



MINUTES of the Customer Challenge Group

On 15 November 2024, 09:00am – 3:00pm, via Ms Teams

Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Monica Wilson	Department of Education	MW
Dr Charlotte Duke	London Economics	CD
David Brindle	Ambient Support	DB
Sarah Powell	Environment Agency	SP
Catherine Jones	CCW	CJ
Jeremy Crook OBE	Action for Race Equality	JC
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Nisha Arora	Financial Conduct Authority	NA
Peter Daw	Greater London Authority	PD

Thames Water:

Caroline Murdoch	Director of Communications	CM
Paul Gell	Senior Designer	PG
Jonathan Read	Director of Regulatory Policy and Investigations	JR
Mariana Simpson	Regulatory Engagement Manager	MS

External Attendees:

Lynn Parker	Ofwat	LP
-------------	-------	----

Apologies:

Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
----------------------------	----------------------------	----

Agenda Item No.		Action
1.	Apologies for absence / Declarations of interests / Minutes from previous meeting	
	Apologies were noted and no additional declarations of interests have been recorded. The minutes from the meeting on 18 October were approved subject to amendments made.	
2.	CCG evaluation / CCG report	
	The Chair introduced the discussion based on the 1 st draft of the report which was shared with the group ahead of the meeting and invited feedback from CCG members and TW representatives. The group reflected on the year so far, noting progress against their objectives. The members highlighted their continuous focus on customer communication, and advancing customers'	

	<p>interests across the region while being aware of the various priorities as well as monitoring delivery of the turnaround plan.</p> <p>It was agreed that members will review the draft evaluation report and provide further comments and suggestions by the end of Tuesday to allow for further iterations ahead of the report being shared with the Customer Service Committee.</p> <p>Action: Members to review and comment on draft CCG report by cop 19 November.</p> <p>The Chair shared an update on her recent engagement with Ofwat and it was noted that Ofwat representatives would be interested to attend some of the future CCG meetings.</p>	
3.	PR24 update	
	<p>JR shared an update on a number of current topics.</p> <p><u>PR24</u></p> <p>Ofwat's PR24 process continues with the Final Determination (FD) still planned for 19 December 2024. TW has received over 100 queries on its Draft Determination (DD) response, with most queries being mainly clarificatory, with a key focus on Wastewater enhancement cases.</p> <p>TW is undertaking preparatory steps in the event that the Board makes the decision in February to seek a CMA referral.</p> <p><u>Water (Special Measures) Bill</u></p> <p>The recently published Bill in its current form would give Ofwat the power (having consulted with Defra and CCW) to require water companies to have specific arrangements in place to involve consumers in decisions that are likely to have a material impact on consumer matters. Ofwat and CCW are working jointly on how this may be put into practice including proposal for customer panels. Both CCG and TW are preparing their responses to the current consultation on this matter.</p> <p><u>Equity runway</u></p> <p>On 13 November, TW confirmed that its creditors have approved the extension to their liquidity runway.</p> <p>TW had now received the support of 75% of their Class A debt holders - the threshold needed for the transaction to be able to proceed.</p> <p>JR explained how this is positive news and is a decisive vote of confidence in Thames Water from a very large group of its creditors, who include a range of traditional investors including life insurers, pension schemes and banks as well as hedge funds. The case will go to the court which should conclude in January 2025.</p> <p>The discussion focused on the financial situation and potential implications for the market, with CCG being interested in the potential different scenarios, especially the potential impact on customers. It was agreed that the topic will be revisited in early 2025 once the Final Determination is received and the court proceeding concluded.</p>	

	<p>The discussion then turned to the proposed initial forward plan including proposed key lines of enquiry for 2025. The group acknowledged that the Final Determination will have implications on the key areas and the lines of enquiries will therefore need to be revisited in the New Year.</p>	
4.	<p>Communication update</p>	
	<p>CM shared with CCG an update on recent media interest and noted that while there has been a shift towards a more balanced view with proactive stories about investment upgrades and delivery for customers including TTT, the financial situation and potential restructuring continue to dominate the headlines.</p> <p>CM also shared further progress in terms of incident comms where teams continue to use learnings from previous incidents. E.g. in the recent incident at Burton on the Water, the teams used proactive leaflets drops and organised proactive public meeting which was very well received. To strengthen this, the company is recruiting incident comms specialists who will be managing incident comms to provide consistency and ensure the website is up to date.</p> <p>Turning to Corporate Comms Strategy, which is being reviewed for 2025, CM thought that while it will stay broadly focused on supporting the company through the turnaround, it will also incorporate CCG feedback and ensure it clearly references the customer. To support this, the Corporate Comms team and customer comms teams have been working more closely together. Going forward, the teams are expecting focus on the financial matters until at least June next year, possibly further if TW decides to the CMA, explaining bill increases to customers, as well as covering the wider industry topics such as the Water Commission, special measures bill etc.</p> <p>Moving to customer comms, PG shared work done on streamlining customer comms, including customer bills and reducing the number of printed calling cards, with 70% of the cards having been rewritten and redesigned to increase customer engagement and reduce contacts where possible. Social media campaigns have been focusing on Water Efficiency and winter campaigns, including useful tips for customers, and encouraging them to go online and use the water saving calculator which can help with their affordability.</p> <p>The first part of the discussion focused on the coverage of TTT so far, with CCG noting the lack of stories so far given the huge environmental benefits. CM explained the plan was to retell the story once the tunnel is fully operational and handed over to the TW for operations. Further discussion focused on the potential bill impact, with CCG suggesting that the messaging should be accessible such as translating what the impact is for customers per day etc. There was a recognition that the price increase will be different over the five years period so the messaging will need to be carefully thought through.</p> <p>Action: CM to share comms plan regarding bill impact in January / February 2025 once in place.</p> <p>CCG suggested that TW should work with third parties such as Citizen Advice, Martin Lewis etc who are well connected and trusted by consumers and can help to reach a wider audience. Another suggestion linked to river health and media coverage was for TW to reach out proactively with organisers and media to offer briefings and site visits to increase the understanding and positive outlook.</p> <p>The session concluded with discussion around upcoming campaigns to drive changes in customer behaviour in terms of using tap water and the diversity of customers' base. CCG thought it is important to use a wide range of channels, not only digital ones and were pleased to hear that it also includes local radio stations.</p>	

	The Chair thanked CM and PG for their time.	
5.	Customer Focused Licence Condition – Ofwat's view	
	<p>Following introductions, LP stepped through a presentation focusing on three key topics:</p> <ul style="list-style-type: none"> • Licence condition G: Principles of customer care • Supporting guidance • Monitoring performance: customer service and support <p>The first part of the discussion focused on the Licence condition including the expectations on the water companies, the interdependencies on price review and the aim to improve the trust in the water industry. There was a recognition that TW plans and strategy are well set out but it is even more important how TW will put them in place and embed the principles of customer care across the organisation.</p> <p>Moving on to the various ways of monitoring performance, the CCG were interested to understand details of mystery shopping used in the water industry and how the diversity of the customers is represented. It was agreed that this will be explored further at a future session. In relation to the research review, CCG suggested that this could include recent incident in Guildford. LP explained that Ofwat's aim is to include incidents across the industry and noted TW's odour incident in Camberley was reviewed earlier in 2024. LP also added that TW kept Ofwat directly engaged and was represented at the public meeting related to the incident. CCG and Ofwat are keen to see companies apply more of their learnings to prevent and improve response to the future incidents.</p> <p>The Chair thanked LP for her time.</p>	
6.	Ofwat's Consultation on new rules on remuneration and governance provided for in the Water (Special Measures) Bill	
	<p>The group discussed proposed draft response to Ofwat's consultation on new rules on remuneration and governance provided in the Water (Special Measures) Bill</p> <p>Key focus areas for discussion included:</p> <ul style="list-style-type: none"> • the complexity of the proposals which make it difficult to hold people to account • time lag between the breaches and prohibition of the pay taking place which lead to innocent people being affected <p>proposals for increasing customer representation and how would that interlink with existing arrangements such as CCGs, and the level of independence while being paid by companies</p> <p>CCG discussed emerging plans from CCW for consumer panels, stressing the need for greater clarity and detail including whether such panels would be recruited for research purposes or for drawing on lived experience.</p> <p>The Chair outlined the next steps and deadline for the response and thanked MW for leading on the response on behalf of the CCG.</p>	
7.	AOB	
	Next CCG meeting on 13 December 2024	