

CONSUMER COUNCIL FOR



CYNGOR DEFNYDDWYR



**Household complaints to water companies
in England and Wales
April 2017 – March 2018**

September 2018

The Consumer Council for Water (CCWater) is the statutory consumer body representing the interests of the customers of Water and Sewerage Companies (WaSC) and Water Only Companies (WOC) in England and Wales. Our work involves:

- Handling customer complaints against the water companies in England and Wales;
- Responding to customer enquiries and providing advice to customers about water and sewerage issues;
- Researching customers' views about the services and value for money they receive from their water company; and
- Monitoring company performance through the complaints we receive against companies, quarterly information reports we receive from companies, and written complaint and debt management assessments.

The information we gather through the above activities allows us to work with stakeholders to improve the services water companies deliver to their customers.

This is our twelfth annual complaint report. In previous years, our reports included written complaint information from household (HH) and non-household (NHH) customers. From April 2017, NHH customers in England were able to choose the provider of their retail services. These services include billing, meter reading and customer service. We reported on NHH complaints against the retail companies and those CCWater received against retailers in July 2018¹.

Information in this report covers written complaints and unwanted telephone contacts² made by HH customers against water companies in England and Wales only. The information about written complaints (via post, email, web or fax) in this report covers the total numbers, reasons for the customer contact and company complaint handling. Our coverage of unwanted telephone contacts is less detailed and includes only the total numbers for each company. However, as more customers contact their company by telephone to get an issue resolved, the numbers are significantly higher compared to written complaints and we include these to get a more complete picture of company performance.

Many customers are using new communication channels to contact their company, such as social media, short message service (SMS) and webchat. Over the last year we have been working with the industry to begin reporting complaints from all communication channels available to customers. We expect to begin reporting these new contact channels from 2018-19.

To ensure we are comparing company performance consistently, we only use complaint and unwanted telephone contact data over the last three years. This is because companies first reported HH and NHH complaints separately three years ago.

In line with our previous reports, to take into account the differences in company size we measure individual company performance per 10,000 HH connections (or connected properties) as well as any change in numbers on the previous year. Tables in this report include a red, amber and green colour scheme to denote company performance. Red highlights performance worse than or above 25% industry average for written complaints or unwanted contacts per 10,000 connections, and if the

¹ <https://www.ccwater.org.uk/wp-content/uploads/2018/07/Non-household-complaints-report.pdf>

² An 'unwanted contact' is when a customer calls their water company to get an issue resolved. The contact is unwanted from the customer's perspective because they would not need to make the call if they had no issue with their bill or water or sewerage service. They do not include transactional contacts such as bill payments or general enquiries.

company has an increase on the previous year. Companies that fall within 25 percentage points of the industry average are coloured amber. The better performing companies are coloured green if their complaints per 10,000 connections are better than (25% below) the industry average or if they have received fewer written complaints or unwanted contacts than the previous year.

We will be asking companies highlighted red in the tables for complaints per 10,000 connections and that have received an increase on the previous year to provide us with quarterly updates on what action they are taking to improve their service to customers and reduce the number of written complaints and/or unwanted contacts they are receiving.

Companies that are greater than 25% above the industry average but have improved on the previous year will be on our 'watch list.' We will closely monitor these companies in 2018-19 to make sure they deliver a better service to their customers.

More detailed data on complaint and unwanted contact numbers can be found in appendices 1-10.

Comments on this report should be sent to feedback@ccwater.org.uk.

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1 EXECUTIVE SUMMARY

Although the three-year trend (2015/16 to 2017/18) for written complaints for HH customers³ showed a strong improvement, the industry's performance on unwanted contacts was not so good. There has been no progress over the last three years with the number of calls above where it was in 2015/16.

One of the reasons for the increase in unwanted contacts since 2015/16 was Southern Water's internal review of how it recorded these calls in 2016/17. This led to a significant increase in its number compared to the previous year. 2017/18 was the first full year Southern Water's changes took effect which brought about an additional 13% increase compared to the previous year. Taking out Southern Water, we would have seen a 3.5% decrease in unwanted contacts since 2015/16, instead of the 1.8% increase.

Nine companies reported an increase in unwanted telephone contacts compared to four for written complaints. Despite the pressure we put on the poor performers and the possible financial penalties for poor service in Ofwat's Service Incentive Mechanism (SIM)⁴ some companies are still letting down their customers and causing them to complain or have to call them because of an inconvenience.

Total written complaints, including NHH reduce in the year

2017/18 was the first year of retail competition, where NHH customers in England could choose the provider of their retail water services (billing, meter reading and customer service). We reported NHH complaints against these retailers and against the companies in Wales in July this year. This report can be accessed [here](#).

Although non-household complaints increased last year by 26%, the combined total of written complaints for household and non-household customers still reduced by 11.6% compared to 2016/17. NHH complaints are covered in Section 6 of this report.

2,132,956

Unwanted telephone contacts – down only 0.5% on the previous year

10%

Increase in water supply complaints partly caused by the freeze/thaw in March 2018

17%

Decrease in written complaints compared to the previous year

95.7

Percentage of written complaints resolved at the first stage of the company procedure

2

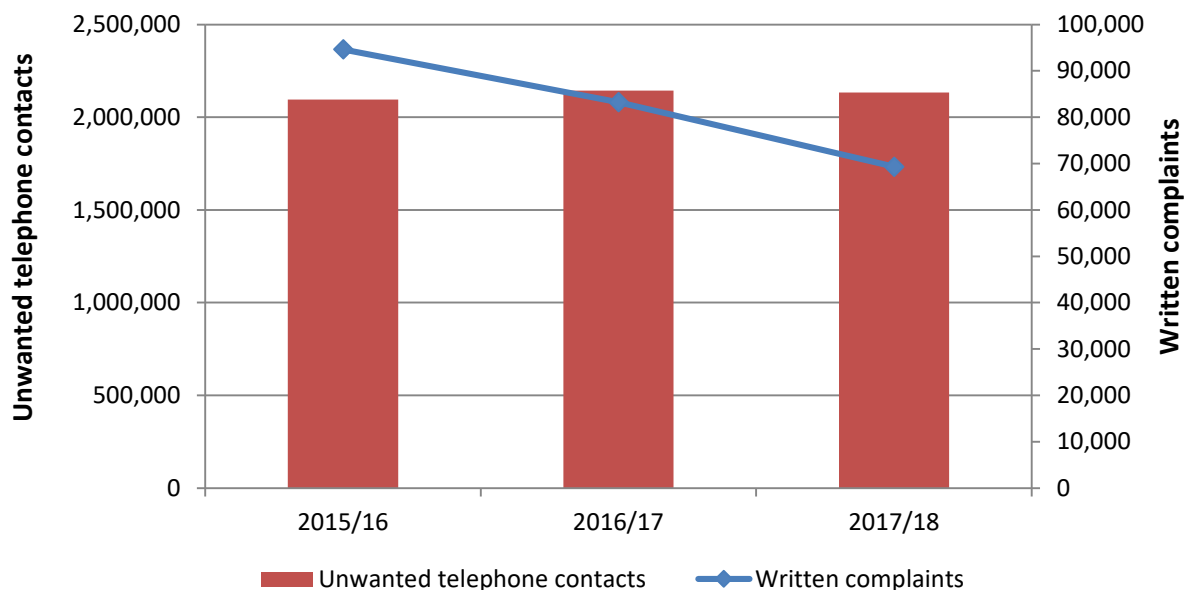
The lowest ever number of CCWater investigations for household customer complaints against companies in the year.

³ With the exception of Section 6, unless stated, all of the information in this report relates to household customer complaints and unwanted contacts only.

⁴ 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 Receive rewards and penalties for customer service performance during Ofwat's price review.

Chart 1 shows the industry performance for written complaints and unwanted telephone contacts over the last three years.

Chart 1: Written complaints and unwanted telephone contacts - 2015/16 to 2017-18



Unwanted telephone contacts reduce slightly

There was a disappointingly small reduction of 0.5% for unwanted contacts from HH customers to companies, falling from 2,143,040 in 2016/17 to 2,132,956 in 2017/18. Nine of the 21 companies reported an increase, with the industry as a whole making little progress over the last three years.

Individual company performance

Southern Water remained the industry’s worst performer for complaints and unwanted contacts. SES Water’s 20.8% increase in unwanted telephone contacts helped make it the worst performing WOC for this measure. Bristol Water reported a significant increase in unwanted contacts (37%) and written complaints (52%) making it the worst performing WOC for written complaints. As these three companies’ unwanted contacts and/or written complaints are greater than 25% above the industry average, we will be asking them to provide, or in the case of Southern Water continue to provide, quarterly updates on what they are doing to improve their customer service and bring their numbers of written complaints and/or unwanted contacts quickly back into line with the rest of the industry.

Table 1 shows the individual company performance on unwanted telephone contacts and written complaints compared to the previous year and per 10,000 connected properties.

Table 1: Written complaints and unwanted contacts – 2017-18 and increase/decrease on previous year

Unwanted telephone contacts				Water and sewerage companies	Written complaints			
2016-17	2017-18	Change %	Per 10,000 connected properties		2016-17	2017-18	Change %	Per 10,000 connected properties
220,306	248,936	13.0	1,255.7	Southern	7,881	6,259	-20.6	31.6
511,792	509,964	-0.4	907.9	Thames	17,809	17,039	-4.3	30.3
111,667	121,361	8.7	835.9	Dŵr Cymru	5,430	3,148	-42.0	21.7
210,300	189,821	-9.7	831.0	Yorkshire	5,748	3,897	-32.2	17.1
55,055	53,753	-2.4	692.2	South West	2,513	2,202	-12.4	28.4
81,950	81,077	-1.1	663.9	Northumbrian	2,902	2,534	-12.7	20.7
75,984	79,615	4.8	651.1	Wessex	1,767	1,787	1.1	14.6
238,398	262,409	10.1	629.2	Severn Trent	11,985	9,921	-17.2	23.8
183,403	174,391	-4.9	544.5	United Utilities	7,441	6,755	-9.2	21.1
112,570	103,798	-7.8	360.0	Anglian	8,606	6,382	-25.8	22.1
				Water only companies				
22,563	27,248	20.8	983.4	SES Water	598	567	-5.2	20.5
157,736	113,321	-28.2	794.8	Affinity	3,879	2,743	-29.3	19.2
26,229	35,885	36.8	713.9	Bristol	1,028	1,560	51.8	31.0
40,138	36,807	-8.3	481.4	Essex & Suffolk	1,826	1,356	-25.7	17.7
5,897	6,241	5.8	467.8	Cambridge	460	286	-37.8	21.4
41,764	40,342	-3.4	423.1	South East	1,400	1,476	5.4	15.5
1,809	1,802	-0.4	420.8	Hartlepool	136	92	-32.4	21.5
11,031	12,175	10.4	403.8	Portsmouth	380	310	-18.4	10.3
20,053	22,072	10.1	397.2	South Staffs	924	585	-36.7	10.5
6,988	4,646	-33.5	391.2	Dee Valley	135	180	33.3	15.2
7,407	7,292	-1.6	375.6	Bournemouth	407	245	-39.8	12.6
2,143,040	2,132,956	-0.5	709.0	Total/average	83,255	69,324	-16.7	23.0

Key

Increase on previous year for written complaints or unwanted contacts and >25% above average per 10,00 connections	
Average written complaints or unwanted contacts per 10,000 connections	
Decrease on previous year for written complaints or unwanted contacts and <25% below average per 10,000 connections	

Thames Water reported more than 25% above the industry average for complaints and unwanted contacts, and we will be closely monitoring its performance this year.

Anglian Water's low number of unwanted contacts placed it in the best position across the industry. Bournemouth Water also performed well, especially as only two years ago we required it to provide quarterly updates on its written complaints.

Dee Valley Water did well to reduce unwanted contacts by a third but its written complaints increased by a similar amount. Despite South Staffs Water and Portsmouth Water seeing an increase in unwanted contacts by over 10%, they still compared comparatively well.

Causes of complaint

Once again, billing and charges made up over half of the written complaints received by companies. However, there was an improvement on the previous year, with a reduction of more than 10,000 from 47,970 to 37,185 (22.5%).

Written complaints about sewerage service (23.8%), metering (33.4%) and the 'other' category (10.8%) also reduced.

However, customer complaints about water supply increased during the year. One of the reasons for this increase was the disruption to supplies in the aftermath of the Beast from the East in March 2018. The sudden thaw following a long spell of freezing weather caused pipes to burst, leaving around 200,000 customers without running water – mainly across the South of England, the Midlands and Wales. Some companies reported a spike in water supply complaints for the fourth quarter of the year, leading to an increase of 10.4% compared to 2016/17.

Written complaints escalated to the second stage of the company procedure

Companies resolved 95.7% of written complaints at the first stage of their procedure, an improvement of 0.5% on the previous year. None of the 92 customers who complained about Hartlepool Water had to escalate their complaint. In contrast, 10% of the written complaints received by Dee Valley Water were escalated to the second stage in its procedure.

Complaints to CCWater

Customers approach CCWater when:

- They have exhausted their company's complaint procedure and remain dissatisfied;
- They are having difficulties contacting their company and contact us for advice; or
- They complain directly to their water company but copy their complaint to us.

In 2017/18, we received 6,815 complaints from HH customers, 13% fewer than the previous year. Companies normally respond to our challenge if we feel they have not adequately addressed the customer's complaint. We press companies to resolve customer complaints early in the process.

When the customer's complaint has exhausted a company's procedure and we feel there are further issues to be addressed, we will formally investigate the complaint⁵. It is pleasing that we only had to take this step on two occasions for household customers in the year.

⁵ Under the Water Industry Act 1991 (amended 2003), gives CCWater has the statutory power to formally investigate a customer complaint <https://www.legislation.gov.uk/ukpga/1991/56/contents>.

2 WATER INDUSTRY COMPLAINT PERFORMANCE

One of CCWater's main strategic priorities is 'Right first time', which means challenging water companies to provide services that are easy to access and ensuring they sort out problems and complaints quickly and without hassle to the customer. One measure of service performance in any industry is complaint numbers. High or increasing numbers of complaints show companies are not meeting their customers' expectations.

Overall industry performance in the year for written complaints and unwanted telephone contacts improved. We welcome this improvement but there remain issues for companies to address:

- The number of unwanted telephone contacts has not improved over the last three years;
- Too many companies saw an increase in unwanted telephone contacts on the previous year; and
- Some companies are still prone to sudden increases in complaints, brought about by new billing systems, a change in company policy or extreme weather events.

No progress on unwanted telephone contacts

There was a disappointingly small reduction of 0.5% for unwanted contacts to companies, falling from 2,143,040 in 2016/17 to 2,132,956 in 2017/18. This kept the total industry number above where it was in 2015/16. Much of this increase derives from Southern Water's review of its internal processes. In 2016/17 the company reported its unwanted contacts increased by almost 54%. The company review came part way through 2016/17. As 2017-18 was the first full year of Southern Water recording unwanted contacts following its review, there was an additional increase on the previous year. Once again, this impacted on the industry total.

Although these contacts are considered unwanted from the customer perspective, as they are considered to cause inconvenience, not all of them are complaints. If a company deals with the contact effectively then it can provide a positive experience for the customer and provide the company with an opportunity to improve. However, companies should learn by their mistakes and tackle the root causes of why they are not making any progress in reducing unwanted telephone contacts. It is unsatisfactory that there has been no progress on this over the last three years. We want to see a marked improvement next year, especially from the poorer performing companies.

Better performance for written complaints

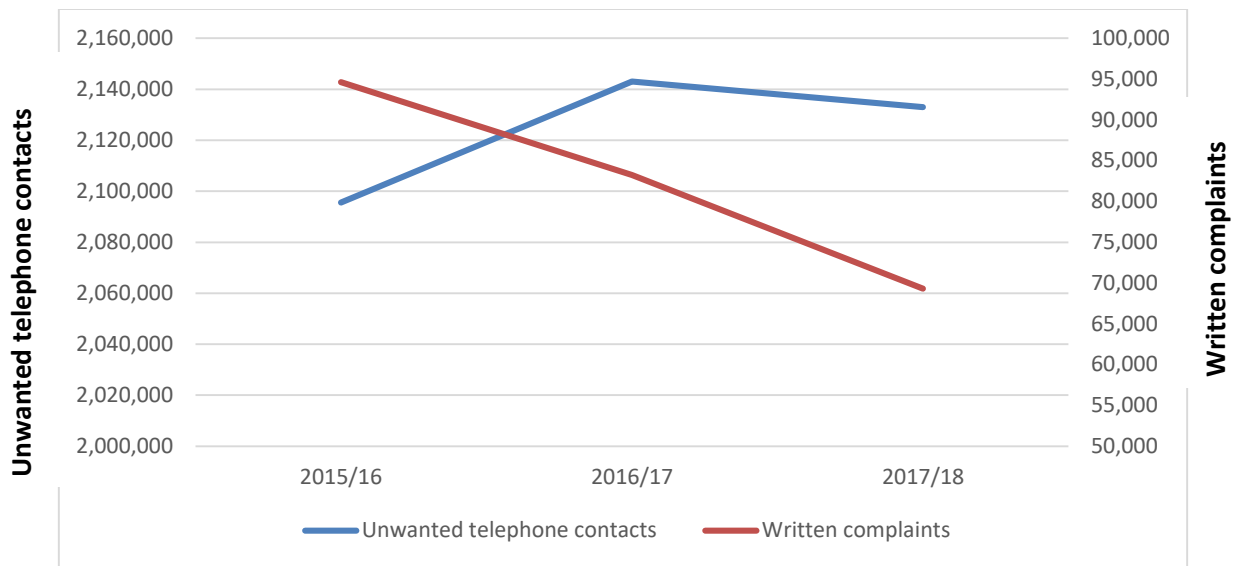
On the back of unacceptably high price increases for many customers, written complaints against water companies peaked at over 273,000 in 2007/08. We strongly challenged the industry and the poorer performing companies to address this unacceptable situation for customers.

Companies have responded to our pressure and written complaints have reduced significantly from the peak of 2007/08 to less than 85,000 (HH and NHH written complaints in 2017/18). Despite an increase in non-household written complaints from 11,772 in 2016/17 to 14,885 in 2017/18, there was still an overall decrease of 11.6%. Since the peak in 2007/08, written complaints against companies in England and Wales have reduced by just over 69%.

In 2017/18, HH written complaints totalled 69,324, a 16.7% decrease on the 83,255 seen in 2016/17.

Chart 2 shows the trend in household written complaints and unwanted telephone contacts over the last 3 years.

Chart 2: HH written complaints and unwanted telephone contacts to water companies in England and Wales - 2015/16 - 2017/18



We want to see unwanted contacts and written complaints reduce at a similar level and will be pressing companies to improve all levels of service to their customers.

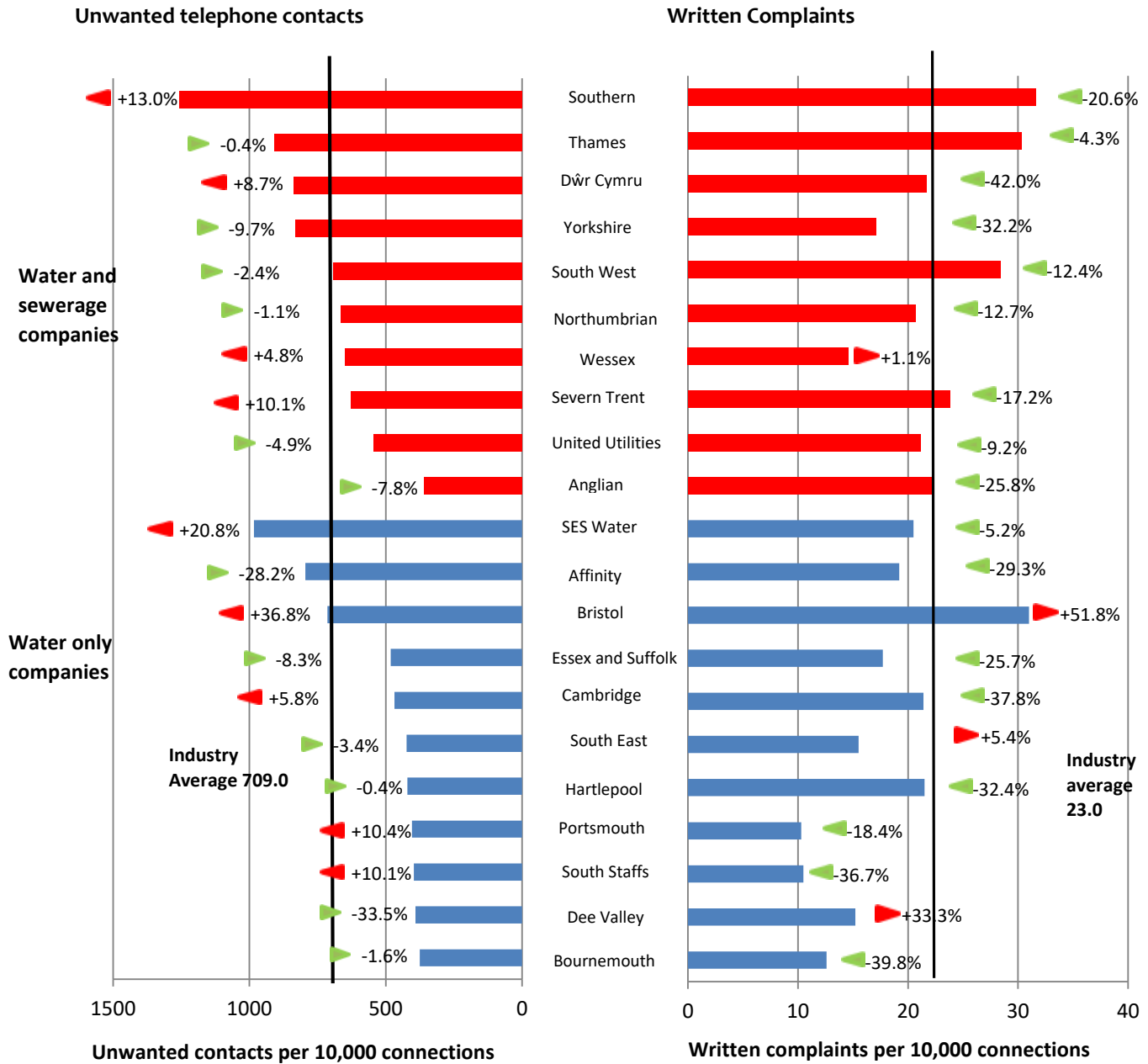
Complaints through new contact channels

We recognise that customers are contacting their water company through different communication channels and this may account for some of the reduction in written complaints. We have been working with water companies to provide a more complete picture of customer complaints by including contact through social media, SMS and webchat. We will begin to report on these channels in future reports.

3. INDIVIDUAL COMPANY PERFORMANCE

Performance for individual companies in 2017/18 was mixed. Seventeen of the 21 companies reported a decrease in written complaints which is reflected in the 16.7% reduction and the improving trend over the last three years. However, nine companies reported an increase in unwanted telephone contacts. Chart 3 shows the company performance for both measures in 2017/18.

Chart 3: Unwanted contacts and written complaints to water companies 2017/18



Water and sewerage companies	
Water only companies	
Increase on previous year	▶▶
Decrease on previous year	▶▶

Although Southern Water remained the worst performing company for both written complaints and unwanted contacts, it has continued to show an improvement on its written complaints, reducing them by 58% in the past two years, unwanted contacts increased by 13% on the previous year as a result of its internal review to improve its reporting accuracy.

Despite a small improvement in both measures, Thames Water was the second worst performing WaSC overall. The company's failure to make inroads into its complaint numbers puts it at risk of trailing the rest of the industry in future years.

SES Water reported an almost 21% increase in unwanted contacts, making it the worst performing WOC for this measure and the second worst in the whole industry. The main cause for this increase was the failure of the company's outsource partner to record customer calls correctly, meaning that all contacts defaulted to unwanted. The company has assured us that this issue is now resolved.

Bristol Water saw a sharp increase in written complaints and unwanted contacts. Four major operational incidents were the main cause for these increases, including the disruption to customers' supplies caused by the sudden thaw following the Beast from the East spell of freezing weather in March 2018.

Holding the poorer performers to account

Although some companies reported fewer written complaints and unwanted telephone contacts in 2017/18, there remained significant differences between the better and poorer performing companies. Over the last two years, where companies have reported high increases in complaints we have asked them to provide interim quarterly reports to us on the action they plan to take to reverse their declining performance.

If a company reports an increase in their complaints and/or unwanted telephone contacts and they are worse than 25% above the industry average in either or both measures, our regional committee Chairs in England and/or Wales will ask these companies to provide an interim report for the first half of the year and subsequent quarters. Table 2 shows the company performance for 2017/18 for unwanted contacts and written complaints and the increase or decrease compared to 2016/17.

Table 2: Written complaints and unwanted contacts - 2017-18 v 2016-17

Unwanted telephone contacts				Water and sewerage companies	Written complaints			
2016-17	2017-18	Change %	Per 10,000 connected properties		2016-17	2017-18	Change %	Per 10,000 connected properties
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55,055	53,753	-2.4	692.2	South West	2,513	2,202	-12.4	28.4
81,950	81,077	-1.1	663.9	Northumbrian	2,902	2,534	-12.7	20.7
75,984	79,615	4.8	651.1	Wessex	1,767	1,787	1.1	14.6
238,398	262,409	10.1	629.2	Severn Trent	11,985	9,921	-17.2	23.8
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Decrease on previous year for written complaints or unwanted contacts and <25% below average per 10,000 connections	

Companies we will be asking for detailed progress reports

We require the poorer performing companies to provide us with quarterly updates on what they are doing to improve their service to customers and bring their complaints down. This will be the third consecutive year we will be asking Southern Water to provide interim reports. Although its rise in unwanted contacts can be attributed to its reporting, it still saw an increase on top of last year when it was already the worst performing company in the industry for that measure. What is very clear is that Southern Water's customers have had to suffer inadequate complaint performance by the company for far too long. It must show real improvement this year and ensure customer service becomes its main priority to drive down the number of complaints it receives.

SES Water reduced its written complaints by 5% but its increase in unwanted telephone contacts in 2017/18, on top of a 51.7% increase in 2016/17, made it the worst performing WOC for this measure. We want the company to show a marked improvement over the coming year to bring it back into line with the rest of the industry.

Similarly, Bristol Water – another WOC - improved year-on-year on written complaints up until 2015/16, when it was in a comparatively good position. Two years of reporting a greater than 50% increase has left it the second worst performer in the industry for written complaints per 10,000 connections. It also reported a significant increase in unwanted telephone contacts. We expect the company to quickly improve and reverse this trend.

Companies we will be monitoring closely

Thames Water is also comparatively poor on complaints and unwanted contacts compared to the rest of the industry but it did improve slightly on 2016/17. We want to see the company make significant progress and we will continue to monitor its performance throughout the year with the complaints it receives and those we handle from its customers.

Dŵr Cymru reported an increase in unwanted contacts but it was just below the level where we would ask a company to provide quarterly information. Its improving performance with written complaints shows it is handling complaints better when customers have to write in. However, it needs to do more to reduce the need for customers to contact it by telephone because they have been inconvenienced.

Update on last year's poor performers

In last year's report we asked Southern Water and Cambridge Water to provide us with quarterly updates. As we have already mentioned, Southern Water will be asked to continue to provide us with these updates to bring itself into line with the rest of the industry.

Cambridge Water reported an increase in unwanted telephone contacts in 2017/18 but was within the average of the rest of the industry. It reduced written complaints by almost 38%; this is not to the level where it was two years ago, but it improved enough for us to no longer require quarterly reports.

Better performers

Anglian Water reported the lowest number of unwanted contacts per 10,000 connected properties. It was significantly lower than the next WaSC and slightly ahead of the best performing WOC, Bournemouth Water.

Bournemouth Water received the lowest number of unwanted contacts per 10,000 connections for a WOC and was one of the best performers for written complaints. It has improved dramatically from where it was two years ago when its poor implementation of a new billing system caused its written complaints to nearly double and we asked it to provide quarterly updates on what it was doing to reverse the increase.

Dee Valley Water showed a strong improvement for unwanted contacts with a reduction of over a third in the year from 6,988 to 4,646. However, this improvement was undermined by an increase in written complaints. This was mostly caused by two operational issues and shows smaller companies are vulnerable to individual incidents. It is vital they manage incidents effectively or risk customer dissatisfaction.

Monitoring company performance

Most companies are reducing written complaints but some need to step up their efforts to avoid issues arising that cause customers the inconvenience of having to call them. Better communication when things go wrong, keeping on top of operational issues and sharing good practice should help unwanted contacts mirror the improving trend of written complaints.

We will continue to monitor company performance on written complaints and unwanted contacts. Nine companies reporting a rise in unwanted telephone contacts is too many and there remains a gulf between the best and worst performing companies.

This year we will also begin to monitor complaints through social media and webchat to make sure we have a more complete picture of customer service through all contact channels. As always, where we see customers being let down we will press the companies concerned to improve their service and make good their mistakes.

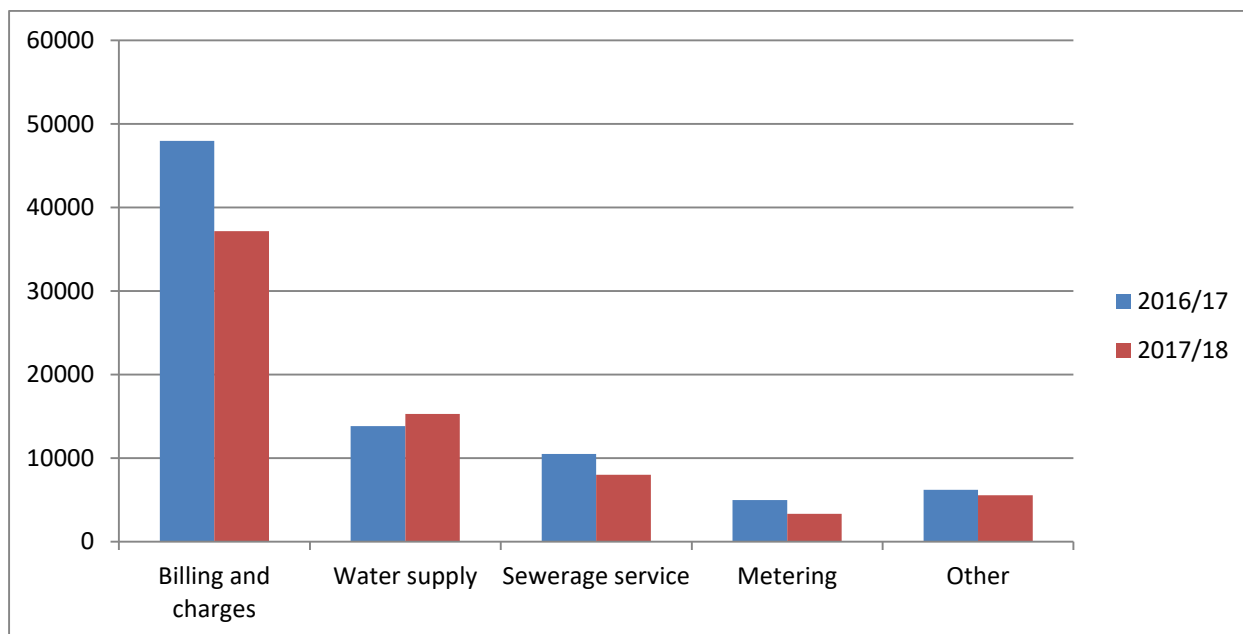
4 COMPANY PERFORMANCE FURTHER DETAIL

Written complaints by main category

For written complaints, we ask companies to report against five main categories: billing and charges, water supply, metering, sewerage services and ‘other complaints’ which includes administrative activities, promotional literature or staff attitude. This helps us identify particular areas of customer detriment where we can challenge companies to improve.

Chart 4 shows the complaints by main category compared to the previous year.

Chart 4: Written complaints by main category - 2016/17 and 2017/18

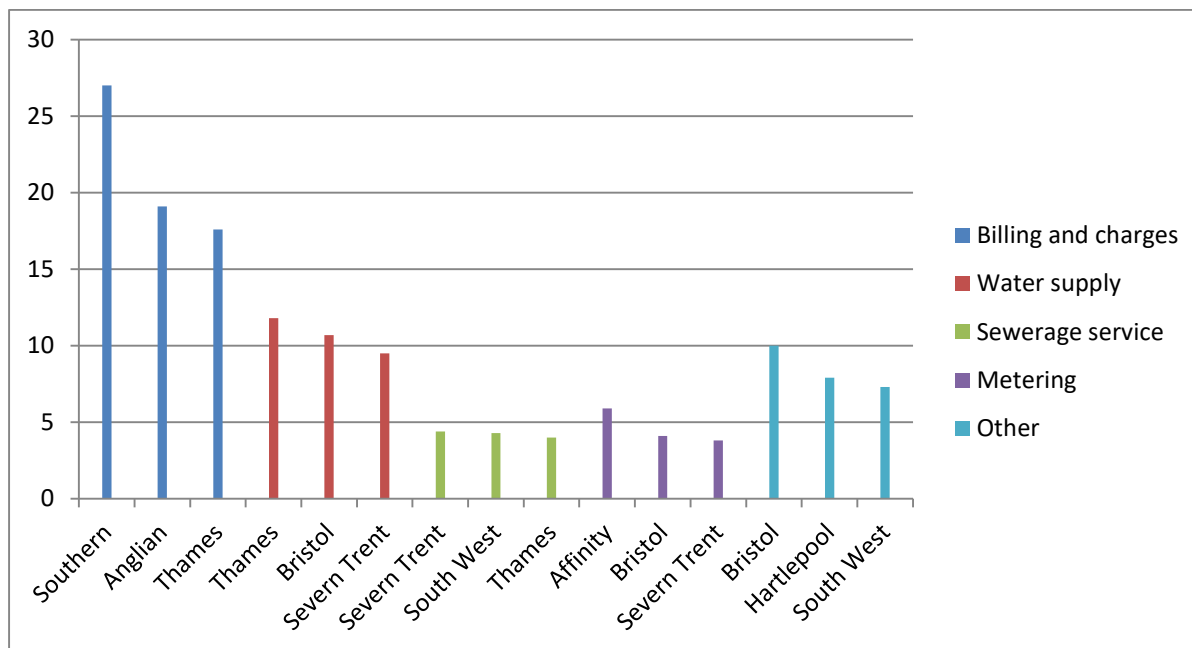


Complaints about water supply was the only main category which saw an increase on the previous year. Some companies received a higher number of written complaints under this category in the final quarter of the year following the disruption to water supplies caused by the ‘Beast from the East’. A sharp fall in temperature and subsequent thaw led to over 200,000 customers losing supply, mostly in the South of England, the Midlands and Wales.

We assisted customers with their complaints and helped to secure, in some cases, up to £150 in compensation for affected households. Although extreme weather events can lead to problems, some companies should have done much better with their planning and communication. You can read more about customers’ experiences of the disruption witnessed in March 2018 [here](#).

Individual company performance for each main category varied. As companies have different systems of reporting some caution should be taken when making direct comparisons. However, there is evidence of poor performance from some companies with specific areas of service. Chart 5 shows the three worst performing companies for complaints per 10,000 connections for each of the main categories of written complaints.

Chart 5: Written complaints per 10,000 connected/billed/metered properties by main category per 10,000 billed properties, worst performing companies



Billing and charges

This category includes disputes about billing amounts, charging policies, revenue collection and affordability. The industry improved in the year with a reduction of over 22% on 2016/17 but still, billing and charges made up over half of the industry’s written complaints.

Southern Water was the poorest performer when comparing complaints per 10,000 billed properties. It has narrowed the gap compared to where it was in previous years but still has more to do. The company remains twice above the industry average and well above Anglian Water and Thames Water which were second and third worst performers.

Water supply

Water supply complaints include those about leaks, interruptions and water pressure. The three worst performing companies, Thames Water, Bristol Water and Severn Trent Water were all in the areas affected by the freezing weather disruption in March 2018. Bristol Water’s complaints were compounded by three other significant events in the year.

Effective communication with customers is essential during operational incidents. Many written complaints originate through poor customer experience when calling the company.

Sewerage service

Flooding, blockages and liability for pipework are three of the main issues connected to sewerage service complaints. Extreme wet weather plays a part in the number of complaints. Although the year was not particularly dry, sewerage service complaints reduced by almost 24%.

There is little difference between the three worst performing companies, Severn Trent Water, South West Water and Thames Water.

Sewer flooding also had the lowest number of complaints per 10,000 connections. Nevertheless, it can be one of the most severe service failures a customer can experience. We have challenged companies to reduce the number of properties at risk of flooding. In 1992/93 over 12,000 homes and businesses were affected by internal sewer flooding. This number had more than halved in 2017-18. We have pressed companies to improve their maintenance of the sewer system to reduce blockages, improving the management of surface water to prevent it entering the system during heavy rainfall and informing customers of what they should not dispose into the sewer system.

Metering

Metering complaints relate to the installation, location and accuracy of a customer's meter.

Because of demands on the system and lack of adequate water resources, most companies in the South East of England introduced compulsory metering for HH customers. A meter benefits some customers but not all. Some customers, especially with larger families, prefer to pay for water on an unmeasured basis.

There is assistance for customers who are struggling to pay their water bill. The WaterSure tariff limits a HH bill to the company's average metered charge where that household uses a lot of water due to someone having a medical condition or due to there being a large family; and where someone in the household claims a qualifying state benefit.

Affinity Water, one of the companies that has introduced a compulsory metering programme, had the highest complaints per 10,000 metered properties followed by Bristol Water and Severn Trent.

'Other' complaints

Complaints under this category are normally about administrative issues, the attitude of company staff or any matter that is not covered in the other main categories. Bristol Water had the highest number of 'other' complaints per 10,000 connections. It is not clear whether this increase was down to its other declines in performance but additional contacts risk other issues arising for customers.

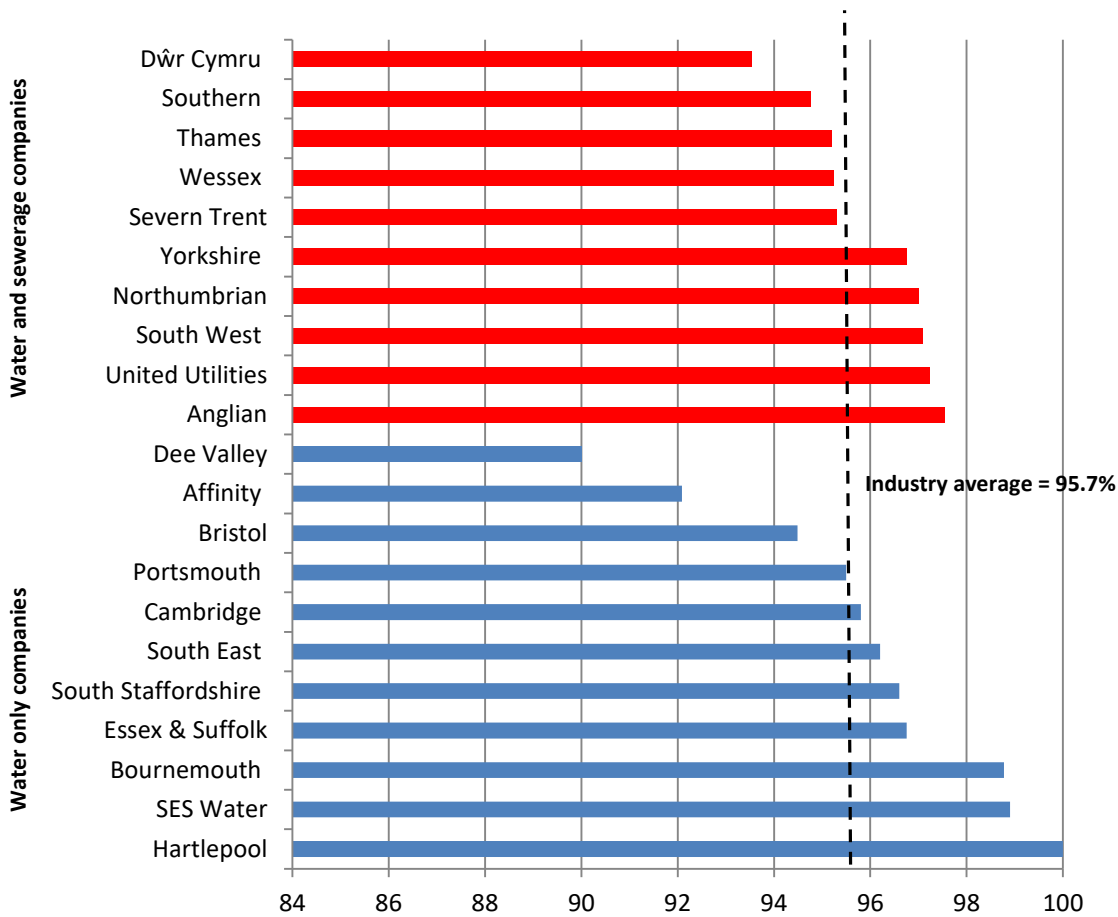
Written complaints not resolved first time

One of CCWater's main objectives is for companies to provide services that are easy to access, right first time and that they sort out problems quickly and without hassle to the customer.

All of the companies have two stages in their written complaint procedure. In 2017-18, companies reported a reduction of almost 15% of complaints that went to the second stage of their procedure, from 3,495 in 2016/17 to 2,983 last year. Overall, 95.7 complaints were resolved at the first stage of the company procedure, a good improvement compared to the 95.2% seen in 2016-17.

Chart 6 shows the performance by individual company.

Chart 6: Written complaints resolved at the first stage of companies' procedures - 2017/18



One in ten Dee Valley Water complaints were escalated to the second stage of the company's procedure, although it improved slightly on the previous year. Affinity Water, one of last year's poorer performers, for resolving complaints at the first stage did improve by 1%, from 91.1% to 92.1% but remained well below the industry average. Bristol Water also performed worse than the industry average for first time resolution. Dŵr Cymru was the worst performing water and sewerage company, resolving 93.6% of complaints at its first stage with Southern Water on 94.8%.

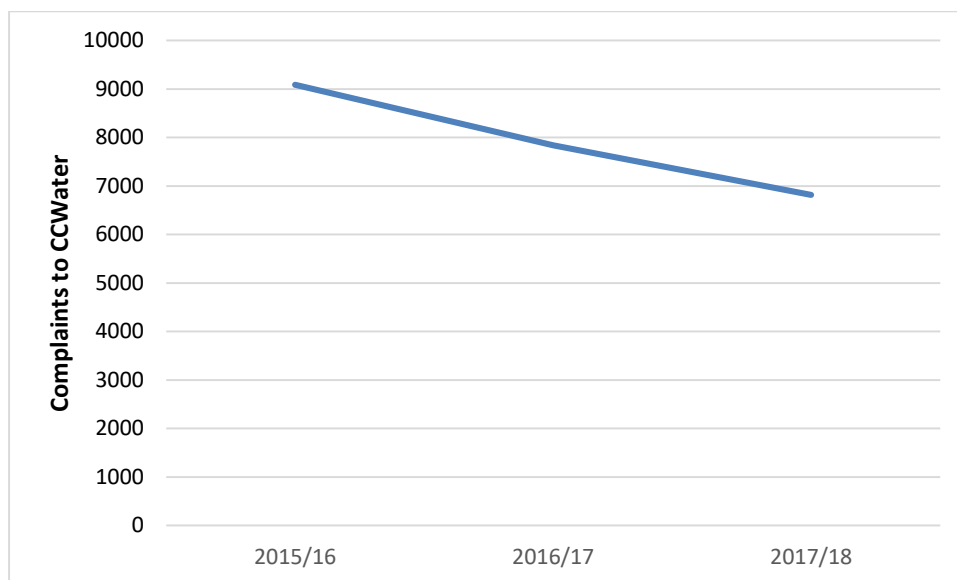
Hartlepool Water performed well with none of the 92 written complaints it received going to the second stage of its procedure.

5 COMPLAINTS RECEIVED BY CCWATER

HH complaints against companies to CCWater fall by 13%

CCWater has continued to press water companies to improve service. This has shown positive results in reducing written complaints and the need for customers to come to us. In 2017/18 we received 13% less HH customer complaints against companies, falling from 7,837 to 6,815.

Chart 7 HH complaints to CCWater 2015/16 to 2017/18



CCWater investigations

Customers can approach us at any stage in the complaint process and we look to add value, either through advice or pressing the company to resolve the complaint quickly. Companies often follow our advice in these circumstances.

When the customer has exhausted the process and we feel the company should do more, we may formally investigate the complaint. Our work in helping customers resolve their complaint earlier in the process has minimised the need for us to formally investigate complaints. In the year we only needed to carry out two investigations for HH customers, one against Severn Trent Water and one against Southern Water.

Compensation and rebates

Outcomes to customer complaints vary. Sometimes, all the customer wants is an apology from the company for the service failure. Other resolutions include the company carrying out operational works or changing a policy. Many complaint resolutions involve a level of financial redress, either compensation or reimbursement of a bill. In 2017/18 we helped customers who complained to us about their company receive £1.4million in compensation or billing adjustments.

WATRS

Companies often respond to our pressure to resolve customer complaints but are not bound by our decision. If a customer remains dissatisfied with the outcome after our involvement and they have exhausted the company complaint procedure, then they may refer their complaint to the Water Redress Scheme (WATRS). This scheme is free to the customer and if they agree to WATRS' findings, then the resolution is binding on the company.

In 2017/18 164 customers took up this option.

6 Non-household (NHH) complaints

This report has focussed primarily on HH complaints but we also represent NHH customers of the water companies in England and Wales.

In April 2017, competition was extended in England to allow all eligible non-household customers a choice on their retail service provider. We reported the complaint performance of retail water companies earlier in the year, and our findings are [here](#).

The market attracted new companies (retailers) and introduced new potential customer service issues such as problems with switching and difficulties with working relationships between the wholesalers - which provide the water and sewerage services - and the retailers, which carry out the front line services such as billing and meter reading.

We made preparations ahead of the opening of the market, by:

- engaging with the new retailers, Ofwat and the market operator, MOSL, to help ensure the new market operations would not be detrimental to customers;
- researching customer views about competition in the water industry;
- supporting Ofwat in developing the Open Water website that showed customers which retailers were operating in the water market and in producing a Customer Code of Practice.

We expected an increase in complaints, partly due to retailers and wholesalers familiarising themselves with the new market and also due to the new types of service failures. In 2017/18, there was a 26% increase in NHH written complaints to the water companies compared to the previous year.

However, the number of non-household complaints we received increased by 237% on the previous year, more than the 50% we expected⁶. Some retailers performed well, but others did not. Much of the cause was customers growing frustrated with some retailers for either how their complaint was being dealt with or the inability to get through to them over the telephone. We received a disproportionately high number of complaints about three retailers: Castle Water, Wave (in respect of Anglian Water Business) and Water Plus.

We pressed these retailers to improve and made some progress towards the end of the year. We will continue this pressure this year and look for poorer performing retailers (and wholesalers) to bring themselves into line with their competitors.

⁶ CCWater expected a 50% increase in NHH complaints based on switching complaints in energy, the performance of water companies in Scotland which had already introduced retail competition and for the new retailers to familiarise themselves with the new market.

7 FUTURE CCWATER WORK

Overall performance of the industry

We are disappointed that the industry has not made the same progress in reducing unwanted contacts that we have seen with written complaints. Progress has flatlined and we want to see these calls, which can cause inconvenience to customers, fall at the same rate as written complaints.

Pressing the poorer performing companies to improve

We have seen Bristol Water move from being one of the better performers to being a poorer performer. It received a 37% increase in unwanted contacts and a 52% increase in written complaints, partly due to the operational events that occurred in the year. We are disappointed to see Southern Water remain the worst performer in the industry again. Its customers have been experiencing too many service failures for too long now and it must quickly improve. SES Water's increase in unwanted telephone contacts is unacceptable and needs to be reversed this year.

We will:

- Continue to ask Southern Water to provide quarterly updates on what actions it is taking to reduce complaints and unwanted contacts;
- Require SES Water and Bristol Water to provide quarterly interim reports to address how they intend to improve going forward;
- Monitor Thames Water closely to ensure its numbers reduce further; and
- Monitor all companies throughout the year to spot early signs of trouble and press them to deal with their issues quickly.

Liaising with companies

Our local committees and staff meet regularly with companies to discuss issues and press them on their complaint numbers and policies. We will continue to monitor all of the information available to us. Where we see customer detriment through our complaints work, research or company policies we will challenge the companies to put things right.

Including new forms of customer contact in our report

We are aware that customers are communicating with companies through a growing range of contact channels, including social media and webchat. We have been working with companies to broaden future complaint reports to include all customer contact to ensure we get a more complete picture on their customer service. The results of this work should begin in next year's report.