

# Our Customer Care Strategy to 2030



  
South West  
Water

  
Bournemouth  
Water

  
Isles of Scilly  
Water



**OUR  
BUSINESS  
PLAN**  
2025-2030



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# Executive summary

Our Addressing Affordability and Delivering for Customers strategy sets our vision of how we will provide an excellent customer experience and rebuild trust with our customers and communities. Our plans will improve our customer satisfaction scores by providing a tailored and efficient customer experience and delivering on the priorities and expectations our customers have shared through our extensive customer engagement and research work.

To deliver this experience, we need to consider and understand the customers in our region, their individual needs and expectations. This is especially important for those customers who need additional support, both financial and/or due to other vulnerabilities. As the only provider of water and wastewater services to our household customers, we recognise how critical it is to ensure that every customer can understand, access, and receive the help from us that they need. We also recognise that there are many forms of vulnerability, and work within the definition of vulnerability set out by Ofwat:

‘A customer who due to personal characteristics, their overall life situation or due to broader market and economic factors, is not having reasonable opportunity to access and receive an inclusive service, which may have a detrimental impact on their health, wellbeing or finances.’<sup>1</sup>

Our research has shown that supporting all our customers dependent on their need and the impact on the service provided is an important consideration for customers. Frontier Economics, in their synthesis of our research work, have highlighted that ‘Customers would like to see most support given to those with a medical dependency on water, those on low incomes with chronic illnesses or disabilities and pensioners on state pensions with no other sources of income’<sup>2</sup>.

This document sets out our strategy to deliver an outstanding service for all customers, but in particular, those who may need additional support from us. We address our strategy to support those with financial vulnerabilities, and our strategy to support those needs resulting from other forms of vulnerability, while recognising many customers may fall into both categories.

We have developed this strategy with an aim to achieve best practice standards across the range of services we provide, as well as incorporating the regulatory expectations set out in the Ofwat Paying Fair Guidelines<sup>3</sup> and the draft Vulnerability Guidance<sup>4</sup> element of the draft Licence Condition<sup>5</sup>.

## Our customers

To ensure we are providing support to those who need it most, and that we understand the unique characteristics of our region, we have first set out analysis and insight with regard to who our customers are, where this reflects higher than average levels of customers with characteristics that lead to additional service needs, and therefore the considerations and outcomes we need to consider. We know from our work with the Local Insight Tool (see page 7) that our customers are more likely than those across the rest of England to be:

- Elderly
- Digitally disadvantaged
- To live in a rural community that may mean it is more difficult to access amenities and services
- On lower incomes.

We build these factors into our strategy, to ensure we are focusing on those areas that have higher levels of need. However, we also know that those that have particularly acute needs, for example driven by medical dependency on water, must also be a high priority, even if these customers may be relatively low in numbers. As such, our strategy also highlights these groups, to ensure we provide those most vulnerable with a supportive, responsive and tailored service.

<sup>1</sup> Draft Vulnerability Guidance Ofwat

<sup>2</sup> Frontier Economics, Research Synthesis 20 August 23

<sup>3</sup> Paying Fair Guidelines to support customers

<sup>4</sup> Service for all – Ofwat’s draft vulnerability guidance for water companies, supporting customers who need extra help – Ofwat

<sup>5</sup> Customer Focussed Licence Condition – Ofwat

## Executive summary continued

### Our strategy to support those with financial vulnerabilities

In a time of challenging macro-economic circumstances, financial vulnerability is perhaps the most common vulnerability. However, with financial challenges can often come other pressures, such that the failure to provide the appropriate support to those with financial strains, may lead to further detrimental impacts on health and wellbeing.

With this in mind and given that our region suffers from particularly acute financial pressures, we are committing to retain our industry leading position in affordability and vulnerability, as well as our ambition to eradicate Water Poverty. The Index of Multiple Deprivation indicated in 2019 that Cornwall, parts of Devon and Bristol had some of the highest levels of deprivation in the country, taking into account income, employment, education and training, health, amongst other factors. We know that households in Devon and Cornwall are receiving incomes of 7.56% below England’s average, while Bournemouth and Bristol regions are in line with the average.

The city of Bristol continues to have deprivation hot spots that are among some of the most deprived in the country<sup>6</sup>, yet adjacent to some of least deprived. It includes some of the most deprived wards in the country.

Supporting those that are struggling to pay their water bill or need support to ensure they are not in water poverty is fundamental to providing inclusive services, available to all.

Our detailed work, modelling water poverty across our region using forecast data until 2030, sees more unmeasured customers in particular coming into Water Poverty as charges increase from 2025. This, coupled with the wider economic impact of increasing housing costs and incomes set to continue to rise at a rate lower than inflation, puts pressure on our goal to keep all of our customers out of water poverty. We have developed a glidepath and toolkit which will allow us to ensure all customers at risk of being in water poverty, will receive the right level of support by 2030, in line with CCW’s target.

This will also target re-establishing our 2025 position, where we remain on track to support all those customers in water poverty by this date and on current bills. Our approach to affordability will build on our current affordability toolkit, and will focus on:

- Firstly, and fundamentally, ensuring affordable bills for all customers; we do this by balancing investment priorities with bill impacts, driving efficiency to deliver value for money and ensuring our plans deliver key customer priorities and the statutory improvements needed now, while ensuring we are fairly balancing the impact on current and future customers
- Starting to roll out smart meters, empowering customers to use only the water they need, keeping bills low and reducing consumption
- Using progressive charging to ensure we are reflecting costs fairly across our customer base, a particular focus on our areas where we have high investment needs across our beaches and bathing waters, and our water resources need to meet the needs not only of our resident population but also the visitors who flock to the South West over the summer months
- Offering metered supply to unmeasured customers; this will ensure that we are providing the right tariff to the right customers and supporting them with water efficiency measures to enable the right consumption for those customers
- Proactively identifying and enrolling those at risk of water poverty onto our support tariffs, making support easy and ensuring we treat customers with respect and empathy
- Refresh our customer promise, across all of our brands to include a clear compensation policy for if we do not meet our promises for customers who need additional care
- Growing our data shares for customers who may need financial support, like those we have in place with local councils.

- 1 Prioritise and phase investment to reflect what customers think is important.
- 2 Deliver the best value plan that is at the frontier of efficiency in our sector.
- 3 Charge fairly for the services we offer.
- 4 Support water efficiency and smart metering to put customers in control of their bills.
- 5 Offer our largest ever package of support for those who are struggling to pay.

<sup>6</sup> bristol.gov.uk/files/documents/1905-deprivation-in-bristol-2019/file The 10 most deprived neighbourhoods, same as identified in 2015.

### Our strategy to support those with non-financial vulnerabilities

However, not all customers are vulnerable due to financial circumstances, and our strategy also sets out how we will support those with non-financial vulnerabilities. This strategy will set out our ambitions in this area, look to comply with best practices, for example through the BSI standard on vulnerability, as well ensure we comply with the Ofwat Vulnerability Guidance which was published in August 2023, and the new requirements of the Customer Focused Licence condition.

The first step in providing the right services is to identify those who may need additional support. As such, we expect to see a significant growth in the number of households registered with us on priority services, building on the work already underway to share information with partners such as National Grid. We are proposing that we will reach 25% of households registered on our Priority Services Register by 2030, allowing us to understand the needs of our customers and ensure we provide tailored, relevant services to those who need it.

We are expecting to reach 25%, as we know from our customer segmentation data that we have 35% of our population as vulnerable<sup>7</sup> (this contains factors of over retirement age, financially struggling to pay their bill and disability/health). We anticipate that not all of these customers will need to be on the Priority Services, we have therefore set the target under this level, and increasing at the average rate we have seen since 2020.

We know, from our data led approach that in our region we are likely to have:

- Higher levels of rural communities, which makes access to bottled water, for example, from distribution points potentially challenging
- Higher numbers of elderly customers, who may need help with large print bills, or may be in poorer health
- Higher numbers of customers who are digitally disadvantaged; and therefore we need to consider this in our communication strategy.

Having increased the number of customers we have identified and recorded as needing additional support, we need to deliver on the needs and expectations of these customers, as well as ensuring we continue to check and update the needs of those customers as we progress. In doing so, we will consider:

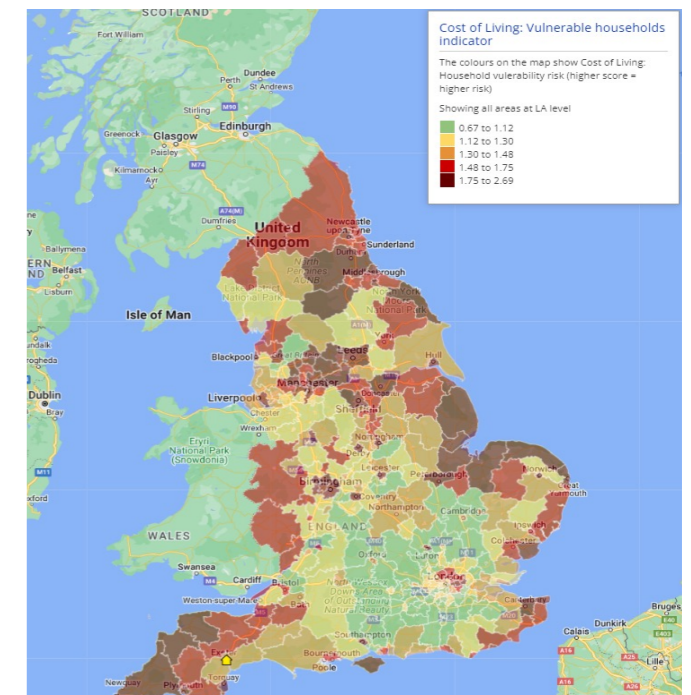
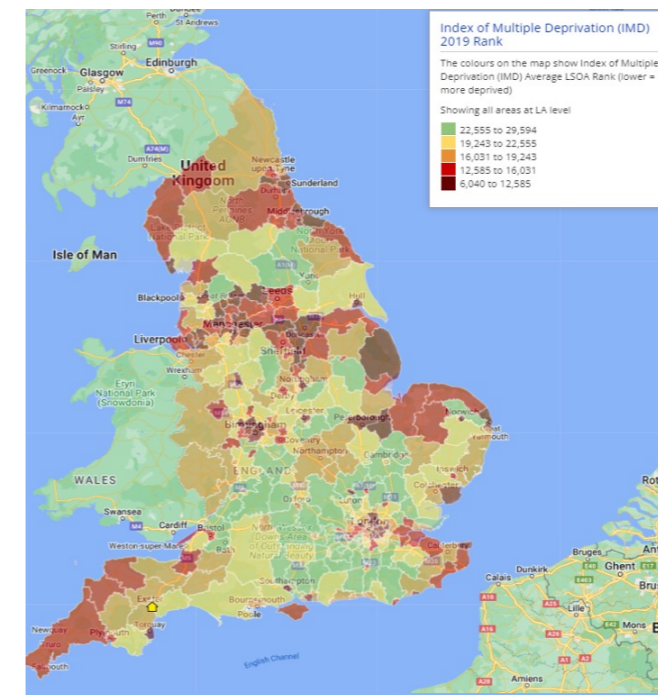
- Accessibility and communication channels – for example, providing braille bills, translation of bills into other languages, an accessible website for all customers
- Support during supply interruptions – prioritising those with the greatest medical need, such as those with medical dependency on water, or in rural conditions, the need to deliver higher levels of bottled water to individual households, rather than through distribution points
- Ensure we have excellent digital journeys, but also retain empathetic, ‘warm voice’ contact channels, such as telephone
- Training our staff to ensure they are alert for customers who may need support, and that they provide a safe and reassuring presence, for example, when attending customer homes to resolve operational issues
- Giving greater focus to the communication of the services we provide to those with specific needs, increasing awareness which we recognise to be lower than we would like.

<sup>7</sup> South West Water PR24 Sampling strategy June 2023 ICS

A key purpose of our customer vision for 2025-2030 is to rebuild trust with our customers. Providing a tailored service is important, we know it will help make the service better and more efficient for our business. Providing the extra care for those customers who need it is a core pillar in this strategy and will allow us to communicate and engage with these customers through the right channels and provide them the empathetic, relevant service they expect.

We know from our ongoing, business as usual feedback and research that customers want more information about what we are doing, how we are improving and investing in services, and ensuring they understand our plans. We will build in the attributes of our customer base into our engagement plan, ensuring we engage not only through digital means, but also through print media, local news, and community outreach programmes to ensure we reach and engage with all our customers.

Household incomes in Devon and Cornwall  
**7.56%**  
below England's average









# Understanding our customers

## Our summary

What does vulnerability look like in our region? To help us understand the demographics of our region, we use a tool developed by Oxford Consultants for Social Inclusion, called Local Insight. This provides an understanding of the help our customers need from us, from a region level, and through to a small community level. We have used it to compare to the national trends as well, to see how we are different to other areas. We have considered this in ensuring our strategy meets the needs of our population, especially when they need additional support.

This data driven analysis will help us understand our customer segments and analysis across our region. However, we are also aware that some of our most vulnerable may not be apparent in this analysis, but still require support.

Chart	What this means for our customers	Our promise
<b>Rural Communities</b> 	<ul style="list-style-type: none"> <li>Our region serves many rural communities</li> <li>For England as a whole, travel time to the nearest town centre by foot or public transport is 21 minutes, for our regions is 22.5 minutes. It is more noticeable in Devon and Cornwall, at 24.5 minutes<sup>8</sup></li> <li>Our Bournemouth and Bristol regions are in line with England's average, but our communities in Devon and Cornwall are more rural</li> <li>Therefore, during even a few hours water outage, we need to be mindful that our customers (especially in rural parts of Devon and Cornwall) may not be able to easily collect bottled water</li> <li>For our customers who have registered with us on our Priority Service Register as they need bottled water during an outage, it is very important we provide a good level of customer service. That we ensure we have the resource to deliver the water to the rural communities.</li> </ul>	<ul style="list-style-type: none"> <li>Support during supply interruptions</li> <li>We will grow our PSR to 25% as knowing who needs the help, makes it easier for us to service them right first time</li> <li>We will therefore ensure clear prioritisation and segmentation on our Priority Services Register</li> <li>We will prioritise delivering bottled water to those with the greatest needs, such as those with medical dependency on water</li> <li>We will prioritise helping customers in rural communities, with bottled water to individual households, rather than through distribution points.</li> </ul>
<b>Digitally Excluded Customers</b> 	<ul style="list-style-type: none"> <li>When we compare our service area to the England average using the Digital Exclusion Risk Index (DERI score), England's DERI score is 3, we are 3.1<sup>9</sup></li> <li>We have striking differences across our service areas</li> <li>South West Water scores 3.3 in this metric, 10% higher than England as a whole</li> <li>The Digital Exclusion Risk Index (DERI) explores the risk of digital exclusion for an area. The score is based on three parts: age, broadband accessibility and deprivation. A higher score indicates a higher risk of digital exclusion.</li> </ul>	<ul style="list-style-type: none"> <li>We will build our communication plans to ensure we take a multi-channel approach, using traditional and digital means</li> <li>We will use data to better understand our hotspots of digitally excluded customers, and ensure we are robustly and efficiently meeting their needs such as community events and printed rather than digital communication about the topics that are a priority to them</li> <li>We will work with partners to maximise our reach and impact.</li> </ul>
<b>Aging Population</b> 	<ul style="list-style-type: none"> <li>We have a higher percentage of customers that are 65+ than other regions<sup>10</sup></li> <li>This is a need code on the PSR, and is a contributory factor to our commitment to grow our Priority Services Register (PSR) to 25%</li> <li>Customers that are over 65 do not always require additional support, however there is a likelihood of other support needs such as from medically dependent, digital exclusion and financial support</li> <li>We are aware of the strong links between the ageing population and the population that provide unpaid care. This is especially apparent for our customers in the Devon and Cornwall region that are above the England average for providing over 50 hours a week of unpaid care<sup>11</sup></li> <li>Bournemouth Water and Bristol Water areas are in line with England's average.</li> </ul>	<ul style="list-style-type: none"> <li>We will ensure we offer inclusive, support services to those in this category, targeting those through the use of data and support</li> <li>We will work with our partners such as AgeUK to ensure we increase awareness of inclusive services with the customer segment</li> <li>We will train our staff to identify and position support with older customers</li> <li>As this is retirement age, we would expect these customers to be at home more, this could increase water usage. Therefore, we will ensure our water efficiency messaging is targeted at this group</li> <li>We will ensure we provide messaging on our support tariffs, especially if water use is higher than average.</li> </ul>
<b>Customer Providing Care</b> 	<ul style="list-style-type: none"> <li>Bournemouth Water and Bristol Water areas are in line with England's average.</li> </ul>	<ul style="list-style-type: none"> <li>We will ensure we provide messaging on our support tariffs, especially if water use is higher than average.</li> </ul>

## Understanding our customers continued

Chart	What this means for our customers	Our promise
<b>Financial Vulnerability</b> 	<ul style="list-style-type: none"> <li>Customers in the South West Water region are more financially vulnerable compared to the rest of England<sup>12</sup></li> <li>This is a score determining the relative risk of households falling below an acceptable standard of living as a result of rising costs with the cost of living</li> <li>Water debt is frequently not regarded as a priority debt. We see from this data that the regions we serve have relatively high levels of average debt (2nd highest in the UK) and priority debt</li> <li>This means for our customers in debt, on average 49% of their debts are priority debts and they will be likely to focus on paying them over their water debt.</li> </ul>	<ul style="list-style-type: none"> <li>Financial vulnerability is a key focus of our plan</li> <li>We set out our approach to affordability and non-financial vulnerability in section two and three of this report</li> <li>We use customer segmentation to inform our approach, which uses: <ul style="list-style-type: none"> <li>Fair charging</li> <li>Water efficiency support</li> <li>Smart meters</li> <li>Support for those who need it</li> </ul> </li> <li>We will continue to work with our partners in the debt sector to ensure that water debt in the areas we serve is treated as a priority debt.</li> </ul>
<b>Disabled Population</b> 	<ul style="list-style-type: none"> <li>The Disabled Population, is any person, classified as disabled under the equality act, whose day-to-day activities are limited a lot due to their circumstances</li> <li>Census 2021 data shows the South West Water region is higher than the England average<sup>13</sup>, for the number of residents living with long term illness. Our other regions are below that average</li> <li>Both of these factors will increase our number of customers in South West Water who are likely to need to be registered on the PSR and require additional care from us with their water and waste service.</li> </ul>	<ul style="list-style-type: none"> <li>We will work with disability partners to promote the services we offer.</li> </ul>
<b>Dementia Population</b> 	<ul style="list-style-type: none"> <li>This is a key focus in our Bournemouth Water area with 1.20%<sup>14</sup> Dementia Prevalence compared to the England average of 0.80%</li> <li>Our customers require our staff to be trained to help service their needs.</li> </ul>	<ul style="list-style-type: none"> <li>We will expand our training to continue to be a Dementia Friendly Organisation. Our customer service staff already receive vulnerability including a specific Dementia Friends virtual training session</li> <li>We work closely with Exeter Dementia Action Alliance who offer enhanced Dementia sessions. During 2022-23, a total of 93 employees from across the business have attended the Dementia Friends sessions delivered by Gina Award from Exeter Dementia Action Alliance, key comments following attending a Dementia Friends sessions: <ul style="list-style-type: none"> <li>"I didn't realise dementia can affect younger people, I thought it was just older people"</li> <li>"Dementia is an umbrella term for many different types".</li> </ul> </li> </ul>
<b>Average Income</b> 	<ul style="list-style-type: none"> <li>The net annual household income estimate after housing cost is much lower in the South West region than the England average at £26113.7<sup>15</sup> in the South West compared to £28,248 in England</li> <li>In addition the population claiming working benefits is lower than average despite residents also experiencing lower than average income levels</li> <li>This could mean our customers are missing out on benefits they are eligible for, Policy in Practice estimate that each year £19 billion of support goes unclaimed.</li> </ul>	<ul style="list-style-type: none"> <li>We will use all of our affordability toolkit to help our customers lower their water bill</li> <li>We will automatically auto enrol our customers onto a discount tariff to remove them from water poverty.</li> </ul>
<b>No Working Qualifications</b> 	<ul style="list-style-type: none"> <li>All our regions have a lower than England average of working age adults with no qualifications. While it is a positive that our customers are more likely to have a qualification compared to England average, there is still a proportion of our customers that may require extra support.</li> </ul>	<ul style="list-style-type: none"> <li>We will visit communities that have a greater than average customer base with no qualifications. We will go to our communities to provide face to face help with their billing and service needs.</li> </ul>
<b>Accessibility</b> 	<ul style="list-style-type: none"> <li>All of our regions have a lower than England average of households where not all residents speak English as their main language, this is from Census 2021<sup>16</sup>. While this isn't large proportion of our customers, this is group of customers that require our support.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to provide braille bills, translation of bills into other languages, an accessible website for all customers</li> <li>We will grow our partnerships, like we have with the Bristol Somali Resource Centre, so we can help reach communities where English is not their first language with information on our services that is accessible.</li> </ul>

<sup>8</sup> Government Department for Transport Journey time statistics, 2021-

<sup>9</sup> Greater Manchester Office of Data Analytics, 2021 -

<sup>10</sup> Census, 2021 -

<sup>11</sup> Census, 2021 -

<sup>12</sup> Loughborough University/Joseph Rowntree Foundation Minimum Income Standard (MIS), 2021 -

<sup>13</sup> Census, 2021 -

<sup>14</sup> UK Parliament House of Commons Library Constituency data: health conditions, 2021 -

<sup>15</sup> DWP, 2022

<sup>16</sup> Census, 2021 -

# Our strategy for financial vulnerability

## Understanding financial vulnerability and the risk of water poverty in our region

From our detailed analysis of our region, we understand that our customers may be at greater risk of financial vulnerability. This results from data which shows our region has:

- High percentages of customers experiencing multiple deprivation indicators
- Lower than average income levels
- Individual wards suffering from amongst the highest deprivation levels across the UK
- High numbers of households at risk of falling below an acceptable standard of living as a result of rising costs associated with the cost living.

This indicates that affordability of our bills is critical across our customer base, but that we also need to ensure that we identify and support those that may otherwise fall into water poverty.

## What our customer research tells us

To understand our customer views and satisfaction with the help we provide to make their bill affordable, we use a range of insights covering; understanding the value for money, awareness of our schemes, the service received from being on a scheme and customer views for social tariffs.

Value for money is measured both by our own surveys and by CCW in their Water Matters annual survey:

- For our customers in South West Water and Bournemouth Water, the measure has increased year on year since 2019-20, as taken from the annual tracking survey we commission to monitor customer views of our service and performance<sup>17</sup>

- The annual tracking survey for the Bristol Water region has seen a declining trend over the same period from 76% to 68%<sup>18</sup>
- The CCW survey of the same measure taken in 2023 told us that the value of money was rated as 67% by our customers in South West Water and Bournemouth Water
- The CCW survey in the Bristol Water area scored 80%, was higher than the industry average of 78%<sup>19</sup>.

While these surveys provide slightly mixed views on value for money, coupled with the analysis on our customer base, we recognise that this is a critical area that we can always do more to respond on.

Further research through the CCWater Matters customer research report in 2022 shows that awareness of our support schemes could be improved; with 52% of Bristol Water customers being aware of the schemes and 48% in the South West area.

We are hearing that the support we offer is good, but that we need to do more to help raise awareness with those who need it but do not know that they can access it. We are looking to resolve this by proactively auto-enrolling customers onto tariffs that will remove them from water poverty, without the need to identify, apply and receive financial support.

We also consider how we will improve awareness more generally of support we offer through our focus areas which uses data, community out reach programmes, partnerships and better customer journeys to make the service we offer easier for those who need to find and access it.

## Our strategy for financial vulnerability continued

Cross subsidies are an important component of providing support to customers who need extra help. They result in customers who can afford to pay for their water services, paying a small additional amount through their bill, to support those who cannot pay.

During 2023, research has been carried out to obtain updated customer views on their willingness to contribute to a cross subsidy through their water bill. The research found that our customers continue to support this contribution, this ranged from 77% to 79% across the three regions. This support is key to being able to keep all of our customers out of water poverty.

## Willingness to contribute by area

Area	Mean Willingness to Contribute per year
South West Water (Waste & Water bill)	£22.45
Bristol Water (Water only bill)	£11.65
Bournemouth Water (Water only bill)	£10.60

<sup>17</sup> Census, 2021 –

<sup>18</sup> South West Water Long Term Tracking Survey 2022\_23 Main Report ICS

<sup>19</sup> BRL Annual Customer Survey 2023 Future Focus

### Our progress to date

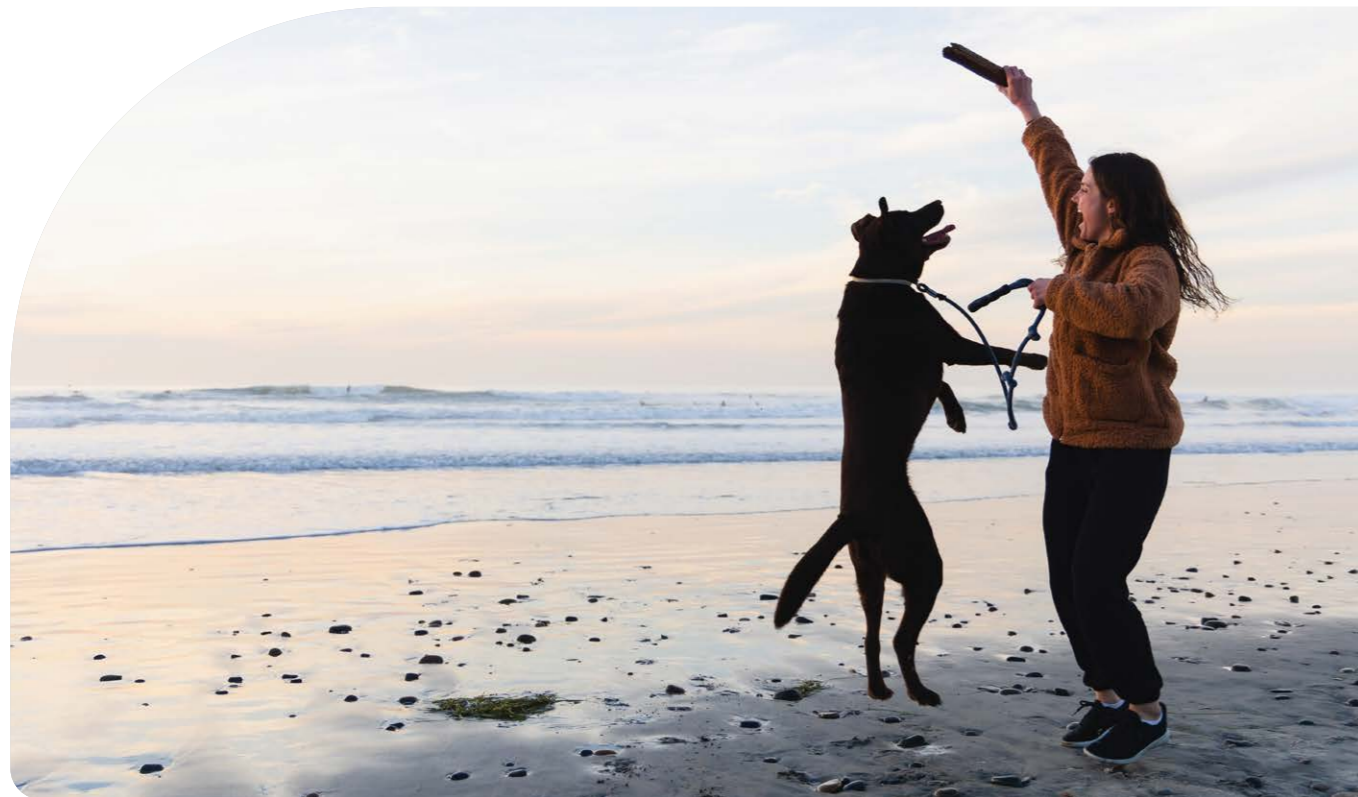
In our previous five-year plan, we made our industry leading ambition to eradicate water poverty by 2025. This was set for South West Water and Bournemouth Water, with a similar target independently set by Bristol, to achieve 0% in water poverty. We also set out our focus on ensuring affordable bills for all.

Our bills remain lower today in real terms than they were a decade ago, and we continue to work hard to ensure we are delivering efficient outcomes for customers. Our unique approach to affordability has included shareholder support through:

- Our WaterShare+ incentive scheme provides an opportunity for customers to own shares in our parent company, Pennon Group plc, or receive a credit to their water bill. This scheme has given over £38m back to household customers to March 2023 and will continue to share any outperformance in the future

- Our Stop the Drop campaign in Cornwall gave customers in Cornwall £30 off their bill for reducing their water usage and helping our Colliford reservoir recharge after the hot, dry summer of 2022.

The value to customers is significant, and we are looking to expand and extend our efforts to make support available to those that need it proactively and supportively. We have summarised the value of this support, both to date and forecast to 2025 – a total of £88.7m, and up to a total of £297.3m in the following table:



Measure		2020-25	2025-30	% difference
Number of customers benefiting through support tariffs	Nr	87,066	109,681	26%
<b>Financial assistance value by elements of affordability toolkit</b>				
Financial Assistance from Support Tarrifs	£m	£72.8	£167.7	121%
Financial Assistance from Debt Support Schemes	£m	£9.7	£18.8	271%
Benefit Entitlement Checks*	£m	£1.5	£0.5	-67%
Targeted Lowest Bill Guarantee and Water Efficiency - Lifting customers out of Water Poverty	£m	£44.7	£21.6	62%
<b>Affordability Toolkit - Total Financial Value of Support and Savings</b>	<b>£m</b>	<b>£88.7</b>	<b>£208.6</b>	<b>148%</b>
Community and Water Efficiency Funds	£m	£0.9	£2.0	77%
WaterShare+ and Stop The Drop Incentive	£m	£0.5	£0.5	-6%
<b>Total value of support and savings</b>	<b>£m</b>	<b>£156.50</b>	<b>£252.4</b>	<b>154%</b>

\* BECs value 2025-2030 reduced as majority of customers eligible assessed in 2020-25

To achieve our target of eradicating water poverty, we have worked with CACI and ICS to develop a water poverty model, supported by an extensive suite of data, which allows us to identify to high levels of probability at a customer level those who are in Water Poverty, and therefore in need of our support.

Using this tool, we have started to auto-enrol customers onto support tariffs, where we have identified that they are in water poverty. In the South West Water area, we auto enrolled 8,000 customers onto our WaterCare tariff in 2022-23 with more customers set to benefit to 2025 and beyond.

Our innovative data suite also allows us to identify changes in behaviour, allowing us to reach out to customers and offer support before they fall into debt.

Our tool and approach to supporting those in water poverty is supported by our affordability toolkit. This has a range of options to help customers lower their water bill, including switching to a metered tariff, payment breaks, water efficiency advice and home visits, low tariffs for customers who qualify and help with debt. Between 2025-30 we are planning to help 1 in 10 customers across all regions lower their bills through this support.

Our modelling has also helped us understand that to eradicate Water Poverty for South West Water in 2024-25, a further c6,500 unmeasured customers will need to be brought out of Water Poverty. These customers are some of the hardest to reach and often most vulnerable. They may not be able to apply for a meter, as they may not be in control of the decision if they rent from landlords, and for others, switching to a meter may not be sufficient to bring them out of Water Poverty.

In response to this challenge, we are working to introduce a one-year-only social tariff which can be applied to unmeasured customers so we can realise our ambition, as well as giving ourselves the opportunity to engage with these customers to understand how we best support them in the long term.

The model, our methodology and the use of auto enrolment has been seen as a robust and innovative approach by industry and energy peers who believe this type of modelling to be a cross-sector first. We are looking to share this widely to ensure others benefit from understanding and considering our approach.

In addition, a data share with the Department for Work and Pensions (DWP) started, through this we have been registering eligible customers directly onto our

schemes. We will continue to listen to our partners, evolve our process and customer journeys along side our data tool to support all customers at risk and in water poverty as the bills increase over 2025-30.

In summary, from 2020-30 we will have seen a growth of customers on the discounted bill, we have moved from supporting 45,000 of customers in 2020 to 110,000 of customers in 2030.

### Case study on supporting customers in the Bristol Water area to lower their bills through our funded debt sector partnerships

In the Bristol Water region, the target of 0% of customers in water poverty has been achieved for the last two years. Between 2020 and 2023 we have funded circa £208,000 to our debt advice partnerships in the Bristol Water region, our partners have registered 2,340 of customers directly onto our social tariff schemes, at the same time providing them debt advice on all of their

financial matters. During the early part of the cost of living crisis our debt partners made us aware of the challenges the sector was facing, in particular regarding capacity to serve all of their clients. We evolved our strategy to use the Water Poverty Tool to help identify customers at risk of water poverty and then started direct communication with them.

Region	2020	2025	2030
South West Water (including Bournemouth Water)	25,626	61,315	79,946
Bristol Water	19,027	25,751	29,735
<b>Total</b>	<b>44,653</b>	<b>87,066</b>	<b>109,681</b>



## Leading indicators for financial vulnerability

We track leading indicators which provide early warnings of changes in financial vulnerability.

Following the Covid pandemic and subsequent cost of living crisis, we have provided CCW with regular updates on these indicators and while across our region we have not seen any significant changes in these measures to date, we continue to monitor them to ensure we are aware of any concerns that may be building.

While our key indicators are performing well, external indicators and macro-economic forecasts clearly indicate that more customers will find it increasingly difficult to pay as inflation and housing costs begin to have a material impact. Inflation and interest rates are also affecting customers' ability to afford housing. This impacts renters more severely who are typically more financially vulnerable as fixed-term mortgage deals end<sup>20</sup>.

In the South West Region (includes all our service area and more) are 5/12 across the UK for highest average debt, with an average of 13 debts (joint 2nd highest) and an average of 49% priority debts (joint 3rd highest). We will continue to monitor closely these leading indicators of financial difficulties to ensure that we are providing the right help when our customers need it.



<sup>20</sup> CCWater Matters 2022 Water-Matters-2022-Data-Report.pdf (ccw.org.uk)

## Engaging with our FreshStart Board

The FreshStart fund is available to assist South West Water and Bournemouth Water customers who are looking for help with water debt. This is often because they may be new to debt and often, are dealing with an exceptional life event which means they would benefit from immediate clearance of their water debt, or short-term help with bills.

The fund gives customers the time and financial assistance to help them to adjust to these new circumstances – for example, if they're left with debt following the death of a partner, unemployment, relationship breakdown or illness.

Since April 2021 the fund has been administered in-house and a new FreshStart board was established. The main responsibility of the Board is to offer strategic direction alongside providing a voice for South West Water and Bournemouth Water customers. The board also ensures that affordability measures are applied consistently and supports our aim for all customers to receive a bill that is both affordable and value for money while receiving the highest level of service regardless of their personal circumstances. The board meets quarterly and reviews FreshStart performance and overall affordability performance.

We intend to extend this to cover the Bristol Water region for the 2025-30 period and continue to build on this initiative across all of our brands and provide £2.39m of support through this.

## Providing support through partnerships

We know that customers often find it difficult to ask for help or may not be aware of how to access support. As a result, we take a partnership approach, ensuring we work with others to share the work we do and support we can provide to customers:

- Since 2017 we have had joint partnering with Wessex Water, Bournemouth & Poole Citizens Advice providing funding for a 'Water Guru', for our Bournemouth Water customers. The Water Guru supports customers to get help with their water and sewerage bill as well as more general debt advice
- Since 2020, in the Bristol Region, our funded partners in the Debt Advice Sector have registered 2,340 customers directly onto our lower discount tariffs. In the Bristol Water region customers receive waste services from Wessex Water. Our customers in this area receive one bill for both services and all the help for customers struggling to pay is consistent for both services. Bristol Water and Wessex Water jointly fund debt advice charities to provide debt advice across the entire financial situation for customers most in need for affordability schemes. This ensures that customers receive holistic debt advice rather than just advice on their water debt.

As we move forward to 2030, we plan to use our data to help identify areas where new partnerships would be beneficial and increase the amount of insight we gain from our partners through testing our forward plans with them on a more regular basis.

## Addressing affordability and vulnerability

2020-23 has seen a number of changes and improvements to our customer journey for helping customers who need additional support. These were expedited as a result of Covid and the cost of living crisis. We have achieved:

- Lowest Bill Guarantee and Money Back Guarantee introduced for customers opting for a water meter South West Water have trialled dual billing and has also introduced lowest bill guarantee in 2023, which has opened to customers having a meter from April 2022. Bristol introduced lowest bill guarantee from February 2022
- We introduced a single application form for our South West Water and Bournemouth Water customers, the Application for Support, streamlined applications into one form. This means a customer only needs to complete one form for all our support, including tariff, debt support, payment plans and our priority services register
- South West Water and Bournemouth Water customers can choose the best method of contact to apply for support, we now offer digital forms on our website, via telephone, webchat or WhatsApp, as well as keeping paper forms and downloadable forms on our websites available
- New fast track customer journey for our Assist social tariff, we now apply a discount to lower their bill at the first contact, before the customer seeks debt advice
- Covid Assist – during Covid we changed our tariff so customers could join Assist without needing to be in debt
- WaterSure+ renewal – we have reduced the customer effort of this process and made it digital.

Our controlled debt journey is very important as it is our last opportunity to engage with customers about our affordability toolkit and the chance to help them lower their water bill. The journey has been structured to universally offer help and support from the onset. Multiple communication channels present ample opportunity for the customer to engage.

Text is written in a clear and concise manner, avoiding jargon. In recognition of the constant evolution of the financial environment, our processes do incorporate ample scope to connect outside of the credit cycle, should we deem earlier intervention to be to the benefit of the customer.

Amendments to the credit cycle can be made at an individual customer level, or at a broader basis in response economic pressures or events such as the pandemic or the cost-of-living crisis.

Our approach is to provide targeted and innovative data driven assistance which is sensitively tailored to the needs of the customer. We ensure the customers circumstances are fully understood so relevant support is offered as early as possible. Bespoke assistance on how to reduce water usage, and bills, is consistently delivered. Our strategy centres around sustainable payment plans to create habitual payers using payment methods that give us a quicker indication of affordability issues so we can intervene sooner and avoid debt building up.

Our commitment to aiding and supporting customers struggling with debt has seen the doubtful debt charge performance from 2020-21 surpass the AMP7 glidepath commitment each year. The target for 2024-25 has been achieved since 2020-21, presenting substantial efficiency and a 45% decrease on the doubtful debt charge of £16m in 2012-13.



## Supporting customers with water debt – South West Water

Measure	2020-21	2021-22	2022-23	2023-24	2024-25
Forecast doubtful debt charge £m	£10.8m	£10.3m	£9.7m	£9.2m	£8.7m
Actual doubtful debt £m*	£8.6m	£8.6m	£8.5m		

\*Actual doubtful debt in 22-23 prices

Beyond the doubtful debt performance, we have presented a further efficiency of £1.3m across the AMP thanks to the in housing of Telephony and Doorstep Collection activities. We recognise the unpredictability of a volatile financial environment and the challenges that can impose on our customers. Insight has been garnered from the pandemic on how to respond rapidly and effectively to customers who may be struggling.

Consideration has been placed on those who might be facing financial hardship for the first time. This group could be unaware of what support is on offer and will be unaccustomed to discussing personal financial matters. Our strategy has been to provide data driven targeted assistance, adapted to the needs of the customer.

Performance has been maintained by:

- Developing a reporting suite which offers innovative perspectives on both universal performance trends, and indicators at an individual customer level
- Embedding an empathetic and understanding culture within our collections team
- Initiating regular refresher training on available support tariffs
- Utilising external resources to monitor risk and to guarantee horizon scanning
- Ensuring our teams are supported as we acknowledge the testing environment in which they work.

The Paying Fair Guidelines, set out by Ofwat in 2022 and we undertook a gap analysis of areas we needed to make improvements.

We had a number of principles that we identified we could improve further, and we are working on these plans. See Appendix 2 for more information.

At South West Water we were compliant with 138 of the 145 principles. At Bristol Water we were compliant with 143 of the 145 principles.

## Our plans for the future

We are acutely aware that increases to water bills, while critical to ensuring we are investing in our region and delivering the service our customers need and want, remain a concern for customers. As such,

we remain committed to ensuring we support all those customers who are at risk of being in water poverty across our region.

Our modelling tells us that we can expect to see the number of customers in water poverty to increase in the coming years. Without any support through our affordability toolkit, our modelling currently forecasts there will be 92,174 in 2025 increasing to 129,546 by 2030, given increasing housing costs, lower income and rising water bills.

We are committing to maintain our ambition to ensure we achieve 0% water poverty in our region by 2030, allowing us to ensure we are supporting all those customers who need it.



Our approach to affordability remains core to this and reflects:

1	Prioritisation	Firstly, and fundamentally, ensuring affordable bills for all customers; we do this by balancing investment priorities with bill impacts, driving efficiency to deliver value for money and ensuring our plans deliver key customer priorities and the statutory improvements needed now, while ensuring we are fairly balancing the impact on current and future customers.
2	Efficiency	Deliver the best value plan that is at the frontier of efficiency in our sector.
3	Fair charging	Using progressive charging to ensure we are reflecting costs fairly across our customer base, a particular focus on our areas where we have high investment needs across our beaches and bathing waters, and our water resources need to meet the needs not only of our resident population but also the visitors who flock to the South West over the summer months.
4	Water efficiency	Offering metered supply to unmeasured customers; this will ensure that we are providing the right tariff to the right customers and supporting them with water efficiency measures to enable the right consumption for those customers.
5	Support for those who need it	Proactively identifying and enrolling those at risk of water poverty onto our support tariffs, making support easy and ensuring we treat customers with respect and empathy.

We focus in this strategy on our plans to ensure we have the right support for those who need it due to financial vulnerability; this also builds on our approach to water efficiency and smart metering.

## Our Affordability Toolkit

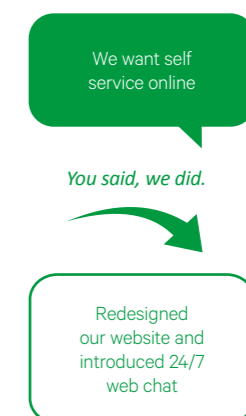


Our affordability toolkit will form the basis of our approach, but we have refreshed it, learning from our work in 2020-23, to ensure it reflects the needs of our customers, best practice, and our wider plan. Changes include:

- Smart metering to help use only the water customers need – but we know some customers may limit the water they use beyond this, if they are worried about bills. We will therefore also proactively consider this by, using our data to flag low users, we will then proactively contact them to talk through their usage and provide advice on their bill
- Customer side leakage identification (through smart meters) and support to help fix leaks, with additional support for those on support tariffs and priority services. We provide a tailored free leak repair service depending on the individual customer needs, fixing leaks at no cost to the our most financially vulnerable customers. We are expecting to provide 7,502 leak repairs of help in this way over 2025-30, a growth of 3%.

Ensuring our social tariffs are tailored to meet our customer needs. We offer a variety of social tariff schemes across our brands, we will review, consider and evolve the support we offer, with the goal to consolidate where we can.

We will review the best of all the options we offer and listen to customer insight on what we can improve to ensure our customers receive the most effective help and support package.



Affordability toolkit support	Unit	2019-2020	2020-25	2025-30
Number of customers benefiting through support tariffs	Nr	44,653	87066	109681
Financial assistance by £ of our support tariffs	£m		£72.8	£167.7
Financial assistance by £ of our debt support	£m		£49.7	£18.8
Benefit Entitlement Checks	£m		£1.5	£0.5
Lowest bill guarantee and water efficiency – lifting customers out of water poverty	£m		£4.7	£21.6
Affordability Toolkit - Total financial value of support and savings	£m		£88.7	£208.6
Community and water efficiency funds	£m		£0.5	£0.5
WaterShare+ and Stop The Drop Incentive	£m		£66.9	£41.8
<b>Total value of support and savings</b>	<b>£m</b>		<b>£156.5</b>	<b>£252.40</b>

Customers in our South West Water region currently receive a £50 contribution from the government towards their water services and 88% of customers strongly believe this contribution should continue. With this level of support from customers, and the material difference it makes to affordability, we have assumed for the purposes of our water poverty modelling, that the contribution will continue to 2030. This has a consequential impact on the level of assistance and support assumed in our modelling

We will use our focus areas to ensure we identify, support and engage with our customers in a tailored, supportive and empathetic manner.

- This focuses on:
- Using data wisely
  - Growing partnerships
  - Community engagement
  - Improving the customer journey.

We set out how this guides our strategy and the commitments we make below.

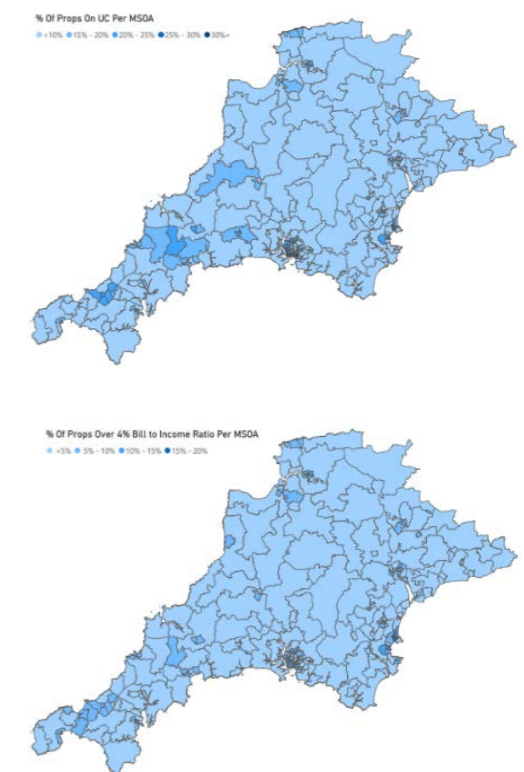
### Using data wisely

Our data tool means we can auto-enrol customers straight onto the most appropriate support scheme for them, potentially preventing them building up a water debt and reducing the need for them to contact us for help. We will take the first step and put them onto a scheme, or contact them if a meter or water efficiency advice will take them out of water poverty.

Taking out the customer effort, should make the water bill one less worry for customers who are financially struggling. If we do not have a contact preference, our customers are notified by letter of their auto enrolment and are encouraged to contact us if they believe they are entitled to more support.

We are able to achieve our challenging targets through our water poverty tool, which uses our suite of internal and external data to identify customers who are in Water Poverty, and proactively enrol them onto our schemes. Customers are notified by letter of their auto enrolment and are encouraged to contact us if they believe they are entitled to more support.

See Appendix 2 for the a case study into how the Water Poverty Tool will support our customers in each region.





<b>Support to remove customers from Water Poverty</b>	<b>Bristol Water</b> Number of customers forecast to help by 2030	<b>South West Water &amp; Bournemouth Water</b> Number of customers forecast to help by 2030
<b>Water efficiency support</b>	1251	1016
<b>Metering</b>	1611	15,717
<b>WaterSure</b>	4,186	29,091
<b>Social tariff schemes</b>	25,549	50,855

Our water poverty tool will be updated quarterly, in addition to helping customers out of water poverty we will use it to look at customers who are at risk of water poverty. This data will be reviewed at a community level and underpin our decision making for the new initiatives we do in the community, equally for our new partnerships.

This approach will be targeted to providing financial assistance, water efficiency and metering advice to customers who are outside of water poverty, but who may still be income deprived. Through our partnership and community work, we hear from the community on how we can improve the customer experience, the services and help offered. Therefore, it is important to maintain and grow these, we see the change between 2025-30 being that we can use this data to target more efficiently where we focus our help, to ensure that we have good coverage to the areas most needed.

Customers in our South West Water region currently receive a £50 contribution from the government towards their water services and 88% of customers strongly believe this contribution should continue. With this level of support from customers, and the material difference it makes to affordability, we have assumed for the purposes of our water poverty modelling, that the contribution will continue to 2030. This has a consequential impact on the level of assistance and support assumed in our modelling

## Growing partnerships

We have funded circa £208,000 to our debt partnerships between 2020-23. In the Bristol Water region, we have an agreement with our partners that includes an annual workshop, training and quarterly reporting. Across our other areas, we work on an individual basis with our partners.

- Looking ahead to 2030, we want to evolve the partnership working across our area, to be able to hold regular workshops to hear their views on our offering and future plans
- Across 2025-30, we will use our data to support having effective partnerships across our region
- We will introduce annual partnership workshops across all of our regions, to update our partners on our future plans, to inform them of bill changes and to hear their views on our schemes. For example, as we look to evolve our affordability toolkit, we would provide early awareness of any changes and listen to their views on our proposals
- By 2030, we plan for our funded debt partners to help our customers onto low discount schemes
- We will ensure we work towards good coverage of partnerships in the areas our data shows are most deprived and need the additional support
- We will ask our partners to help share case studies with us on our website and literature, either from our partners or if appropriate their clients.

## Community engagement

During Covid we rapidly evolved our community activities, we had a responsibility to quickly find new ways to reach customers who needed help with their water bill, many for the first time as the cost of living crisis started. Prior to Covid, we had largely reached customers via in person events in the local community. Covid triggered us to evolve, switch to online channels and establish new partnerships, like the Village Agents, who could help provide help with the water bill to customers in rural communities who were digitally excluded.

This experience has taught us the value of evolving our community engagement, across different channels, targeted messaging to those who need it, and working with partners to help raise awareness. We launched our largest ever community outreach programme with our significantly expanded Community Team, reaching over 4000 pupils in the last year.

- Looking ahead to 2030, we want to evolve the partnership working across our area, including CCW and Ofwat, to be able to hold regular workshops to hear their views on our offering and proposed future plans
- We will use our data tool and the knowledge of our customer demographics gives us the opportunity to efficiently target our community activities to the most needed areas
- We will ensure where we are in a community for an event, for example a WaterShare+ meeting, or a WaterFit pop up event, if it is an area that is also income deprived that we support with clear messages from our affordability toolkit
- In our analysis on the demographics of our region we identified that we need to visit communities that are rural, have high levels of digitally excluded customers and older people. We will target our engagement activities to reach these customer groups and ensure that we make it accessible to understand the help we have on offer
- In order to validate that 75% of customers view water companies positively, as per the CCW guidelines, we will add a question to our annual survey to be able to monitor this effectively.

## Improving the customer journey

The customer journey is a critical aspect of any business, as it directly impacts customer satisfaction. By mapping the customer journey, identifying pain points, and implementing solutions to address them, companies can create a seamless, personalised, and memorable experience for their customers.

We will be reviewing and updating our customer journeys to incorporate the changes for our plans for 2025-2030. This will benefit all of our customers and their customer experience, there are a number of specific improvements we have identified to help improve the customer journey for those customers who need additional support with their bill.

- We will be expanding our smart metering programme, we will consider in that, how we promote water efficiency help and our wider affordability toolkit for customers who are trying to lower their water bill
- We will increase the water audits across all of our brands, providing tailored help for customers saving water
- In the Bournemouth Water region, we will be introducing compulsory metering. We will put meters in first to those who need a meter to be taken out of water poverty. We will create a customer journey to address worries that customers have about having a meter, water efficiency advice
- We will enhance our systems and digital platforms to ensure improved customer experience, supported by clear, accurate and timely information and bills for customers; we are planning to upgrade our billing and CRM systems which will enable better communications and engagement with customers
- We will look to incentivise our customers with schemes we have trialled in the past, for example our KickStart scheme, which incentivises disengaged unmeasured customers who have a debt on their account. The scheme would be to incentivise them financially when a meter has been fitted or if a meter can't be fitted on to assessed charges. Following engagement with the customer we will support the customer to ensure they get the support they need. We will plan to make this routine and across all of our regions by 2030.

## Providing good debt journeys

We recognise that our approach to our debt customer journey must remain flexible and open to rapid modification to respond to the ever changing challenges faced by our customers. Significant macro-economic changes make it difficult to predict performance in the collections space i.e., universal credit, the cost-of-living crisis is the biggest current factor for consideration alongside the perception of the water industry. Some of customers will face financial difficulties for the first time and discussing personal finances will be a new experience. Consequently, combined with our data guided approach, empathy will remain at the forefront of our values.

Up to 2030, our approach will remain adaptable and receptive to modification in order to react to shifting financial complexities. Considering 18% of those on fixed rate mortgages will see their deals end before December 2024, the situation is likely to worsen prior to stabilising. We will need to remain flexible and responsive.

To aid performance:

- A new billing and CRM system will be implemented to enhance the dynamic capability of collection activity
- Partnerships with Housing Associations and Councils will be advanced to progress data sharing capabilities to help customers receive affordability support in a timely manner
- Cross skilling of staff will aid adaptability and enable the practical use of resource availability across multiple departments
- Under the Digital Economy Act (DEA), utility companies have a unique opportunity to engage with Department for Work & Pensions (DWP) for data sharing purposes. A data sharing agreement between the DWP and us has been implemented with the concentration of customers in receipt of support directly aligning to our own analysis. This allows us to further validate our data and target our affordability toolkit and, allows us to auto-renew customers on our tariffs, removing the barriers to reapply.

We are also already using independent data, coupled with our own records on water bills and consumption to identify those in water poverty. We will proactively enrol these customers to provide financial support, with empathetic and tailored communication to explain the customer journey. We will ensure we provide a best in class customer experience by a clear, easy to understand, customer journey to our customers needing this additional support.

## Paying Fair Guidelines

In 2022, Ofwat issued the Paying Fair Guidelines for the water industry. Extensive work was undertaken to review gaps in our service compared with the guidelines and implement the changes needed. Across our areas we have a small number of guidelines that we currently have alternative approaches but we are continuing to review how we can improve our service against them.

The areas of focus are:

- Use of Credit Reference Agencies (1.32 – 1.35)
- Customer testimonies (4.2)
- Displaying financial support on envelopes (1.20 and 5.4)
- Make it easy for relatives to close or amend the accounts of a loved one who dies (2.17).

Of the seven principles where our approach differs to that set out in the guidelines, four relate to the use of best practice when using Credit Reference agencies.

Our overarching approach is to have a direct, strong, tailored and personal relationship with our customers who may be struggling to pay their bill. This is even more important when set against the backdrop of the current cost of living crisis. As a result, we have deliberately chosen not to work with Credit Reference agencies as we feel their involvement can cause pressure for customers, particularly where any action we take can negatively impact credit scores.

Instead of using Credit Reference agencies to help identify customers who are in need of our support we have utilised our data to build a suite of early warning indicators that allow us to make proactive early intervention to prevent customers falling into debt.

Our extensive and innovative suite of internal and external data not only allows us to make proactive early intervention but also informs our plans, targets our support and community presence and allows us to identify at a customer level those who are in Water Poverty, are in most need of our support and can be the hardest to reach. This is at the forefront of our ambition to eradicate Water Poverty by 2025 and again to 2030.

We believe that the endorsement of credible and respected charities, agencies, and partners who we work with is more powerful should a customer not feel comfortable in contacting us directly. We are working with our partners to explore opportunities where we can share studies which may further encourage customers who need additional support to reach out to us.

The careful way in which we have constructed our customer journeys and the language and channels we use to engage with customers encourages direct contact with us without the need for personal endorsements. In addition, we feel that where a customer is struggling with debt this is sensitive and private and the use of personal testimonies on our own literature would not align to the overall integrity of our approach.

We do not display financial support on envelopes as this does not align with our overarching approach of providing tailored, targeted engagement with individual customers, to build trust with all our customers. Information on envelopes could be visible to family members, or third parties which could lead to embarrassment and cause further detriment to a customer's well being and impact our trusted relationship with our customers.

In the Bristol Water region, we identified 6 principles where we could improve further, these are dependent on our new billing system.

For our full response please see the Ofwat website<sup>21</sup>.

We will ensure these action plans are part of our continues learning, adapted both from water and other sectors.

<sup>21</sup> ONS Impact of increased cost of living on adults across Great Britain: February to May 2023



# Our strategy for non-financial vulnerability

## Understanding what our customers need from us when they need extra help

Providing an effortless customer experience and tailored care to our customers who need it the most is vitally important to us. As the only provider of a critical service for our region, we appreciate the responsibility of understanding which customers need additional support, and making sure that we have efficient processes in place to deliver on the service we have promised.

This section also addresses how we will comply with the Ofwat Vulnerability Guidance which was published in August 2023, one of the new requirements of the Customer Focused Licence condition. We are expecting to see a significant increase in the number of households registered with us on the PSR to 25% by 2030, therefore, ensuring we can deliver what we have promised them is very important.

Accessibility and communication channels	We will continue to provide braille bills, translation of bills into other languages, an accessible website for all customers.
Support during supply interruptions	We will ensure we prioritise those with the greatest medical need, such as those with medical dependency on water, or in rural conditions, the need to deliver higher levels of bottled water to individual households, rather than through distribution points.
Improved customer journeys	We will ensure that we have excellent, fully accessible, omnichannel journeys which include digital journeys, but also retain empathetic, 'warm voice' contact channels, such as telephone, so our customers can switch and choose those most suitable for them.
Robust staff training, policies and customer promises	We will continue to support our staff with employee support programmes and incident management training to look after customers.
Giving greater focus to the communication of the services we provide to those with specific needs, increasing awareness which we recognise to be lower than we would like	We will continue to use our partners, paid ads on social media, newsletters and continue to look at and refresh all customer communications. We will also use our continual insight to test the effectiveness of our communications up to 2030.

A key purpose of our customer vision for 2025-30 is to rebuild trust with our customers. Providing a tailored service is important, we know it will help make the service better and more efficient for our business. Providing the extra care for those customers who need it is a core pillar in this strategy and will allow us to communicate and engage with these customers through the right channels and provide them the empathetic, relevant service they expect.

## Our strategy for non-financial vulnerability continued

### BSI inclusive service provision

To ensure that we are providing our best customer experience for our customers who need additional care, we have committed to being assessed on our strategy, training, and service to achieve and maintain accreditation from BSI.

BSI has created a new Kitemark scheme, formulated using the best practice and the requirements of some of the UK's leading regulatory bodies, Ofgem, Ofwat and FCA with nine cross sector organizations having achieved the certification.

Since 2020, we have held the BS18477 in our South West Water area. We are now moving towards the new BSI ISO 22458, we have achieved the accreditation in the Bristol Water region.

This accreditation underpins our strategy for helping customers who need additional support and to who we provide accessible services.

We have been working on our gap analysis and action plans within the Bristol area for the last two years, and in August 2023 we had our final audit in the Bristol area.

- Key changes we have made and our making include:
- A fully accessible website which included moving to a new web platform
  - Robust and measurable training for our staff on our policies and service, available 24/7 for all our teams including their mobile devices for quick on the go guidance
  - Introduction of vulnerability heroes, our subject matter experts across the business
  - Imbedding an inclusive culture
  - Enhancing customer journeys and processes to have vulnerability front of mind
  - Innovations to how we work including data sharing and being proactive with vulnerable cohorts
  - Enhanced partnership working
  - Better digital self service options
  - Services to make us inclusive, such as Scope, Relay UK, Language Line and Sign Live
  - System improvements to allow our field teams to have awareness of customer vulnerability needs.

Bristol Water and their collaborative billing partner Pelican, have both demonstrated a high level of conformity against both the standard and Kitemark requirements, with positive recommendation for certification being made, subject to the receipt and acceptance of an appropriate corrective action plan.

The Vulnerability Strategy is evidenced as being clear, well communicated and understood by all parties, with planning to achieve demonstrated as being planned and effectively delivered.

Outputs are analysed at all levels to gain improvements with clear vision and drive fuelling continual improvement by all parties.

Worthy of particular note are the efforts made by the business to reach out to society in order to learn about lesser-known vulnerabilities and harder to reach cohorts with the aim to improve lives and prevent harm. A great deal of empathy and understanding was shown by all personnel that engaged with the process – cultural values are clearly well embedded and delivered.

### What our customer research tells us

We survey a sample of our customers that are registered on the PSR, using the latest technology to make it easy for customers to share feedback through their channel of choice, asking about the customer satisfaction with the service on the priority services register, customer satisfaction post customer complaints and post operational events to see how we can improve our service to our customers registered on the PSR. We also use natural language processing tools to understand what our customers are saying to gain quick actionable insights to support our continuous improvement.

For South West Water and Bournemouth Water customers, the satisfaction of being on the PSR has increased from 83% in 2021-22 to 91% in 2022-23<sup>22</sup>. In the Bristol Water region, the satisfaction has increased from 82% in 2021-22 to 88% in 2022-23.

Across all of our regions, we have already registered more customers onto our priority services register than the 2025 target. Our insight in this topic tells us that with high customer satisfaction, and we are registering more households than planned to do so.

Continuing to deliver a trusted, tailored, and high level of customer service for our customers who require extra care is fundamental to our strategy. We will continue to ask for the feedback on a regular basis. We are aware of managing an efficient and reliable service as the numbers on the PSR grow, and that is a key part to our forward plans.



### Our progress to date

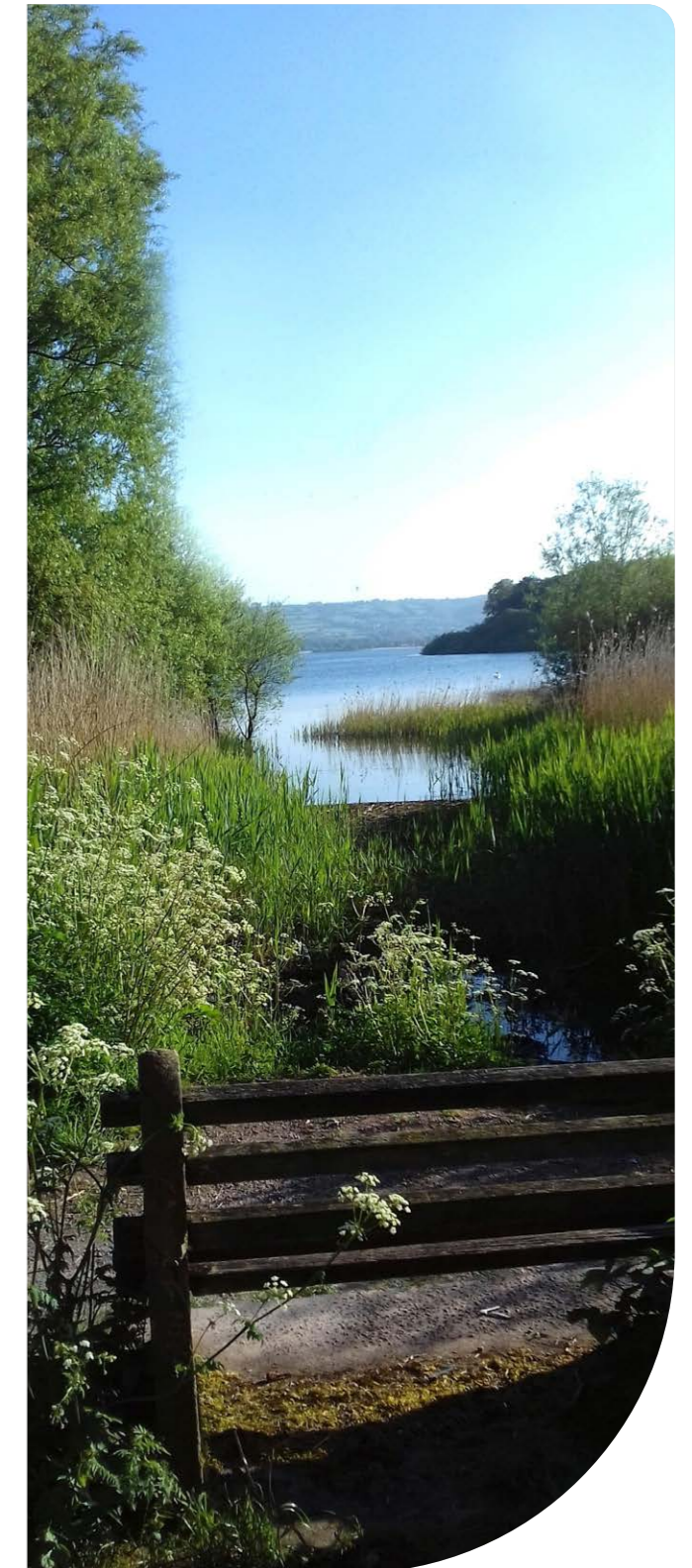
Across all of our regions we have already exceeded our 2025 commitment for the number of households registered with us on Priority Services. We are forecasting this to grow to 25% by 2030. While we are pleased with our progress to date, we are very aware that we have more work to do to maintain our customer expectations with the service we provide for customers registered with us on our Priority Services. This will be needed as we are expecting the number to grow, and we know that this will be likely from our review of the data and demographics in our region.

Our customers continue to tell us that we need to do more to increase awareness of the additional support we offer. We also hear that we need to provide a more consistent service during events such as lengthy supply interruptions and extreme weather. We are expecting 21% of our customers to need help with bottled water delivery in an outage.

We have exceeded our targets for how satisfied customers (registered on the PSR) are with the service for the last two years. In 2022-23 customers rated the service at 91% for SWW and 88% for Bristol Water. We will continue to work to improve this to 95% up to 2030.

Our plans for PR19 were focused on growing our numbers on priority services, working towards the national data share with Energy. Since then, we have worked through and served our customers through the Covid pandemic, this accelerated our plans for how we increased awareness and improved our processes to deliver on the needs of these customers. Our plans now, take these learnings forward so we can serve consistently all our customers who need additional help.

We will do this through using our data, growing partnerships, community engagement and customer journey improvements.



<sup>22</sup> How water companies are committing to Paying Fair – our compliance assessment – Ofwat



### Using data wisely

Between 2020-25, we had a target to achieve 7% of households on our Priority Services Register.

At the time of submitting the plan for this period, we expected to achieve this through the National data share with Energy. That project is not yet up and running, we have therefore worked on other methods that have meant we have exceeded this target.

We have established local data shares with National Grid and SSEN, and have automatically registered over 15,000 customers on our PSR after contacting their energy provider between 2020-23.

- As part of the WaterUK led initiative, we have established 2 ways data shares with Energy, from April 2023. We have been sharing data back to National Grid and SSEN as well as receiving it
- To achieve the targets on attempted and actual contact of our PSR customers, we have used text messages, emails and letters to customers, supported with outbound calls where necessary
- Cleansing the data and confirming the customer needs has enabled us to service well the needs of these customers, as we hold more accurate information, as circumstances do change
- We have seen an increase in the consistency of the customer satisfaction score of customers on the PSR as we have embedded the auditing of the data. It is likely that customers receive a better more suitable service as a result of up to date information.

	SWW actual contact %	SWW PSR satisfaction %	BRL actual contact %	BRL PSR satisfaction %
2020-21	51.20	92	48.60	82
2021-22	90.36	83	91.10	89
2022-23	90.11	91	91.07	88

This will continue to be a foundation of delivering excellent service up to 2030, especially as the numbers we serve on the PSR grow.

An important first step in achieving Ofwat’s and CCW’s vision of joined up vulnerability data across both sectors. This approach will see the number of customers on the non means-tested PSR register who require additional support further increase. People who need power, are more likely to talk to energy more than water. Greater collaboration between water and other utilities can play a vital role in ensuring more customers in vulnerable circumstances take advantage of the support that is available to them. It will boost take-up of priority services and help further improve awareness of assistance available to those who need extra help.

### Growing partnerships

The Covid pandemic accelerated our plans to increase awareness of the Priority Services.

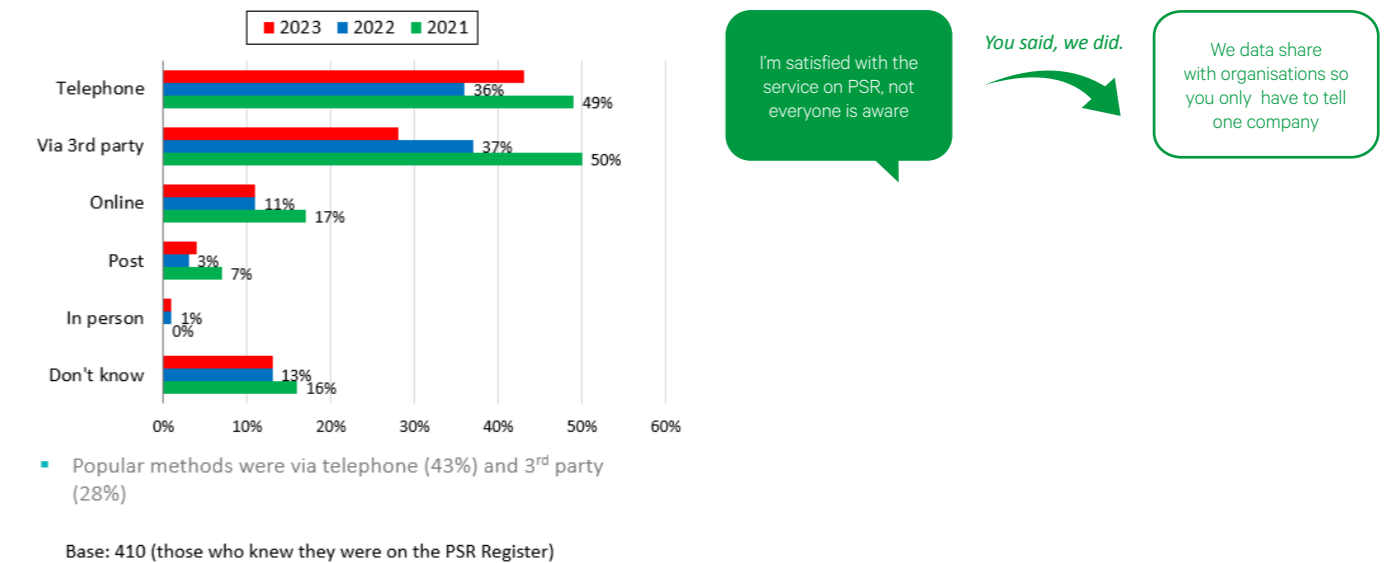
Our intention during the pandemic, as remains today, was to have all eligible customers registered on our PSR so we can ensure we service there needs with the additional care they require.

Our established network of partners has helped us and continues to help us reach customers about our service. By combining on a variety of partnerships to reach different types of customers we have seen we can generate interest on social media and in the news, therefore collaboration helps us to increase awareness.

While we do not require our partners to capture the amount of households, they register on the PSR, we have tracked in the Bristol Water area how customers have heard about the service.

During the pandemic year of 2020-21<sup>23</sup>, the sign up via a 3rd party was most frequently answered question in this survey.

### Methods used to sign up to PSR



<sup>23</sup> SWW PSR 2022-23 Full Year Summary ICS

### Case study on growing partnerships to raise awareness of our PSR

#### Royal Association for the Deaf (RAD)

We have a collaborative relationship with RAD alongside Wessex Water, National Grid and Scottish and Southern Energy.

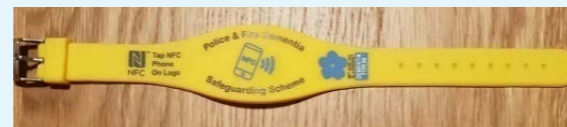
Due to the geographical areas we cover, we jointly funded RAD to support with promotions of water affordability schemes and direct sign ups to our Priority services register. We hoped to be able to reach our hard-to-reach deaf customers who traditionally use British Sign Language (BSL) as their first language.

#### Working closely with Avon and Somerset Police

Bristol Water has worked closely with Inspector Stuart King at Avon and Somerset Police to support their Dementia Safeguarding Scheme also known as the Herbert Protocol.

Stuart set up the scheme eight years ago in response to an increasing number of missing people and welfare concern reports involving people with dementia.

This scheme enables families to upload vital information about their loved one via the Avon and Somerset Police website which can be quickly accessed by the police should a person go missing. Bristol Water along with Wessex Water and National Grid have helped to fund this scheme with the addition of GPS devices and wrist bands. At the point of registering for the scheme you can also sign up for the priority services register.



### Community engagement

Over 2020-23 we have worked with a number of small community groups to share our messaging; the events are often small and short duration. They are used to promote multiple messages alongside PSR such as metering, water efficiency and bill advice.

We have not tracked our registrations at these events, as we move forward to 2030, we will monitor the effectiveness of them, and review the success rate to the expected data from our water poverty tool.

I didn't know about the additional help of the Priority Services

You said, we did.

Data shares with Energy suppliers, councils and partnerships provide support needed

### Case study on community engagement to raise awareness our extra support



#### Food banks and clubs

We support our food banks and clubs in the South West Water and Bristol Water regions, we attend sessions, provide training to spread awareness of our support to members of staff and customers that attend. We also provide literature on support available. An example has been in the Bristol area where we have been and raised awareness of our affordability support and our priority services. We have also attended food club days in inner city Bristol to be on hand to discuss customer concerns.



#### Build on existing Women's Institute relationship

Working with Women Institute groups in the South West region has been a great way to interact with small community groups, we have been able to share several messages for example water efficiency, what should and shouldn't be flushed down the toilet or put down the sink, as well as spreading awareness of our affordability support and priority services register.



## Customer journey

For the 2020-23 period, we have monitored the success of our customer journey for our customers registered on the PSR by our annual satisfaction survey and our target to maintain the BSI 18477.

Looking ahead to 2030, and we are committing to in this area is to achieve and maintain the inclusive service provision (BS 18477) SWW/BW transition to ISO 22458, Bristol to achieve ISO 22458 standard.

- We have achieved and maintained the BS 18477 for SWW 2020-23
- We have achieved the new Kitemark BS ISO 22458 for Bristol Water in September 2023
- A key foundation to the Bristol accreditation was the re-designing of the Bristol Water website and literature using gold standard using Web Content Accessibility Guidelines, so it is more even more accessible. This work continues now across our other brands
- We have had to demonstrate robust staff training, how we learn from customer insight and how we service customers during an incident.

Staff training is critical to delivering a high-quality customer journey.

- Our staff are trained to identify triggers and signs that an individual may need some extra help from us, so when customers contact us, we will make their journey as simple as possible

- Our internal training programme is complimented and supported by external partners who have helped us shine a light, provide insight and awareness for our customer facing staff in recognising a customer in a vulnerable situation
- Our Bristol Water staff have access on their mobiles to very short training modules with all the help they need to answer and service our customers registered on the PSR. This means if they are visiting a customer and unsure of the service, they can efficiently access the answer through their mobile device
- Training will be reviewed and expanded to make it more accessible for all staff
- From 2023, they are now assessed on their knowledge on an annual basis
- Our training is regularly reviewed, and further developments will be considered alongside Ofwat's Vulnerability Guidance
- Our training is supported by staff experts in vulnerability, spread across the business, they have additional external training and are leads in their teams for helping spot visible vulnerabilities and to provide coaching to colleagues in sensitive situations
- Lived Experience Group in place at South West Water to help apply challenge to our customer journey, including literature based on their experience
- Vulnerability heroes – Bristol Water have around 18 vulnerability heroes from across all areas of the business who are classed as subject matter experts. They are the go to people for all staff if and when support is needed for a vulnerable customer. Heroes attend quarterly updates and attended sessions with our partners, for example Kidney Care UK.

## Case study on customer journey to raise awareness our extra support

### The Lived Experience Group

The Lived Experience Group has been used to offer a check during the creation or update of a service. For instance, this can be new version of training related to affordability and vulnerability or a new layout for a standard letter.

We decided to create the group internally, to allow staff to use their knowledge and experience of the business entwined with their own lived experience to influence and share their thoughts. The recruitment of the group consisted of advertising the role and purpose through internal communications, we also had drop-in sessions for people to ask for more information about the group.

All applicants were asked to complete a form, this included their mindset, their general experience with vulnerability, what is their experience and whose was it, best and worst experiences with utility companies with a focus on water and any training and education around vulnerabilities. The application process was to make sure we were getting the right people; they were able to fulfil the role expectations and understand where the starting point is for each person.

The first meeting was in December 2022, the team has covered topics such as the cost-of-living crisis, our toolkit, and supported projects such as creating a company-wide persona BETTY (Be Empathetic Today Tomorrow and Yesterday) and the Lowest Bill Guarantee.

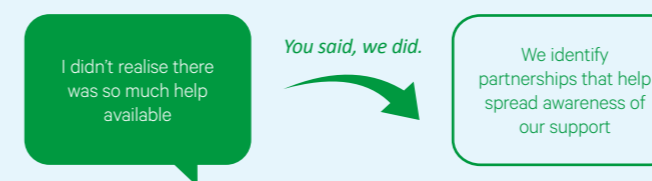
Creating a strong confidentiality safe space for all members to be authentically themselves has been key to the success of this group. All members signed a Privacy Commitment, it is on the top of the agenda of every meeting. All outputs are assigned to the group to protect identity.

Not only has the company had insightful information and suggestions from this group there has also been impromptu value-added benefits, for example the spread of roles throughout the group has meant for collaboration and learning from other departments.

The group goes from strength to strength, it has its own internal logo for the team to visually attach to the group and their own strapline 'turning weakness into strength'.

*'The opportunity to listen to others life experiences, past and present, not only offered a support network but provided an opportunity to use this to question and challenge how we support our vulnerable customers who maybe facing similar challenges'*

Lived Experience Group Member



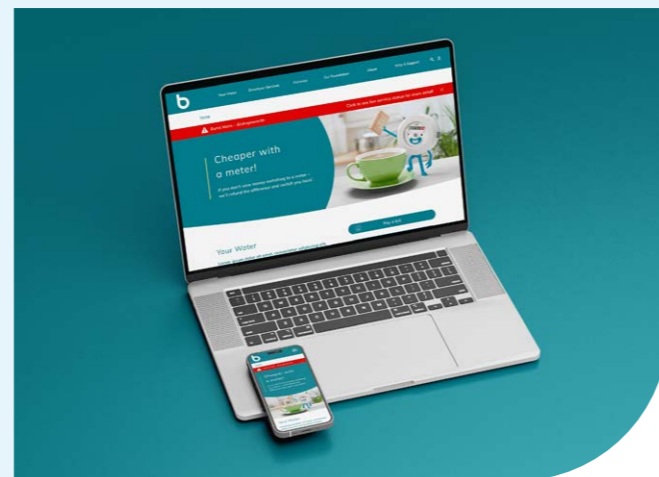
## Case study on customer journey to raise awareness our extra support

### Accessibility

Customers have told us of the pressure and challenges they can face when seeking support, which for many people can be overwhelming and present a barrier to application. We have listened through our online panel surveys<sup>24</sup>, our annual tracking surveys and taking insight from the CCWater Matters reports<sup>25</sup>:

- Re-designed our Bristol Water website and literature using gold standard Web Content Accessibility Guidelines so it is even more accessible. This work continues now across our other brands
- Introduced 24/7 web chat for South West Water and Bournemouth Water customers, so customers can speak to us on their channel of choice at any time of the day, this also removes the barrier of voice contact for some customers
- Further empowered our people through training and accreditation to identify vulnerability, understand the experience of and to offer the right support package every time
- Accreditation: BS 18477 Inclusive Service Provision for South West Water, ISO 22458 for Bristol Water, RNID (formerly Action on Hearing Loss) Louder Than Words Charter Accreditation is a programme that no longer exists, we have a continued partnership with RNID and continue to ensure key components from the programme are followed
- Training: Dementia Friendly, MIND, Diversity and Inclusion

- Working with and grow our many long-established partnerships with a variety of organisations across our region helping us to reach out. We will continue with our Hard to Reach projects up to 2030
- We have a presence in the communities that need our help the most through the launch of our largest ever community outreach programme
- Our Community Outreach programme allows us to offer support, education and the opportunity to engage face-to-face including information on the PSR and offering holistic advice across energy and other bills
- Our South West Water and Bournemouth Water websites provides an accessible online experience through Recite Me, with Bristol Water website joining from October 2023. Our customers can customise them to a way that suits them. This service also provides a screen reader, translation into over 100 languages and reading aids.



<sup>24</sup> Bristol Water Annual Priority Services Survey, 2023, Future Focus

<sup>25</sup> Online Panel November 2020, June 2021 and August 2022

## Our plans for the future

We are expecting the number of households on Priority Services to reach 25% in 2030. We have to be able to provide the right services to those customers, support our rural communities and reach those customers who are digital excluded when they need us.

During operational incidents is often when our customers need this additional support. By 2030 we expect 22% of our customers to be registered with us on the PSR for support with bottled water during a supply outage. Therefore, we know there is a large demand for help.

We know, from our data led approach that in our region we are likely to have:

- Higher levels of rural communities, which makes access to bottled water, for example, from distribution points potentially challenging
- Higher numbers of elderly customers, who may need help with large print bills, or may be in poorer health
- Higher numbers of customers who are digitally disadvantaged; and therefore, we need to consider this in our communication strategy.

Having increased the number of customers we have identified and recorded as needing additional support, we need to deliver on the needs and expectations of these customers, as well as ensuring we continue to check and update the needs of those customers as we progress. In doing so, we will consider:

- Accessibility and communication channels – for example, providing braille bills, translation of bills into other languages, an accessible website for all customers
- Support during supply interruptions – prioritising those with the greatest medical need, such as those with medical dependency on water, or in rural conditions, the need to deliver higher levels of bottled water to individual households, rather than through distribution points
- Ensure we have excellent digital journeys, but also retain empathetic, ‘warm voice’ contact channels, such as telephone

- Training our staff to ensure they can identify all types of vulnerability and are alert for customers who may need support
- Ensure our staff continue to be a sustainable, agile and diverse workforce to reflect the diversity of our customer base
- Giving greater focus to the communication of the services we provide to those with specific needs, increasing awareness which we recognise to be lower than we would like
- Refresh our customer promise, across all of our brands to include a clear compensation policy for if we do not meet our promises for customers who need additional care
- Add a question in the annual survey on understanding customer views on recording and sharing customer vulnerability data to ensure we are providing transparency on data usage.

We then use our focus areas to ensure we identify, support and engage with our customers in a tailored, supportive and empathetic manner.

In developing our Customer Care strategy, we have committed to focussing on these areas to support customers.

This centres around:

- Using data wisely
- Growing partnerships
- Community engagement
- Improving the customer journey.

We set out how this guides our strategy and the commitments we make below.



## Using data wisely

By understanding our data we will:

- Prioritise in an incident the customers with the highest priority, e.g. critical illness, so we provide water first to the most vulnerable
- Maintain our high levels of attempted and actual data checks of the PSR to ensure that we have an accurate database
- Work towards two-way data share with energy suppliers to enable customers to sign up to PSR through either supplier. This will support our forecast to reach 25% of customers registered on the PSR
- We will continue to use our continual customer insight to improve the service we offer
- We will continue to use our annual tracker surveys for vulnerability and feedback from complaints
- We will continue to review segment scores across different customer groups to understand differing experiences and support our understanding of satisfaction and effectiveness of services
- This range of data sources of insight will help us monitor the effectiveness and the satisfaction levels of customers who need additional help.

## Growing partnerships

We will continue to support partnerships to promote the PSR.

- We will explore new opportunities to partner with organisations to help work towards the goal of achieving 25% reach on the PSR
- Moving forward to 2030, we will now use the water poverty tool to identify partnerships gaps based on our coverage of support and data
- We will hold annual workshops with our partners, including CCW and Ofwat to gain their feedback on our proposed strategy and service to date
- Our partnerships provide a method for us to continuously improve the service we provide, as we can hear the feedback from our partners and share best practice that we can put into our strategy to provide a better service to customers who need extra help
- We will work with our partners such as AgeUK to ensure we increase awareness of inclusive services with older customer groups, we will particularly focus in Devon, Cornwall and Bournemouth where we have more than average amounts of this demographic

- We will grow our partnerships, like we have with the Bristol Somali Resource Centre, so we can help reach communities where English is not their first language with information on our services that is accessible
- We will work with disability partners to promote the services we offer; this will help serve better the higher than average numbers of customers classified as disabled in the South West region.

## Community engagement

Our community work will continue to be part of the wider community team, and we will use our knowledge of our customer base and underrepresented areas to target our activities in the most effective areas.

One of the new minimum expectations in the draft vulnerability guidance is that we need to take steps to understand the likely underlying requirements for extra help in their areas. To achieve this, we will use our data sources to refine which communities are likely to have customers who need additional help. We will enhance this by monitoring the engagement activities at our community events.

- We will data to better understand our hotspots of digitally excluded customers, ensuring we are robustly and efficiently meeting their needs such as community events and printed rather than digital communication about the topics. This will help address our high levels of customers who are digital excluded in the South West Water area
- We will start to complete impact assessments of our community activities, review the level of interaction regarding additional support
- We will do this across all of our community activities and compare the results to what we expected of the region. This will help inform our future plans and community activities, and that it is tailored to our customer needs
- We will use our community events to test new ideas and service options for customers who need additional care. Our community events are relaxed, customers are happy and have time to talk to us, it is a great opportunity to ask about new technology or literature that we offer. This builds on similar testing we have used our partners for (such as reviewing the accessibility of our Bristol Water website with Scope), we will continue to do this. Extending the concept to customers in the community is a new minimum expectation from Ofwat's draft vulnerability guidance.

## Improving the customer journey

A significant amount of change will happen in our customer journey pillar. Our goal to maintain the BSI ISO 22548 will require annual audits, it covers many aspects of the customer journey, our training, governance and response from customer feedback. Above and beyond this accreditation, we have identified a number of projects to make the customer journey efficient, especially with the growing demand for this service.

<b>Enhanced mapped journeys for our vulnerable customers</b>	We want to revisit our customer journeys, and refine them in line with the needs of our PSR customers.
<b>Exploring operational and Priority Service's needs</b>	<p>In the South West Water area we have higher than average amounts of customers living in rural areas. We will grow our PSR to 25% as knowing who needs the help, makes it easier for us to service them right first time.</p> <p>We will provide adequate support during supply interruptions, we will prioritise delivering bottled water to those with the greatest needs, such as those with medical dependency on water.</p> <p>We will prioritise helping customers in rural conditions, with bottled water to individual households, rather than through distribution points.</p> <p>We have service commitments as an internal document, for training and processes. We will make this a customer facing document, so it is available in print and online for our customers by April 2024. Customers who register for the PSR will therefore be clear of the expectation from our communication with them.</p> <p>We will review the process and service offered across all of our brands, implementing the best, most efficient approach for all areas.</p>
<b>Field teams sharing back to contact centre for PSR needs</b>	We want to review the best process from across our brands for how our operational teams share information with customer services, and embed best practice. We will need technology improvements for our field teams to capture the same level of data as our customer services team. We will work to make this possible to make the customer journey easier.
<b>Consider Affordability flag for field teams and all call centre</b>	We want to use all available technology to make it as easy as possible for all of our staff to identify customers who need additional support.
<b>To ensure we are able to deliver our plan we must ensure our customer service systems are able to deliver the best service to our customers, this is important element of our plan.</b>	The upgrade of our billing and CRM systems will be progressed with a plan to be launched in 2025-30.
<b>We will review our customer promise, and include specific policies and promises for customers registered with us on the Priority Services</b>	The review will include specific policies and promises for customers registered with us on the Priority Services and/or an affordability scheme. We will publish this, new across all of our brands by April 2024.
<b>We will train our staff to identify and position support with older customers</b>	<p>We will ensure specific training to serve our older customers, helping serve the needs of the higher than average demographics of older people in our South West Water and Bournemouth Water regions.</p> <p>We will expand our training to continue to be a Dementia Friendly Organisation. Our customer service staff already receive vulnerability including a specific Dementia Friends virtual training session. This will help serve all customers who have dementia, including the higher than average levels in the Bournemouth area.</p>

We will expand our training to continue to be a dementia friendly organisation. Our customer service staff already receive vulnerability including a specific Dementia Friends virtual training session. This will help serve all customers who have dementia, including the higher than average levels in the Bournemouth area.

### New website for South West Water and Bournemouth Water

We have listened to our customers who have told us they want and expect the same digital services and experiences from us as they receive and choose in other sectors.

- Customers want to talk to us online – we have introduced WebChat and WhatsApp giving our customers the same conversational experience as telephony operating 24/7
- Self-serve functionality – we continue to enhance our self-service functionality so we can meet our customers’ needs, this has included creating the ability for a customer to submit a meter reading and generate a statement at any time
- Clear, intuitive, and easy to navigate website – we have redesigned our website and literature using the gold standard web content accessibility guidelines and followed the CCW’s recommendations in respect of common language and simplification.

Therefore, we are re-developing the websites for South West Water and Bournemouth Water, which is set for re-launch in the Autumn with the following five key aims and principles at its heart:

- Put the users at the heart of what we do – Simple, clean modern website meeting our key audiences needs
- Communicate value – Turn the website into a platform to tell the brand story
- Generate insight – Provide insight about customer and business performance
- Transcend the category – Surpass the digital experiences provided by other utilities
- Lay customer brand foundations – Use the website to design the brand foundation.

For Bristol Water, we will also include WhatsApp into our offering, making both WhatsApp and WebChat 24/7 to create a standardised service across Bristol Water, South West Water and Bournemouth Water.



### Our plans for the draft vulnerability guidance

Summary of next steps to follow.

Having completed a gap analysis of our current service to the draft expectations in Ofwat’s Vulnerability Guidance<sup>26</sup> we have identified the following areas that need to be implemented through this strategy. Appendix 4 shows the complete list of expectations.

Proposed minimum expectations	Our plan to meet this expectation
<b>Companies should develop clear policies that set out any compensation arrangements for customers whose extra help needs have not been met</b>	We will review and update our customer promise. This will review the promises across all our brands, we will test with our customers our new ideas and we will publish a new customer promise for April 24. This will include clear policies for compensation where we have not met the service promised from customers registered on our Priority Services or a support measure from our affordability toolkit.
<b>Companies should develop strategy documents setting out how they plan to support the extra help needs of their customer base</b>	We will publish, review and update this document annually, in line with our annual performance reporting.
<b>Companies should take steps to understand the likely underlying requirements for extra help in their areas</b>	We will start to complete impact assessments of our community activities, review the level of interaction regarding additional support.  We will do this across all of our community activities and compare the results to what we expected of the region. This will help inform our future plans and community activities, and that it is tailored to our customer needs.
<b>Companies should seek to continuously improve the service they provide to customers who need extra help. This may include finding innovative ways to design or implement services</b>	We will use our community events to test new ideas and service options for customers who need additional care.  We will expand the usage of our personas and pseudo personas in CACI to help build out more effective services for our customers  Our community events are relaxed, customers are happy and have time to talk to us, it is a great opportunity to ask about new technology or literature that we offer.
<b>Companies should offer their customers a range of ways to interact and communicate. This includes allowing customers to opt for third party billing where appropriate</b>	Customers who come through our contact centre have a range of channels, and those on the PSR can choose a named contact on their bill.  We will review the process of how our field staff capture this preference and make it effort free for the customer, this will need new technology.
<b>Companies should publish their service commitments for customers who have declared an extra help need so that all customers can understand the nature of help available</b>	We have service commitments as an internal document, for training and process following. Customers who register for the PSR and therefore clear of the expectation from our communication with them.  We will progress to making a customer facing view of this, so it is available in print and online for our customers.  We will review the process and service offered across all of our brands, implementing the best, most efficient approach for all areas.

<sup>26</sup> CCWater Matters 2022 Water-Matters-2022-Data-Report.pdf (ccw.org.uk)



# Appendix 1 Definitions

In this section you will find definitions of terminology used throughout our customer care strategy, you will also find details around our commitments to standards and guidance.

## Affordability

Ofwat's definition of affordability is: *Affordability in the water sector is the ability of a customer to pay their water bill. It can be measured in a variety of ways, and we note that other regulators define affordability differently.*<sup>27</sup> *CCW's independent water affordability review used the metric of customers spending no more than 5% of their income (after housing costs) on their water bill.*<sup>28</sup>

## Assessed charges

Assessed Charges for water and sewerage services will be offered where a domestic customer has applied for a meter but the cost of installing a meter would be unreasonable or it would not be practical to install a meter and where no agreement has been made for a single meter to serve more than one property.

## Assist tariff

This is Bristol Water's reduced bill tariff. A customer may be eligible for a reduced bill if they are experiencing difficulty in paying their bill.

## Benefit entitlement check

A personal assessment that checks if a customer is receiving the correct amount and type of benefits dependent on their situation.

## BS 18477 Inclusive service provision and ISO 22458 Consumer vulnerability standard

BS 18477:2010, is the British Standard for Inclusive Service Provision the scope of which includes identifying and responding to consumer vulnerability for the supply of water and wastewater services. Assessment covered not only the quality of services for our Priority Services Register (PSR) customers, but also our wider service provision to all customers in vulnerable circumstances, regardless of whether they are registered for the PSR.

Since 2020-21 South West Water and Bournemouth Water have been maintaining our certification under BS 18477:2010. South West Water and Bournemouth Water are planning to upgrade in 2023-24 to the new "BS ISO 22458: Consumer vulnerability. Requirements and guidelines for the design and delivery of inclusive service", which has been developed from the British Standard BS 18477.

Bristol Water have achieved their BS ISO 22458 Consumer vulnerability standard in September 2023.

## Customer focused licence condition, Ofwat

Since June 2022 there have been a series of workshops with Ofwat and companies regarding this topic. Ofwat are developing a new vulnerability guidance, this was released in July 2023 and will sit under a new customer focused licence condition.

Ofwat's consultation on introducing a customer-focused condition into the licences of all water companies in England and Wales will be followed by implementing the licence condition from Autumn 2023 to April 2024.

Business customers in the Isles of Scilly will be covered by the requirements of this new condition until South West Water's obligations to them drop out of the licence on 31 March 2025.

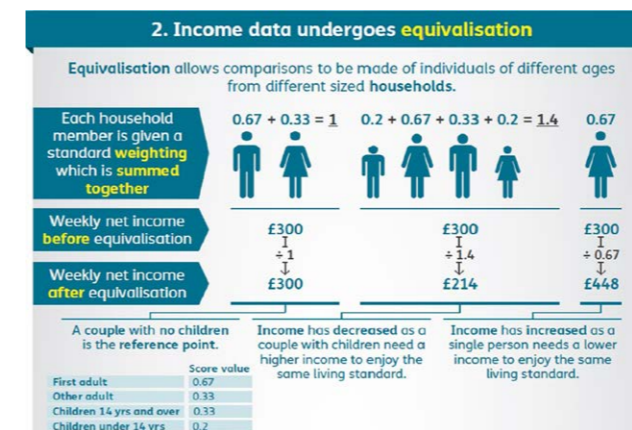
## Appendix 1 continued

## Equivalent income

Equivalent Income is commonly used within a water poverty calculation to take into consideration different household size and composition.

*Equivalent income – An adjustment is made to income to make it comparable across households of different size and composition. For example, the process of equivalent income would adjust the income of a single person upwards, so their income can be compared directly to the standard of living for a couple. Different equivalent income scales are applied before and after housing costs, with the BHC example below. AHC scales can be found in our HBAI Quality and Methodology Information Report.*

Equivalent income scales used in HBAI (Before Housing Costs)<sup>29</sup>.



Our innovative water poverty tool uses an equivalisation method recommended by the Department of Work and Pensions, which is after housing costs (AHC). This is applied in the DWP's annual Housing Below Average Income (HBAI) reporting. This is done to provide assurance to customers that we have robust data and can proactively support those who need extra help.

Household Member	Modified OECD	Modified OECD 'Companion' Scale to Equivalent AHC Incomes
First Adult	1	0.58
Subsequent Adults	0.5	0.42
Children aged 14 years and over	0.5	0.42
Children aged 14 years and over	0.3	0.2

Source: <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022/households-below-average-income-series-quality-and-methodology-information-report-fye-2022#equivalisation-1>

<sup>27</sup> Ofwat-vulnerability-guidance-con.pdf

<sup>28</sup> For example, Ofgem often focuses on definitions of fuel poverty, and Ofcom often refers to a good or service being affordable if consumers can purchase it without hardship

<sup>29</sup> CCW, 'Independent review of water affordability', May 2021

## Every Drip, Every Drop

A water efficiency campaign in the Bristol Water and Bournemouth Water regions.

## Evidence for the Quality and Ambition Assessment – engagement and affordability

Our Evidence for the Quality and Ambition Assessment – Engagement and Affordability 2025-30 can be found in our PR24 document 'Engagement and Affordability' here.

## Financial vulnerability

The detrimental impact on finances.

## Flash the Splash

Flash the Splash is South West Water and Bournemouth Water regions mascot. They help create a more human relationship with water and helps Bring Water to Life in a dynamic, fun, and interactive way.

## Flexible payment plans

We can offer a range of flexible payment plans tailored to a customer's individual circumstances.

## FreshStart

This is South West Water and Bournemouth Water's financial hardship fund. A customer may receive support from the fund to clear a new debt or short term help with bills following an extraordinary life event, for example following the death of a partner, unemployment, relationship breakdown or illness.

## GC50 for South West Water customer

Possible removal of GC50 – it is possible that GC50 (£50 bill reduction) will be removed going into PR24 or before. If this is removed and prices increase this could put as many as 25% of South West Water customers into Water Poverty.

Throughout this strategy we have assumed that GC50 will continue through to 2030.

## Independent review of water affordability, CCW

CCW's affordability review released in May 2021 included 10 recommendations to support lifting households out of water poverty.

## Index of Multiple Deprivation (IMD) 2019 rank

The Indices of Deprivation 2019 are a relative measure of deprivation for small areas (Lower-layer Super Output Areas) across England. The overall Index of Multiple Deprivation 2019 combines indicators under seven different domains of deprivation: Income Deprivation; Employment Deprivation; Education Skills and Training Deprivation; Health Deprivation and Disability; Crime; Barriers to Housing and Services and Living Environment Deprivation. Data shows Average LSOA Rank, a lower rank indicates that an area is experiencing high levels of deprivation.

We have used this to understand what differences our regions have compared to the England average, our strategy then explains how we will address these differences and serve the needs of our communities.

## Innovative charging

Innovative or progressive charging will be piloted in 2023-24. Pilots for the new charges have been developed which have taken a systematic approach, comprehensively reviewing cost models to reallocate costs appropriately.

The principles and the exploration of the art of the possible in respect of progressive charging is to develop our innovative revenue-neutral charges that target behavioural change, affordability, and the environment.

Trials will be taking place in 2024-25 to understand the impact on water efficiency behaviour and affordability outcome.

## Leak allowance

In certain circumstances we reduce charges due to leakage. This is based on the additional water lost during the leak.

## Leak Stop

In the Bristol Water area, the 'Leak Stop' service provides a range of support for homeowners with private side leakage, including leak detection support, financial support towards repairing the leak and in house repairs for larger leaks. For customers who need additional support, both financial support and for customers registered on our PSR, we review each case individually and support to fix the leak for the customer with minimal effort or cost to the customer.

## Lowest bill guarantee

In SWW, the Lowest Bill Guarantee ensures that the customer is not out of pocket if they have a meter installed. If the unmeasured charges end up being cheaper than the measured charge this is what we will bill the customer.

## Low-income pensioner discount

This is a low-income pensioner discount for Bristol Water customers. A customer may be eligible for a discount if they receive Pension Credit or the State Pension as the sole source of their income.

## Measured charges

Measured charges for water and sewerage services are paid by customers occupying properties which have a water meter installed. It is free to switch to a water meter.

## Meter reversions

During the first two years after choosing to have a meter installed a customer can revert to unmeasured charges, this switch back is completely free.

## Metering

We have stepped up to the challenge of eradicating Water Poverty during 2020-25 and doing right by our customers through the pandemic and the cost-of-living crisis, we have done this by enhancing our metering strategy.

## Money-back guarantee

In the Bristol Water region, for customers who opt for a meter option we ensure that the customer is not out of pocket if they have a meter installed. If the unmeasured charges end up being cheaper than the measured charge, we automatically contact the customer to see if they would like to revert back to a rateable value charge and have the difference refunded.

## Non-financial vulnerability

The detrimental impact on a customer's health or wellbeing.

## Paying Fair Guidelines, Ofwat

Compliance with the overarching principles of the Paying Fair Guidelines will be upheld by ensuring any amendments, or new processes, will be verified against the values. Our underlying debt strategy incorporates flexibility and acknowledges the probability of the need to evolve to safeguard customer support. It is critical that any modification maintains the standards outlined by the Paying Fair Guidelines and embodies our own principles. By using the guidelines as a sounding board, we can confidently substantiate alterations.

## Payment breaks

We offer our customers reduced or stopped payments for a short period of time.



## Payment options

We offer our customers a range of options to pay their bill, this includes:

- Online
- Direct Debit
- By telephone
- At a post office
- By post
- At a bank
- Standing Order
- Directly through benefits, Water Direct.

## Peter the Meter

Bristol Water's mascot. Peter the meter is our friendly Chief Metering Officer and is here to help us spread the message that water meters are good news.

## Priority Services Register (PSR)

A customer can sign up to our Priority Services Register for free if they have additional needs or a disability. The customer will receive extra support based on their need, for example emergency water delivery, a large print bill or sending the bill to a named guardian.

## ReStart

This is a debt support scheme offered to our customers across all regions.

## Signposting

We will sign post our customers to relevant support if required.

## Spotlight on our priorities – delivering for customers and addressing affordability

Our Spotlight on our priorities – Delivering for customers and addressing affordability for 2025-30 can be found here.

## Stop the Drop

A water efficiency campaign in the South West Water region as part of the drought response. Alongside a wider water efficiency campaign this included a customer incentive scheme, asking everyone in Cornwall to come together to help Stop The Drop in reservoir levels. Customers in Cornwall received a £30 bill credit when the target of Colliford Reservoir reached 30% by the 31st December 2022.

## Supplementary tables, Ofwat

The supplementary tables that are submitted as part of the Price Review 2024 (PR24) submission, that supports Our Customer Care Strategy are:

- SUP14 – Customer engagement and affordability/acceptability of plans
- SUP15 – Affordability support measures – residential customers.

## Voids

Identifying void properties accurately and rapidly is imperative to ensure appropriate support is offered and accurate billing is guaranteed. Our void strategy is multifaceted incorporating stringent governance of data gathering, internal doorstep visits to assess property status and data integrity assessments which utilise third party trace tools.

## Unmeasured charges

Unmeasured charges for water and sewerage services are paid by domestic customers occupying properties which do not have water meters installed or who are not paying Assessed Charges.

## Vulnerability

Ofwat's definition: "A customer who due to personal characteristics, their overall life situation or due to broader market and economic factors, is not having reasonable opportunity to access and receive an inclusive service which may have a detrimental impact on their health, wellbeing or finances."

In Ofwat's draft vulnerability guidance<sup>30</sup>, it went on to say:

We believe that the sector's thinking has now developed further, and that the term vulnerability remains potentially divisive. For this reason, in our draft guidance in our draft guidance we do not use terms like "customers in vulnerable circumstances" or "situations of vulnerability". Instead we use the following terms:

- We use the term vulnerability to refer to the overall topic. This provides clarity for stakeholders and companies and reduces potential for confusion
- We use the term extra help to describe the many ways in which companies can provide tailored support for certain customers
- We use the term customers who need extra help to describe customers who without this tailored support may not have reasonable opportunity to access and receive an inclusive service.

## Water audits

For South West Water and Bournemouth Water customers as part of our WaterCare + scheme. It is an assessment of water and energy usage in a property by our trusted third-party supplier who will use these findings to recommend simple ways to reduce customer water and energy usage, reducing their bills. The auditor may also fix dripping types or leaking cisterns alongside installing simple water saving devices.

## Water Direct

This payment option is available if the customer has a debt on their account with us and is paid directly through their welfare benefits.

## Water efficiency

The recent drought across the UK has helped highlight in the national media how scarce a resource water is. Using water wisely is essential to improving the water resilience of our network and to lowering customer bills. Water efficiency is driven through campaigns, education and providing customers with water saving devices.

## WaterFit

WaterFit protecting our rivers and seas together. WaterFit is the next stage in our environment strategy, accelerating and expanding plans to protect and enhance the South West's water for future generations.

The South West has some of the best beaches in Europe. With 860 miles of coastline, we know how passionate you are about swimming, surfing, paddling and bathing at our beautiful beaches.

That's why we are working hard to reduce the use of storm overflows. We're calling our programme of improvement – WaterFit.

Our WaterFit Live interactive map, is a way to give you the information you need the next time you want to visit your favourite beach. It will tell you if storm overflows near the beach may have temporarily affected the bathing water there.

You'll also be able to find more information about what we're doing to invest in your local beach and reduce the impact of our overflows.

<sup>30</sup> Department for Work & Pensions, National statistics. Households Below Average Income: an analysis of the UK income distribution: FYE 1995 to FYE 2022



## Water poverty

Water Poverty is determined as a customer spending no more than 5% of their income, after housing costs on their water bill for dual service customers, 2% for Water only, 3% for Waste only.

## WaterCare+

South West Water created the WaterCare programme back in 2007, WaterCare+ programme was extended in 2013 to include energy efficiency advice and signposting. This service is offered to all South West Water and Bournemouth Water customers. This programme offers a personalised services to ensure they are receiving all these support available to them by:

- Checking you're getting all the benefits you're entitled to
- Making sure you're on the right tariff for the lowest possible water bill
- Carrying out a home water and energy audit and suggesting simple ways to reduce your water and energy use
- Fixing dripping taps or leaking cisterns and installing simple water-saving devices.

## WaterCare Tariff

This is South West Water and Bournemouth Water's reduced bill tariff. A customer may be eligible for a reduced bill if they are experiencing difficulty in paying their bill.

## WaterSure Tariff

This is a bill cap tariff. This support scheme is provided by all water companies in England. Across Bristol Water, Bournemouth Water and South West Water, the bill cap is based on the average household metered bill.

## WaterShare+

A scheme which first launched across South West Water and Bournemouth Water in 2020. Following a second issuance, it now covers the Bristol region too. As a result, more than one in 16 of our customers are now shareholders as well as customers.





# Appendix 2 Water poverty tool

## Our water poverty case study

### Data-led innovation

- We have partnered with CACI with the shared challenge to build an accurate, granular and up to date view of income, housing cost and equivalisation
- Working collaboratively, we have been able to develop a street level view of most recent and scaled bespoke equivalised income data at six- and seven-digit post code level (c12 properties) – the narrowest view that can be achieved
- We have used granular charging values applied to each customers individual circumstances and current annualised consumption
- This has been coupled with a model developed by ICS which projects incomes and housing costs The indexing is based on the March 2023 OBR Economic Outlook up to 2027-28 and is then supplemented in the final two years by time series modelling:
- To bring all of the data together we have developed a bespoke model which allows us to refresh and produces visual outputs of customers and their characteristics
- This has allowed us to identify, to a high level of probability, individual customers who are in water poverty and their characteristics
- This method, which allows for regular updates and annual re-basing of equivalised income, allows us to identify changes of use and circumstances, identify customers who may have recently fallen into water poverty and those who may no longer need our support
- The model has also been developed to calculate where a customer, based on occupancy would benefit from a meter and whether metering would bring the customer out of Water Poverty.
- The model also includes water efficiency scenario modelling which tells us where a potential 5% annualised efficiency could bring or prevent a customer falling into Water Poverty. This allows us to target water audits and free water saving devices.

### We are able to use this method to model and arrive at a granular view of water poverty to 2030

- We have used granular charging values applied to each customers individual circumstances and current consumption (including the Bristol supply area)
- This has been coupled with a model developed by ICS which projects incomes and housing costs (mortgaged/no mortgage, private or social rent) to 2030 using OBR forecasts. These can be adjusted as or if the forecasts change
- The SUP 15 PR24 tables allows companies to calculate water poverty based on their own data and methodology where this may be more granular:
- In addition to our approach we have set out the following areas where our method differs and why including:
  - Our use of the AHC method of equivalisation
  - So that it is fair for single service customers we have used ratios based on SWW dual 2025-30 bills
    - 2% for Water only, 3% for Waste only and, 5% for dual service customers (vs. Ofwat 2.5% Water and 2.5% Clean).

Customers in our South West Water region currently receive a £50 contribution from the government towards their water services and 88% of customers strongly believe this contribution should continue. With this level of support from customers, and the material difference it makes to affordability, we have assumed for the purposes of our water poverty modelling, that the contribution will continue to 2030. This has a consequential impact on the level of assistance and support assumed in our modelling.

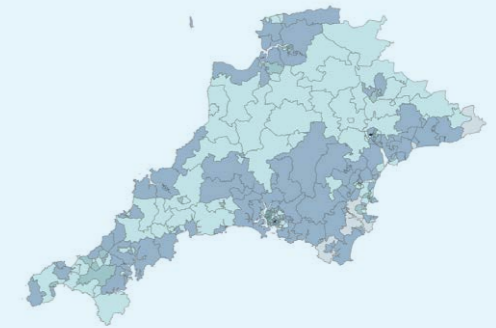
### What does the model tell us?

- Who is likely to be in Water Poverty and where they are both regionally down to a customer level
- Their characteristics (age, occupancy, income, charging method and much more)
- If they had a meter whether based on average occupancy consumption would be brought out of water poverty and/or
- If they are on a meter and if they could make a small efficiency saving of 5% whether they would likely be brought out of water poverty
- From this we are able to calculate the support required for those who remain in water poverty at an individual and overall level
- This informs the cross subsidy, helps support our progressive charging ambition and allows us to produce and cost a detailed plan and develop the appropriate toolkit to maintain our industry leading aim to eradicate Water Poverty.

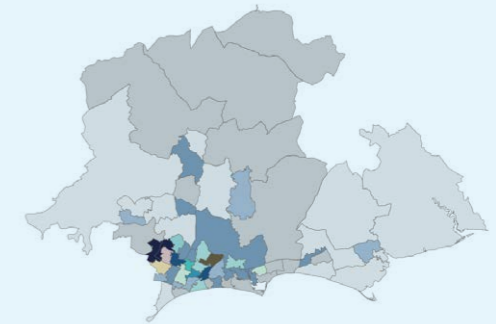
### Outputs

- The outputs are subject to further iterations and final external assurance.

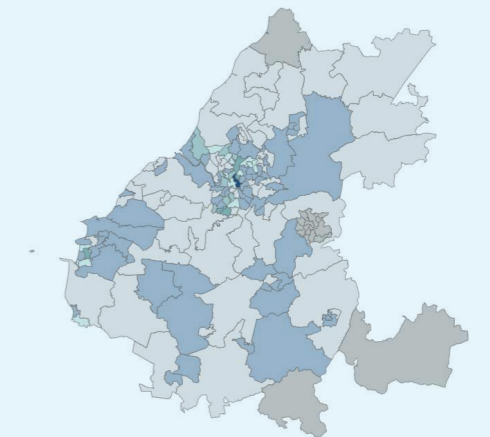
### South West Water



### Bournemouth Water



### Bristol Water



## Appendix 3 Financial vulnerability measures and actions

### What measures we are monitoring

Customers in water poverty/ % of customers find their bill affordable	SWW target	SWW actual	BRL target	BRL actual
2020-21	89.00%	89.40%	0.00%	1.00%
2021-22	92.80%	93.30%	0.00%	0.00%
2022-23	95.20%	96.60%	0.00%	0.00%
2023-24	97.60%		0.00%	
2023-25	100.00%		0.00%	
2025-30	100.00%		0.00%	
Number of customers on a support tariff	SWW target	SWW actual	BRL target	BRL actual
2020-21	27000	30565	20419	20419
2021-22	30000	32255	21209	21209
2022-23	33000	43239	22723	22723
2023-24	40000		24237	
2023-25	50000		25751	
2025-30	79946		29735	
Voids	SWW target	SWW actual	BRL target	BRL actual
2020-21	0.91%	0.84%	1.90%	1.80%
2021-22	0.89%	0.83%	1.90%	1.80%
2022-23	0.87%	0.86%	1.80%	1.79%
2023-24	0.85%		1.80%	
2023-25	0.84%		1.80%	
2025-30	TBC		TBC	

### What actions we are taking

Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
Using data wisely	<b>Using data, we will identify customers in need of support to remove them from water poverty, we will auto enrol them onto the right support where we can and proactively contact those who need improve their water efficiency or switch to a meter to be taken out of water poverty</b>	We will auto enrol them onto the right support where we can and proactively contact those who need improve their water efficiency or switch to a meter to be taken out of water poverty.	2023-25 2025-30	Water poverty Customers on a support tariff.
	<b>We will use intelligent data sets to target our affordability support</b>	Across all our regions we will use data, both internally held and reliable external data to identify our hard-to-reach customers that are in most need of our support. We will use data to evolve our toolkit and allow our support to go to those in most need.	2023-25 2025-30 2023-25 2025-30	Water poverty Customers on a support tariff. Water poverty.
	<b>Increase our use of data shares to help us target the most accurate support to customers who need it</b>	Drive automation of two-way data shares. Establish a two way data share between Bournemouth and Wessex for customers on a social tariff and voids, so customers in the Bournemouth area have the full support from both their waste and water bill. Explore financial support data shares with retail energy providers.	2025-30 2023-25 2025-30 2025-30	Water poverty Customers on a support tariff. Water poverty Customers on a support tariff. Voids. Water poverty Customers on a support tariff.
	<b>Use more case studies to help customers connect with us</b>	We will ask our partners to help share case studies with us on our website and literature, either from our partners or if appropriate their clients.	2025-30	Water poverty Customers on a support tariff.



Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
Growing partnerships	<b>Identify partnerships gaps based on our coverage of support and data</b>	Use our water poverty tool and existing data on our partnerships, along with insights from IMD to help us identify the most needed areas to explore new partnerships, e.g., in rural communities and to help the digital excluded communities access our financial support.	2023-25 2025-30	Water poverty Customers on a support tariff. Value for money.
	<b>We will listen to our FreshStart board</b>	Continue to work with and be challenged by our FreshStart board to ensure grants are supporting the right customers.	2023-25 2025-30	Water poverty. Value for money.
	<b>Testing our future plans with our partners</b>	Continue to host annual debt advice workshops in the Bristol Region, which include seeking feedback on our plans. Establish annual workshops with our partners across Devon, Cornwall, and Bournemouth to gather feedback on our plans.	2023-25 2025-30 2025-30	Value for money. Value for money.
Community engagement	<b>Using a data-led approach to focus our community engagement</b>	Across all our regions we will use data, both internally held and reliable external data to identify our communities that need additional support from our digital customer communications and service to get the help they need. Using the data tool and new technologies to ensure the community strategy is tailored to the needs in the area.	2023-25 2025-30 2023-25 2025-30	Water poverty Customers on a support tariff. Value for money. Water poverty Customers on a support tariff. Value for money.
	<b>Annual refresh our messaging into our communities on our key priorities relevant to the communities we are working with</b>	Spread awareness of our campaigns through a variety of channels including social media, newsletters, partnerships and staff, equipping them with literature and digital products to share.	2023-25 2025-30	Water poverty Customers on a support tariff. Value for money.
	<b>A multi-channel community engagement strategy including social media, face to face, pop up stalls, literature. Targeting the best channel to reach the customers who can benefit from the messaging</b>	We will use our data to help us target the best channel to reach the customers who can benefit from the messaging.	2023-25 2025-30	Water poverty Customers on a support tariff. Value for money.

Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
Community engagement	<b>We will work closely with our communities to educate the next generation, tailoring the content based on the community needs</b>	We will expand our Education Program content to other areas including bill paying and support available, matching appropriate content to a larger age range, covering all our service area.	2025-30	Water poverty Customers on a support tariff. Value for money.
	<b>We will support our customers &amp; communities through our community funds. We will ensure where we are in a community for an event – for example, a WaterShare+ meeting, or a WaterFit pop-up event – and if it is an area that is also income deprived, that we support with clear messages from our affordability toolkit</b>	Continue to provide our customers access to our neighbourhood fund and Water-Saving fund.	2023-25 2025-30	Water poverty. Value for money.
	<b>Improving the customer journey</b>	<b>Introducing smart metering to help customers take better ownership and lower their water usage and bill</b>	Rolling out smart metering to provide our customers with information they need to conserve water and lower their bills.	2023-25 2025-30
Community engagement	<b>Campaigns to encourage customers to pay for what they use and lower their bill</b>	Lowest bill guarantee.	2023-25 2025-30	Water poverty.
	<b>Invest in our IT systems to provide a more efficient and effortless customer journey</b>	We will upgrade our customer services systems to provide a dynamic customer journey, this will support customers in all journeys including customers needing support through our debt journeys.	2025-30	Water poverty. Value for money.
	<b>Use of data shares to enhance the customer journey</b>	We will continue to work with DWP to ensure support tariff customer journeys are supportive through renewals and takes the pressure off customers.	2023-25 2025-30	Water poverty Customers on a support tariff.
	<b>We will explore new partnerships to help customers in water debt</b>	We will explore partnerships with Housing Associations and Councils will be advanced to progress data sharing capabilities to help customers receive affordability support in a timely manner.	2030	Water poverty Customers on a support tariff.
	<b>We will complete grow the amount of water audits we complete</b>	We will plan to expand our water audits across the group.	2025	Water poverty. Value for money.

## Appendix 4 Non-financial vulnerability measures and actions

### What measures we are monitoring

BS 18477/ISO 22458	SWW target	SWW actual	BRL target	BRL actual
2020-21	Achieved	Achieved		
2021-22	Maintained	Maintained		
2022-23	Maintained	Maintained		
2023-24	Maintain			
2023-25	Maintain		Maintain	
2025-30	Maintain		Maintain	

PSR reach	SWW target	SWW actual	BRL target	BRL actual
2020-21	2.50%	4.56%	3.10%	2.60%
2021-22	3.00%	5.82%	4.10%	4.10%
2022-23	3.50%	7.85%	5.10%	6.50%
2023-24	5.00%	9.00%		
2023-25	7.00%	11.67%		
2025-30	25%		25%	

PSR attempted contacts	SWW target	SWW actual	BRL target	BRL actual
2020-21	45.00%	51.20%	45.00%	48.60%
2021-22	90.00%	90.36%	45.00%	91.10%
2022-23	90.00%	90.11%	45.00%	91.07%
2023-24	90.00%		90.00%	
2023-25	90.00%		90.00%	
2025-30	90.00%		90.00%	

### Appendix 4 continued

PSR actual contacts	SWW target	SWW actual	BRL target	BRL actual
2020-21	17.50%	39.08%	17.50%	35.50%
2021-22	35.00%	55.49%	35.00%	53.20%
2022-23	35.00%	47.02%	35.00%	53.08%
2023-24	35.00%		35.00%	
2023-25	35.00%		35.00%	
2025-30	55.00%		55.00%	

PSR Satisfaction	SWW target	SWW actual	BRL target	BRL actual
2020-21	73.00%	92.00%	85.00%	82%
2021-22	78.00%	83.00%	85.00%	89.00%
2022-23	83.00%	91.00%	85.00%	88.00%
2023-24	88%		85%	
2023-25	93%		85%	
2025-30	93%		93%	



### Non-financial vulnerability: what actions we are taking

Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
<b>Using data wisely</b>	<b>Using data, we will identify customers in need of support from our vulnerability support</b>	Across all our regions we will use data, both internally held and reliable external data to identify our hard-to-reach customers that are in most need of our support.  We will also continue to use social media, company newsletter and information on bills to reach customers.	2023-25 2025-30	BSI ISO 22458  PSR reach
	<b>Increase our use of data shares to help us target the most accurate support to customers who need it</b>	Establish a two-way data share between Bournemouth and Wessex for PSR so customers in the Bournemouth area have the full support from both their waste and water bill.  Drive automation of two-way data shares.  Two-way data share with suppliers.  Explore PSR data shares with retail energy providers.	2023-25 2025-30  2023-25 2025-30  2023-25 2025-30	BSI ISO 22458 PSR reach  PSR reach  BSI ISO 22458 PSR reach
	<b>Explore IT options to help staff have the information they need to service the customer efficiently</b>	Review the best use of our systems to flag specific customer needs for our staff to service them.	2023-25 2025-30	BSI ISO 22458
	<b>Identify partnerships gaps based on our coverage of support and data</b>	Use our existing data on our partnerships, along with insights from the Local Insight tool to help us identify the most needed areas to explore new partnerships, e.g. in rural communities and to help the digital excluded communities access information about priority services.	2023-25 2025-30	BSI ISO 22458  PSR reach
<b>Growing partnerships</b>	<b>Testing our future plans with our partners</b>	Continue to host annual debt advice workshops in the Bristol Region, which include seeking feedback on our plans.  Establish annual workshops with our partners across Devon, Cornwall, and Bournemouth to gather feedback on our plans.	2023-25 2025-30  2025-30	BSI ISO 22458  BSI ISO 22458
	<b>Using a data-led approach to focus our community engagement</b>	Across all our regions we will use data, both internally held and reliable external data to identify our communities that need additional support from our digital customer communications and service to get the help they need.  Using the data tool to ensure the community strategy is tailored to the needs to the area.	2023-25 2025-30  2023-25 2025-30	BSI ISO 22458 PSR reach  BSI ISO 22458 PSR reach

Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
<b>Community engagement</b>	<b>Expand our messaging into our communities on water efficiency, metering and PSR through our staff</b>	Spread awareness of our campaigns through staff, equipping them with literature and digital products to share.  We will use our data to better understand our hotspots of digitally excluded customers, and ensure we are robustly and efficiently meeting their needs such as community events and printed rather than digital communication about the topics. This will help address our high levels of customers who are digital excluded in the South West Water area.	2023-25 2025-30	BSI ISO 22458  PSR reach  PSR satisfaction
	<b>A multi-channel community engagement strategy including social media, face to face, pop up stalls, literature. Targeting the best channel to reach the customers who can benefit from the messaging</b>	We will use our data to help us target the best channel to reach the customers who can benefit from the messaging. We will ensure this includes the key priorities for our customers this is currently understanding storm overflows impacting their local beach, water efficiency and keeping bills low through metering or a tariff.	2023-25 2025-30	BSI ISO 22458  PSR reach
	<b>We will start to complete impact assessments of our community activities, review the level of interaction regarding additional support</b>	We will do this across all of our community activities and compare the results to what we expected of the region. This will help inform our future plans and community activities, and that it is tailored to our customer needs.	2025-30	PSR reach
	<b>We will use our community events to test new ideas and service options for customers who need additional care</b>	Our community events are relaxed, customers are happy and have time to talk to us, it is a great opportunity to ask about new technology or literature that we offer. This builds on similar testing we have used our partners for (such as reviewing the accessibility of our Bristol Water website with Scope), we will continue to do this. Extending the concept to customers in the community is a new minimum expectation from Ofwat's draft vulnerability guidance.	2025-30	PSR satisfaction



Pillar	Commitments 2025-30	How we will achieve this	By when	Measures impacted
<b>Improving the customer journey</b>	<b>Achieve and maintain the inclusive service provision</b>	Achieving the inclusive service provision (BS 18477) SWW/BW transition to ISO 22458, Bristol to achieve ISO 22458 standard.	2023-25 2025-30	BSI ISO 22458
	<b>Robust customer journeys to service the needs of all customers registered with us on PSR</b>	Review the services our customers register for, what we promise we must and should deliver, ensure that all our staff are equipped and trained to understand and deliver the expected service.	2023-25 2025-30	BSI ISO 22458
	<b>Invest in our IT systems to provide a more efficient and effortless customer journey</b>	We will upgrade our customer services systems to provide a dynamic customer journey, this will support all customers in all journeys.	2025-30	BSI ISO 22458
	<b>Enhanced mapped journeys for our vulnerable customers</b>	We want to revisit our customer journeys, and refine them in line with the needs of our PSR customers.	2025-30	BSI ISO 22458
	<b>Exploring operational and Priority Service's needs</b>	We will make a customer facing view documents of the services we offer for each need.  We will review the process and service offered across all of our brands, implementing the best, most efficient approach for all areas.	2023-25	PSR satisfaction
	<b>Field teams sharing back to contact centre for PSR needs</b>	We want to review the best process from across our brands for how our operational teams share information with customer services, and embed best practice. We will need technology improvements for our field teams to capture the same level of data as our customer services team. We will work to make this possible to make the customer journey easier.	2023-25	PSR satisfaction
	<b>We will train our staff to identify and position support with older customers and expand our dementia friendly training</b>	We will ensure specific training to serve our older customers, helping serve the needs of the higher than average demographics of older people in our South West Water and Bournemouth Water regions.  We will expand our training to continue to be a Dementia Friendly Organisation. Our customer service staff already receive vulnerability including a specific Dementia Friends virtual training session. This will help serve all customers who have dementia, including the higher than average levels in the Bournemouth area.	2023-30	PSR satisfaction





# Appendix 5 Paying Fair Guidelines

A summary of South West Water and Bournemouth Water's current level of compliance with the 145 principles. We are fully compliant with 138 and have elected to use an alternative approach for the other seven, the rationale for which is outlined below

## Use of credit reference agencies (1.32 – 1.35)

Of the seven principles where our approach differs to that set out in the guidelines, four relate to the use of best practice when using Credit Reference agencies. We outlined in our initial response that these were not applicable as we do not use Credit Reference agencies.

Our overarching approach is to have a direct, strong, tailored and personal relationship with our customers who may be struggling to pay their bill. This is even more important when set against the backdrop of the current cost of living crisis. As a result, we have deliberately chosen not to work with Credit Reference agencies as we feel their involvement can cause pressure for customers, particularly where any action we take can negatively impact credit scores.

Instead of using Credit Reference agencies to help identify customers who are in need of our support we have utilised our data to build a suite of early warning indicators that allow us to make proactive early intervention to prevent customers falling into debt.

Our extensive and innovative suite of internal and external data not only allows us to make proactive early intervention but also informs our plans, targets our support and community presence and allows us to identify at a customer level those who are in Water Poverty, are in most need of our support and can be the hardest to reach. This is at the forefront of our ambition to eradicate Water Poverty by 2025.

To do this we have partnered with CACI, combining this data with DWP and ONS information alongside actual bill data so that we can identify, proactively engage with and auto enrol individual customers who are in Water Poverty onto support tariffs. Over 8k customers have been auto enrolled onto support tariffs this year since being launched in July.

## Customer testimonies (4.2)

Principle 4.24 relates to 'Highlighting customer outcomes and testimonies on resolving debt problems to encourage other customers to contact you'. We believe that the endorsement of credible and respected charities, agencies, and partners who we work with is more powerful and impactful than customer endorsements if a customer does not feel comfortable in contacting us directly.

We have over 170 relationships in place with a variety of organisations including StepChange, Christians Against Poverty and Citizens Advice and others, who have direct contact into our dedicated support team. The careful way in which we have constructed our customer journeys and the language and channels we use to engage with customers encourages direct contact with us without the need for personal endorsements. In addition, we feel that where a customer is struggling with debt this is sensitive and private and the use of personal testimonies on our own literature would not align to the overall integrity of our approach.

## Displaying financial support on envelopes (1.20 and 5.4)

The final two principles (1.20 and 5.4) relate to displaying financial support on envelopes. Again, this does not align with our overarching approach of providing tailored, targeted engagement with individual customers, to build trust with all our customers. The display of financial support on envelopes which could be visible to family members, or third parties could lead to embarrassment cause further detriment to a customer's wellbeing and impact our trusted relationship with our customers.

In all seven examples our approach remains under continual review, and we always welcome input from Ofwat and other stakeholders.

No.	Principle detail	High-level summary of current approach	Proposed changes	Timing
1.32	<p><b>Use credit reference agency data to help identify customers that:</b></p> <ul style="list-style-type: none"> <li>- May qualify for support</li> <li>- Be at risk of falling into debt; and</li> <li>- Can afford to pay and can be contacted for payment.</li> </ul>	<p>We don't currently share our data with Credit Reference Agencies.</p> <p>Instead, we use Acorn data alongside other intelligence about the customer held on our billing system to determine the appropriate debt recovery pathway.</p>	<p>Our new billing system, Falcon, is due to be implemented towards the end of 2023. This will give us the ability to use credit reference agency data to improve our decision making and help identify those who may be financially vulnerable earlier in the process.</p>	<p>2024 post implementation of our new billing system in late 2023.</p>
2.17	<p><b>Have a written plan that outlines how your company will treat bereaved customers with empathy and respect. For example a written plan might include the following:</b></p> <ul style="list-style-type: none"> <li>- Clear and simple advice on company websites on how to report a death</li> <li>- An agreed timeframe for companies to respond to bereavement enquiries and settle outstanding customer balances</li> <li>- A bereavement customer care team for each company, to directly handle such cases and avoid customers waiting on calls</li> <li>- A direct telephone, email address or other channel for bereaved customers to contact companies more directly</li> <li>- Standardising paperwork needed to close an account with other companies, with a view to accepting digital documents whenever possible</li> <li>- Guidance or other support for customers who may be dealing with managing a household for the first time.</li> </ul>	<p>We help customers who have experienced a bereavement primarily over the phone.</p> <p>All of our call centre agents are highly trained to have sensitive and empathetic conversations.</p> <p>We promote Life Ledger on our websites which is a service to help customers notify multiple service providers in one go.</p>	<p>Our approach is documented in a number of places, but we are developing a more formal written overview.</p> <p>We are also introducing a simple online form in early 2023 to help customers advise us of a deceased customer at a time and place convenient to them.</p>	<p>January 2023</p>

## Appendix 6 Draft vulnerability guidance

Ofwat released the new vulnerability guidelines in August 2023. The below table shows the draft objectives and minimum expectations. We will go through a gap analysis, to build a strong response to the consultation due in October 2023.

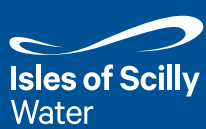
Draft objective	Draft minimum expectations
<b>1. High standards of service and support</b>	<p>1.1 Companies should adapt their services to customers in line with any known extra help needs. This is especially important during times where there is increased risk of harm; for example, during incidents.</p> <p>1.2 Companies should ensure that the level and nature of support available to customers is presented in a way customers can understand.</p> <p>1.3 Companies should develop clear policies that set out any compensation arrangements for customers whose extra help needs have not been met.</p> <p>1.4 Companies should seek to continuously improve the service they provide to customers who need extra help. This may include finding innovative ways to design or implement services.</p> <p>1.5 Companies should use a range of data to monitor the effectiveness of their extra help services, and the satisfaction levels of customers who have made such needs known.</p>
<b>2. Inclusive by design</b>	<p>2.1 Companies should communicate with customers in a way that is easy to understand to a diverse range of audiences. This should be underpinned by relevant insights, which may include research, engagement and accreditation.</p> <p>2.2 Companies should offer their customers a range of ways to interact and communicate. This includes allowing customers to opt for third party billing where appropriate.</p> <p>2.3 Companies should engage with stakeholders and customer representatives when making significant changes to their proposed service offering around vulnerability.</p>
<b>3. Identifying customers</b>	<p>3.1 Companies should take active steps to identify customers who require extra help who have not yet been identified.</p> <p>3.2 Companies should take steps to proactively increase customer awareness of the extra help available to those who need it.</p> <p>3.3 Companies should train their staff to spot potential requirements for extra help, even when a customer has not previously declared it.</p> <p>3.4 Companies should actively consider how they can reduce communication burdens on customer who need extra help; this could include establishing data sharing arrangements with partner organisations.</p>
<b>4. Recording needs</b>	<p>4.1 Companies should take appropriate steps to record customers' extra help needs. These records should be held securely and in line with wider data protection requirements.</p> <p>4.2 Companies' records should be reviewed regularly to ensure they are up to date.</p> <p>4.3 Companies should consider how their records of customers' needs can be designed in a way that can help deliver wider benefits to their customers; for example, reducing communication burdens for customers through data sharing.</p> <p>4.4 In designing their approach to recording and, where relevant, sharing customer vulnerability data, companies should take into account customer views on data protection and privacy. Companies should take steps to understand how their customers who need extra help feel about the use of their data.</p>
<b>5. Vulnerability strategies</b>	<p>5.1 Companies should develop strategy documents setting out how they plan to support the extra help needs of their customer base.</p> <p>5.2 Companies should take steps to understand the likely underlying requirements for extra help in their areas.</p> <p>5.3 Companies should publish their service commitments for customers who have declared an extra help need so that all customers can understand the nature of help available.</p>

## Appendix 7 BS 18477 Inclusive service provision and ISO 22458 Consumer vulnerability standard results

	Start date of last assessment	Certified activities	
<b>South West Water/ Bournemouth Water</b>	12 December 2022	BS 18477:2010: Inclusive service provision for identifying and responding to consumer vulnerability for the supply of water and wastewater services.	<p>1 – Non-conformance</p> <p>Clause 5.8 declared as out of scope. Promotions and marketing. Homeserve is promoted.</p> <p>Corrective Action Plan – Include 5.8 clause in scope – Complete</p>
<b>Bristol Water</b>	25 August 23		1 minor non conformity updating reporting with PSR customers 'needs met' during planned and unplanned events. Corrective action plan submitted and accepted.







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