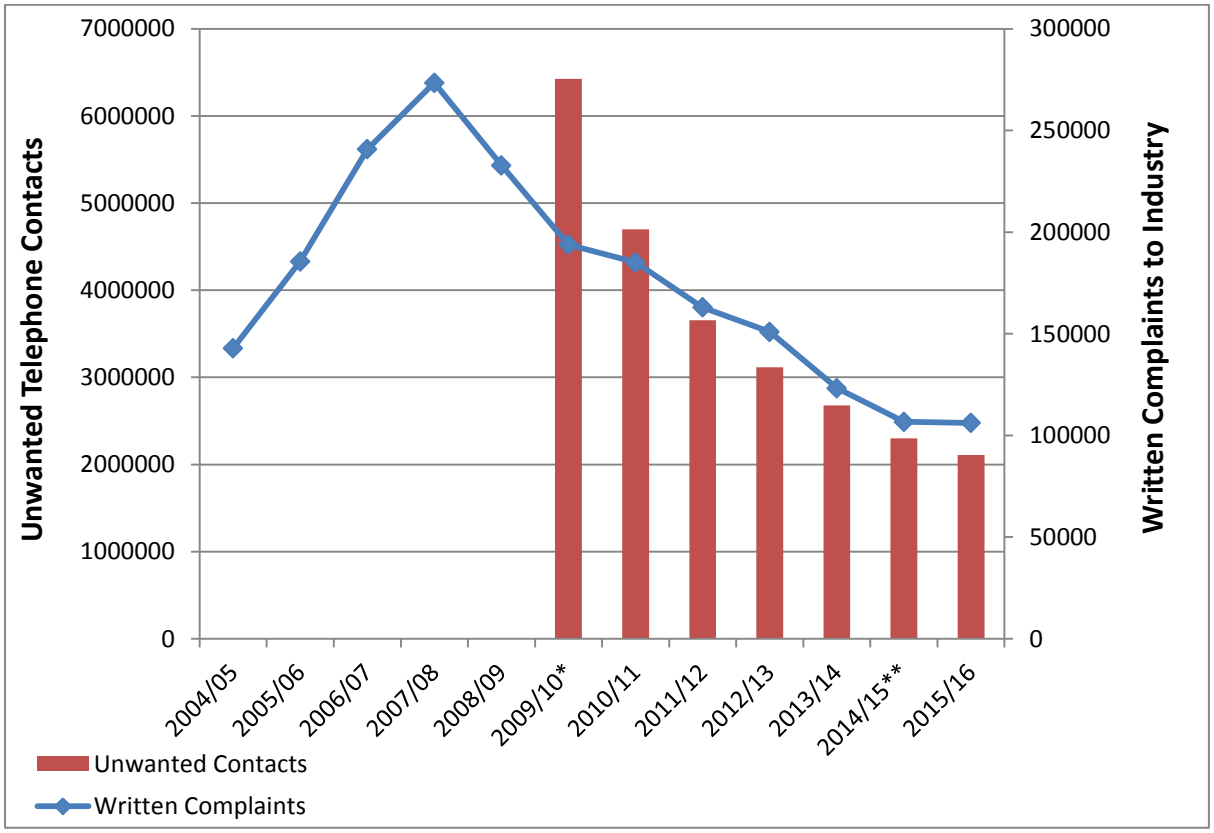
Complaints in writing only show a small part of the picture on company service. Newer technology is being favoured by some customers and companies, including text messaging and social media. Despite the changes in communication methods a telephone call remains the most common method of customer communication to the companies.

Companies report telephone contacts from household customers that are considered to be 'unwanted' from the customer's point of view as they form a part of Ofwat's SIM. However, this report focuses primarily on written complaints made by household and non-household customers as these provide the most consistent and comparable way of assessing the performance of each water company. Unwanted contacts do not exclusively include complaints and can cover a wide range of calls where customers have reported a service issue or had to chase their water company for action to be taken.

In 2015/16 there were 2,110,427 unwanted contacts to water companies in England and Wales, down 8.2% from 2,300,188 the previous year. Since 2014/15, companies have only been required to provide the number of unwanted telephone contacts from household customers whereas previously they covered all customers. The long-term trend should therefore be treated with caution.

Chart 17 shows that the fall in written complaints and telephone contacts broadly follow the same improving trajectory.

Chart 17 Written complaints and unwanted telephone contacts from customers to water companies 2004/2005 to 2015/16



*2009/10 was a pilot year for unwanted contacts which may not be reflective of industry performance
**2014/15 includes unwanted contacts for household customers only for most companies, from 2015/16 the number is solely household customers

The industry improved in unwanted contacts overall last year but individual company performance varied. Similar to written complaints there were wide gaps between the best and worst performing companies when comparing to 10,000 connected properties.

Table 3 Unwanted contacts from household customers 2015/16, and per 10,000 connections

Company	Unwanted telephone contacts	Per 10,000 connections
Water and sewerage companies		
Thames	499,337	904.0
South West	67,340	899.4
Yorkshire	185,517	821.3
Dŵr Cymru Welsh Water	116,095	809.4
Northumbrian	92,702	768.5
Southern	143,224	740.9
United Utilities	195,438	625.4
Severn Trent	254,076	624.6
Wessex	65,978	557.7
Anglian	145,524	511.4
Water only companies		
Affinity Water	151,447	1086.3
Dee Valley	11,964	1023.7
Essex & Suffolk	44,298	576.2
Bristol	27,280	559.2
Sutton & East Surrey	14,887	550.8
Bournemouth	9,963	526.7
South East	45,283	493.7
Hartlepool	1,865	442.0
South Staffordshire	22,303	403.9
Portsmouth	11,609	390.9
Cambridge	4,297	336.5
Total	**2,110,427**	

8. Customer complaints received by CCWater about water companies

One of CCWater's roles as a consumer body is to deal with complaints from customers about their water company. Customers often approach us early in the process to ask for advice or assistance. Where we can help we will either pursue the complaint on behalf of the customer or advise them how to take the matter forward themselves.

In 2015/16 we dealt with a total of 9,950 customer complaints against the water companies, a decrease of 2.4% on the previous year. We helped customers secure more than £1,938,000 in compensation and rebates. Our negotiations with United Utilities also led the company to offer a higher level of compensation to 320,000 customers affected by the boil water notice in Lancashire during August 2015.

The complaints we deal with also inform us about issues affecting customers generally. For example, when dealing with a customer complaint last year we identified a problem where a customer was late with a payment. That payment and future payments from the customer did not register on the company system because of a fault. This was a flaw in the company billing system which affected more than 20,000 customers who also missed one payment. The company began to chase up arrears with 2,000 of its customers but we pressed it to waive the arrears because the fault lay with the company and not its customers.

Another complaint we received resulted in a company changing its policy for properties served by two meters. Where previously the company had charged customers for two lots of standing charges, it began to charge for one.

Companies will nearly always follow our recommendations to resolve a customer complaint before we have to formally investigate it. This helps to ensure a quick resolution for the customer and ensures companies get it 'right first time'.

When a customer complains to a company and goes through the company complaint procedure, we will investigate the matter on behalf of the customer if we believe the company should change its position on the complaint. Last year we carried out 20 formal investigations, the same number as the previous year.

9. Future CCWater work

Customer complaint numbers in 2015/16 highlighted several areas of concern. Too many companies reported an increase in complaints compared to the previous year, with some significant rises. Our Regional and Wales Committee Chairs have already written to four poorly performing companies to request interim reports and ask what actions they are taking to reduce complaint numbers. We will continue to monitor the performance of companies across all areas of their service. Where we see issues, we will challenge companies to deliver better service and meet the expectations of their customers. Where we see good practice, we will share this with other companies to drive a consistently good level of service to all customers.

Billing and water service complaints increased on the previous year. To help address these issues we will:

- Represent customer interests on charging matters to companies, governments and regulators;
- Continue to improve our advice and awareness on assistance schemes that help customers who are struggling to afford their bills; and
- Press for customer engagement to remain a central part of the future price setting process and how the water industry operates.

For water related issues we will:

- Ensure that companies provide accurate and timely information to customers on water quality and supply issues;
- Review how companies have managed and implemented compulsory metering programmes so lessons are learned and shared across the industry; and
- Encourage companies to prioritise leakage reduction.

To ensure that companies address the high number of non-household complaints compared to household complaints we will look to identify any systemic service issues from the complaints we receive against companies from non-household customers. We will also use our non-household customer research to focus companies' attention on delivering high service standards. When the retail element of the non-household market opens in April 2017 we will work with all retailers, the regulator and other organisations to limit service issues arising and to minimise customer complaints.