



The voice for water consumers
Llais defnyddwyr dŵr

Of(w)at

Improving complaint processes in water – a follow up report

Findings and next steps from analysis of companies' complaint process improvement action plans

October 2021

ccwater.org.uk



Introduction



Both Ofwat and CCW are committed in their strategies to improving the complaints experience for water customers.

In November 2020, Ofwat and CCW published a joint report about complaints practices within water companies.

We recommended improvements in several areas of complaints management, and asked that all companies develop action plans to address these points.

This report looks at each area of companies' action plans in turn: first setting out our assessment of companies' proposals in that area, and then making recommendations for further actions.

Review of action plans

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Five areas were reviewed

- A) Companies' complaint response times
- B) Improving understanding of complainant satisfaction
- C) Sharing good practice
- D) Using insights from complaints data to improve service
- E) Improving understanding of experience of consumers in vulnerability, especially through the complaint process

Our key conclusions



Complaint response time

The vast majority of companies are working at or towards responding to complaints within 5 working days, but companies need to ensure they work quickly to meet the highest standards

Sharing good practice

Most companies share within the industry and intend to join future CCW workshops. Many companies share and learn outside industry

Gaining insights from the complaints process

Companies' approaches to drawing out these insights are at varying levels of sophistication and maturity

Surveying customer complaint handling satisfaction

Many companies committed to surveying satisfaction with service amongst written complainants in addition to existing telephone surveys. Only a handful committed to surveying outcome*, so future insight into propensity to escalate will still only be understood through separate research

Understanding the complaint experiences of customers in vulnerable circumstances

Many companies showed little understanding of the recommendation, which focused on tracking and comparing the experiences of vulnerable complainants and the status quo risks letting down vulnerable customers

* Satisfaction with the outcome of a complaint assesses what the customer thought about the resolution to their complaint

Some of our new expectations* Ofwat



Complaint response time

- We want customers to get a response to their complaint by 5 working days by 2025 at the latest from all companies
- From the 2022-23 reporting period, companies must report annually to CCW on how many complaints they are answering in 5 working days
- We want all companies to publish their commitment in their customer charter/promise by December 2021

Understanding the complaint experiences of customers in vulnerable circumstances

Companies should use data to understand whether improvements are making a difference through monitoring vulnerable complainant's satisfaction with their complaint handling and speed of response

Gaining insights from the complaints process

Companies need to go beyond broad assurances and use complaints data to rigorously assess and improve their wider performance

* The format of the feedback/ action plans to be discussed at our workshop on 11 November

Surveying customer complaint handling satisfaction

- Companies to commit to surveying complaints received by all contact methods from April 2022.
- A commitment made to CCW and Ofwat for companies to share with the sector the outcome of their satisfaction surveys and outline what changes will be made because of survey data.
- Report to CCW & Ofwat with an action plan to outline timescales for implementation of the commitment by March 2022

Sharing good practice

We want to see a greater commitment from all companies to contribute to the sharing of good practice and to look outside the industry for learning opportunities

Tracking progress



Complaint response time

From the 2022-23 reporting period, companies must report annually to CCW on how many complaints they are answering in 5 working days
January 2022 – we will review whether companies' commitments on response times are published on their website

Surveying customer complaint handling satisfaction

Report to CCW & Ofwat with an action plan to outline timescales for implementation of the commitment by March 2022

Understanding the complaint experiences of customers in vulnerable circumstances

Report to CCW & Ofwat as part of your action plan on satisfaction how you will consider whether improvements are making a difference to consumers in a vulnerable situation through monitoring vulnerable complainant's satisfaction with their complaint handling and speed of response

Gaining insights from the complaints process

We will review companies' complaints performance through the CCW household complaints report from 2022. Where companies have ongoing or new issues, these will be followed up through CCW quarterly company liaison meetings to assess how companies are learning from their experiences

Sharing good practice

We will consider in Spring of 2022 what evidence there is that companies are taking opportunities to share good practice beyond CCW sessions and are sharing how learning from outside the sector is shaping their thinking

Key findings

A) Response* to complaint times

- Water is setting a leading complaint response time when compared to other utilities (see slide 8)
- The vast majority of companies are working at or towards responding to complaints within 5 working days
- 8 companies had published or planned to publish their response time commitment by 31 March 2021 – but not all those who made a commitment to publish on their website have done so. We expect updated response commitments to be published
- There isn't clarity in all cases over whether companies have shifted compensation in line with their new commitment, although some specifically said they had stayed with 10 days for GSS compensation

*Response in this instance is a response to a complaint that either resolves the problem, sets out the actions and timeframes the company has set in place to get to a resolution, or explains why something can't change such as a point of policy

A) Response to complaint times

- 7 companies committed to responding to complaints by the 5th working day (or less) from April 2021 (or before)
- 4 companies said they would respond to 75% of complaints or more by the 5th day from April 2021 (or before)
- 2 companies said they would respond in 7 days
- 6 companies said they would respond in 5 days (or sooner) by 2025, with three opting to make staged improvements across the years and two working on training and operational improvements to ensure they can meet the targets in the interim

How this compares

Energy



Finance



Telecoms



BEIS has consulted on a 4 week response time for these sectors. Precise definitions of 'response by 8 weeks' vary slightly with each sector, however, all require a substantive written response advising on the outcome of the company's consideration of the complaint, just as water does

Being accountable



A) Response to complaint times

- ◆ Affinity Water are being accountable to their customers by using their website to report to their customers on a monthly basis how quickly they got back to them on complaints. This could be further improved using a chart to show their performance over time
- ◆ Bristol Water provided a useful table to show the percentage of complaints resolved by working day, starting at day zero. Publishing this on their website, would make them directly accountable to customers
- ◆ Portsmouth Water started giving substantive responses to all types of complaints within a 5 day window from November 2020. This commitment would be more transparent to customers if it was published in their 'A guide to our complaints procedure'
- ◆ Northumbrian Water demonstrate accountability by having a performance target around their speed of response commitment. They also want to tackle root causes and have committed to reducing written complaint numbers by 50% by 2025. Widening this to all complaints is the next step
- ◆ CCW is also making changes to its response times, recognising that whilst companies improve their standards it is important the consumer body can meet these. CCW already acknowledges complaints within 5 working days, but this is not a substantive response, just an acknowledgment. Over 2021-22, it is introducing new processes to make these initial contacts meaningful, rather than transactional, bringing them into line with the company substantive responses within five working days. It will report on its success with this to industry as part of its improving the future complaint landscape work

Customer benefits



A) Response to complaint times

- 💧 The new 5 day response time will benefit many of the customers making c177,000 complaints a year, allowing them to get a quicker response. A proportion of these will receive a response inside 5 days already
- 💧 By 2025, all customers will be served by companies with a 5 day commitment
- 💧 We expect all companies to have made significant progress towards providing their customers with 5 day response times by 2025 at the latest. It isn't acceptable that some customers have to wait longer than others to have their complaint resolved, purely on the basis of where they live. Where companies do not believe they can meet this expectation, they should be clear on the reasons why progress will be slower, and be transparent with their customers on the service they can expect to receive. We will talk to those companies to set milestones towards the expected standard

Our expectations



A) Response to complaint times

We want customers to get a response to their complaint by 5 working days by 2025 at the latest from all companies

- ◆ South West Bournemouth Water, South Staffs & Cambridge Water, Northumbrian Water, SES Water, Wessex Water, Portsmouth Water, Bristol Water are industry leading and already delivering this for complaint responses
- ◆ Fast tracking towards this standard are United Utilities, South East Water, Dŵr Cymru/Welsh Water

From the 2022-23 reporting period, companies must report annually to CCW on how many complaints they are responding to in 5 working days, so progress can be measured. CCW will publish this information

- ◆ We acknowledge that as not all companies are equal in terms of the volume of complaints they receive, some will take longer to reach this standard. We will talk to those companies to set milestones towards the expected standard

We want all companies to publish their commitment in their customer charter/promise by December 2021

- ◆ We are content for compensation for not providing a substantive response to stay at 10 working days to ensure companies aren't penalised when additional information is required

Key findings

B) Understanding satisfaction

- Many companies committed to surveying satisfaction with service amongst written complainants in addition to existing telephone surveys
- Only a handful committed to surveying outcome*, so future insight into propensity to escalate will still only be understood through separate research
- Some committed to helping CCW's research into blockers to escalation but not all then participated
- Companies that already lead the pack on surveying commitments still stretched themselves and found improvements
- It is unclear in many cases, what the improved and/or increased insight will be used for and how the effectiveness of any change would be captured

* Satisfaction with the complaint handling service received is different to satisfaction with the outcome

Our expectations



B) Understanding satisfaction

- 💧 Companies to commit to surveying complaints received by all contact methods from April 2022 (we will engage separately with very small companies on nuances around this)
- 💧 A commitment made to CCW and Ofwat for companies to share with the sector the outcome of their satisfaction surveys and outline what changes will be made because of survey data. Effectiveness of those changes to be reported periodically via CCW quarterly liaison meetings
- 💧 Companies will work with us on removing the barriers as a result of the CCW complaint fatigue research
- 💧 Report to CCW & Ofwat with an action plan to outline timescales for implementation of the commitment by March 2022

Strong examples



B) Understanding satisfaction

- ◆ United Utilities' robust existing survey is tied into the business through service recovery and understanding root causes of dissatisfaction. It takes these root causes and uses them to inform decisions around company processes and policies, improving them where possible
- ◆ South West Water is using technology to digitise customer comments, turning them quickly into feedback usable to the team. The initial roll out is across digital and telephony channels, but will quickly be expanded to cover written complaints too
- ◆ Wessex Water is expanding its Customer Voice feedback programme to include written operational complaints and assess its potential for use in billing contacts. In the mean time it will implement customer surveying post-resolution of billing complaints to understand where it does well and where it can improve
- ◆ Severn Trent will be reviewing its survey to first understand resolution, then drivers of satisfaction from outcome to personal experience. It will introduce targeted surveying of geographical or service areas where it sees indicators of problems that customers are not contacting them about

Key findings

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C) Sharing good practice

- Most companies told us that they share within the industry and intend to join future CCW workshops. Many companies share and learn outside industry
- Companies generally show good understanding of what sharing good practice means and will look to do more in the future – but some less ambitious than others
- All companies showed measurable commitments – even where this was only to attend CCW workshops

Our expectations



C) Sharing good practice

- 💧 We want to see a greater commitment from all companies to contribute to the sharing of good practice and to look outside the industry for learning opportunities
- 💧 We challenge companies to raise their ambition beyond BAU. We'd like to see companies share good practice and facilitate industry workshops, and not only rely on CCW best practice workshops. At future workshops we will challenge companies to set out their plans for further collaboration on key areas of benefit to customers, as appropriate
- 💧 We do not agree that C-MeX is a major obstacle to companies sharing good practice and collaborating for the benefit of customers. We expect companies to drive up their own customer service standards, while at the same time collaborating in areas where this can bring real benefits to all customers

D) Understanding vulnerable complainants' experiences

- ◆ Many companies showed little understanding of the recommendation, which focused on tracking and comparing the experiences of vulnerable complainants and the status quo risks letting down vulnerable customers
- ◆ Instead, many companies' responses focused on broader planned improvements for vulnerable customers. Many companies are committed to improving training or gaining BSI accreditation – but it was unclear how they would know if this had made an impact on the service provided
- ◆ There was little evidence of an industry-wide focus or approach on better understanding of this area.
- ◆ Only a few companies explained how they made use of the data they already had to analyse their service to vulnerable complainants
- ◆ Some companies, such as Southern Water plan to do more surveys of vulnerable complainants, or engage with vulnerable customer groups to build understanding
- ◆ Some companies plan to carry out analysis of their existing complaints records to understand where they act to improve experiences

D) Understanding vulnerable complainants' experiences

Wessex Water showed best practice thinking in their action plan. This is what they said they would do:

- ◆ Explore the use of tailored surveys in our Customer Voice programme so that we can add specific questions to the satisfaction surveys of customers on our Priority Services register or on one of our financial support schemes
- ◆ Data from these surveys will be included in our real time data dashboards so we can compare feedback from this group compared to the wider customer base
- ◆ Undertake more detailed customer complaint journey mapping of our Priority Services customers, adopting different customer personas
- ◆ Continue to work with our Vulnerability Action Plan expert stakeholder group and our 200 plus partners to improve our offering for customers on Priority Services or in financial difficulty
- ◆ Undertake specific research with Priority Services customers, or specialist organisations representing them, to understand their expectations for complaint management and how these might differ
- ◆ Undertake more data analysis to examine differences in propensity to complain and propensity to escalate between Priority Services and non-Priority Services customers

Our expectations



D) Understanding vulnerable complainants'* experiences

- ◆ Companies should use data to understand whether improvements are making a difference through monitoring vulnerable complainant's satisfaction with their complaint handling and speed of response
- ◆ Companies' Customer Relationship Management Systems should show a rounded view of customers' circumstances at a glance, as recommended in CCW's Affordability Review. This will allow all teams to know when a customer may need additional support and in what way. Identifying the reason why a customer is flagged will allow tailored support, as not all will require additional complaint support just because they are on the PSR, or on financial support
- ◆ Companies should develop a vulnerability commitment as recommended in CCW's Affordability Review, or be able to demonstrate how being BSI accredited will help the complainant in vulnerability
- ◆ Companies share the good ideas they have with the rest of the sector through CCW seminars or by hosting their own seminar
- ◆ CCW complaints information to show vulnerable complainants data status splits

* For this work we are defining vulnerable complainants as those customers who companies have assessed as vulnerable

E) Gaining insights from the complaints process

- ◆ Companies broadly agreed that complaints can be a valuable source of insights that can be used to improve broader performance
- ◆ Companies' approaches to drawing out these insights are at varying levels of sophistication and maturity
- ◆ Few companies showed real ambition for improving their approach in this area – many companies simply focused on work already in progress
- ◆ Some companies plan to expand their current approaches – for example, Bristol plan to use their sophisticated insights approach from written complaints to all complaints
- ◆ Some companies plan to expand their current approaches – for example, Bristol plan to use their sophisticated insights approach from written complaints to all complaints

Our expectations



E) Gaining insights from the complaints process

- 💧 Companies need to go beyond broad assurances and use complaints data to rigorously assess and improve their wider performance
- 💧 Companies to be better able to assess the maturity of their approach to gaining insights from complaints, through enhanced best practice-sharing
- 💧 Companies able to evaluate and demonstrate the impact of using complaints insights
- 💧 Companies ensuring senior level customer service managers understand the insights and use them to influence how the wider business sets future practices, policies and plans
- 💧 CCW and Ofwat will assess the impact of this work through complaint and satisfaction levels

E) Gaining insights from the complaints process

Hafren Dyfrdwy identified what more they could do to improve their complaint process and during 2021-22 will be trialling:

- ◆ Advanced proactive analysis – allowing them to gain insight as the customers speaks to them, which allows them to be pro-active to avoid dissatisfaction
- ◆ Expanding their current practice in retail of surveying before the point at which our customers journey has ended to water and waste and addressing any dissatisfaction
- ◆ Integrating their voice of the customer platform into their contact centre service platform to more efficiently link customer contacts with feedback channels and insight

Wessex Water plan to use complaints data and wider customer feedback, to map end to end journeys with lower levels of satisfaction to identify pain points and ways to improve the experience for customers, for example reducing a resolution time to meet customers' expectations