



# MINUTES of the Customer Challenge Group

Microsoft Teams

On 3 February 2023, 9am – 2pm

## Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Jeremy Crook OBE	Action for Race Equality	JC
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Doug Taylor	CCW	DT
Dr Charlotte Duke	London Economics	CD
Councillor Adam Jogee	Haringey Local Authority	AJ
Monica Wilson	HM Treasury	MW
Tiger de Souza MBE	National Trust	TDS
Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Peter Daw	Greater London Authority	PD
Sarah Powell	Environment Agency	SP

## Thames Water:

Nina White	Director of Financial Customer Care	NW
Chris Pollard	Director of Customer Services	CP
James Brown	Head of Revenue and Billing	JB
Jon Haskins	Director of Regulatory Delivery, Compliance & Reporting	JH
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

## Apologies:

Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Lesley Tait	Water Resources Engagement Manager	LT

Agenda Item No.		Action
1.	<b>Apologies for absence / Declarations of interests / Matters arising / Chair update</b>	
	<p>Apologies noted.</p> <p>SKS provided an update on her 121 with CR and where would CCG make a more tangible difference.</p> <p>Reflecting on the recent appointment of DAB, SKS thought that one of the areas CCG may want to influence is about recruiting to a mindset (what sort of mindset does CCG expect from TW teams which links to the culture peace.</p> <p>SKS was encouraged to speak to Sarah Holland who is focusing on water in London and further discussion linked to incident management and Local Resilience Forums.</p>	

	<p>From a longer term point of view, TW is looking into how they can change peoples' behaviours with a company led by Chalsbey which will help to understand TW what people who do not interact with TW think about water and how they can take this forward. Public Value subgroup should start engaging with this piece of work once the busy Business Plan period is over.</p> <p>DT raised the point that TW and Local Authorities have a multidimensional relationship and need to ensure they look at all touchpoints.</p>	
2.	<p><b>Q3 Vulnerability performance update</b></p>	
	<p>NW provided an update on vulnerability performance alongside a wider update on vulnerability.</p> <p>NW mentioned that TW recently hosted Ofwat and CCW in Swindon and part of the visit also focused on vulnerability propositions and how TW support customers through the living crisis.</p> <p>From Performance Commitments view (PC), NW was pleased to share that on majority of the PCs TW is performing well and reports in green. The PC looking at percentage of satisfied vulnerable customers remains not satisfactory, but this is due to level of satisfaction with overall services rather than inclusive service for those in vulnerable circumstances This area will continue to be focus of wider Customer Service teams in the next year.</p> <p>NA noted that TW is doing well in vulnerability space but somewhat miss its presence in industry events and was interested to understand whether TW would benefit from sharing their knowledge more within the industry. NW reflected on the misalignment between the work done in this area and wider perception and it is something which she raised with Ofwat and CCW to reflect on this point. From the industry presence NW shared that in the upcoming year she and her team are planning to do more externally recognising the work they have done achieved in the vulnerability space e.g. income expenditure. However, NW highlighted that her team took an exceptionally authentic approach focusing on things where they could really make the difference for customers.</p> <p>Discussion followed on recent CCW vulnerability assessment and the example of other another company introducing a toolkit on Engaging Diverse Groups. Was there scope for TW to consider comparable publication ion some of its areas of strength? CCG noted the outcomes of the Ofwat Final methodology around the potential vulnerability PC. NW confirmed that there will not be vulnerability PC which is disappointing due to the external environment, however TW will continue to strive for internal benchmarking within and across the sector.</p> <p>SKS noted that on behalf of the CCG this is a missed opportunity. While CCG understands there is no expectations that vulnerability PC will be pursued, CCG will continue to watch this space to look out for any future opportunities. CCG suggested there may be an opportunity to work with other companies to amplify the plans and propositions for vulnerable customers more widely.</p> <p><b>Action:</b> NW to reflect internally and as a part of the industry working group whether TW will communicate to customers their internal vulnerability commitments.</p> <p><b>Action:</b> MS to arrange a session for PD and NW / PC to discuss how GLA can support in the vulnerability space. The meeting to include Regulation team and extend to JC.</p> <p>BGT noted external news around progressive metering which are very emotive from disability groups and while they have been focusing on British Gas, water companies are also mentioned.</p> <p><b>Action:</b> NW to discuss it with head of the progressive metering at Thames</p>	

	<p>Following on the discussion from the media around British Gas and their 3<sup>rd</sup> party Avato, NW shared that TW also uses the agency as part of their panel. While the agency is broadly highly recognised debt agency which is signed off part of the regulatory agreement by FCA, however TW took steps to suspend them while they investigate. Unfortunately, this will also include pausing the “Boots on the Ground” (Islington) trial which was previously shared with CCG. NW outlined the plans for communicating the change going forward on this trial and will share further progress as part of existing action.</p> <p>CCG praised NW for quick action and further discussion focused on due diligence and assurance over the third parties, but everyone recognised this could have an impact on wider customer perception.</p> <p><b>Action:</b> NW to share outcomes of the TW investigations with CCG</p> <p><b>Action:</b> TW to share more details around smart metering and Smarter Home visits (including customers in vulnerable circumstances at the future meeting. Update: Smart metering and Smart Home visits added to 31 March)</p>	
<p><b>3.</b></p>	<p><b>Q3 Retail performance</b></p>	
	<p>CP provided an update on Retail performance outside of vulnerability focusing predominantly on C-MeX and Complaints as well as recent Ofwat and CCW CEOs visit.</p> <p>From a C-MeX perspective, for the Q3 TW for the first time stepped up to 16<sup>th</sup> position but overall stayed at 17<sup>th</sup> for the year to date. Overall year to date remained stable. CP highlighted that while the score in the Water area shows particularly low numbers there is an outstanding challenge which may result in the score rebalancing however overall position will remain unchanged.</p> <p><b>Action:</b> CP to ensure that C-MeX report forward distinguishes between quarterly and year to date position</p> <p>On complaints performance, CP noted the company is on track to exceed this year's target due to a complaints reduction plan. Complaints are forecasted to rise in February due to Annual Billing however that is already included in the overall forecast.</p> <p>CP talked through slides which were shared with Ofwat and CCW CEOs during recent visit focusing on complaints reduction in Billing Customer Service, key priorities for 2023, improvements to hiring and onboarding process to support full insource of voice contact into Swindon which is values and behaviours led, and finally recently simplified organisational model.</p> <p>CCG are encouraged by the improvements in complaints performance and seeing the plans put into place bring the results and are interested in further discussion on the recruitment mindset.</p> <p>TDS suggested that TW may want to consider Strengths based recruitment which has been introduced in National Trust which removes requirements for qualifications and previous experience. NA suggested that to support a more diverse workforce, an important role will also play ongoing support such as mentoring and coaching. CP highlighted there is a stronger focus on introducing new team members to the wide number of networks and communities which are offered and allow sufficient time.</p>	

	<p>Discussion focused on expectations to deliver benefits of insourcing, which could see impact on C-MeX in Q1 of the following year, providing CSAT from in-house teams remains at the current level. Further topics included challenges around Opex reduction, with CP explaining that quality service takes priority.</p> <p><b>Action:</b> Next Retail performance update to include stats on employee turnover.</p> <p>Following on from the recent visit to Kemble, CD reflected on the stats presented that majority of contacts come through traditional methods such as telephone.</p> <p><b>Action:</b> 31 March journey slot to include data on customers contacts via different channels.</p> <p>Discussion focused on digital and data strategy which predominantly focus on wider business as usual contacts to allow more resources to deal with customers complaints.</p> <p><b>Action:</b> TW provide more information regarding further customer research regarding cross subsidy level which leads to support to over 400,000</p> <p><b>Action:</b> Forward agenda to include 'Hear for You' survey results. Timing to be confirmed likely May / June</p> <p>The session concluded with short discussion around Per Capita Consumption PCC which looks at small leakage but most importantly around customer behaviours.</p>	
4.	<b>Billing Strategy</b>	
	<p>JB introduced the session with his background and set out a context for the session highlighting the importance of great customer experience through billing which includes a wide range of activities from home move, installing meter as well as correct billing, before explaining through key responsibilities and activities in his area. Further explanation focused on key 7 focus areas for 2023/24 highlighting what it means for customers and what further benefits it could deliver (e.g. wider range of payment options, exploring innovative tariffs)</p> <p>The discussion focused on challenges around correct billing, noting moving to less estimations, more accurate meter reading, providing higher level of controls and providing better staff training will result in higher quality. JB acknowledges that while TW is getting better operational grip, challenge remains around data quality which will drive system and bill accuracy.</p> <p><b>Action:</b> JB to explore whether data on bill accuracy can be segmented geographically.</p> <p>Further discussion focused on the impact of smart metering on bills which may result in changes in customer bills as well as customer behaviours as it will provide customers with bigger controls over their water usage. It will also help to spot any abnormalities such as customer side leak. There was an understanding that there may be misconceptions around smart metering and what benefits it can deliver for customers which might be addressed by proactive communication.</p> <p>Discussing customers' awareness of challenges TW face, TDS suggested whether proactive communication can be used to help with the data accuracy.</p> <p>Follow up discussion focused on bill accuracy linked to estimation which may vary on robustness of data such as historic consumption and number of occupiers. Going forward with more frequent meter reads, data will improve which allow for more informed discussion about consumption etc.</p>	

5.	<b>WRMP/WRSE update</b>	
	<p>BGT provided short update activity to date regarding WRMP / WRSE including consultation launched in December. The update included an overview of various customer and stakeholder engagement such as a live Q&amp;A session which took place. There was a recognition that many of the engagement sessions are represented by subject matter experts who focus on detailed technical points. There is an opportunity for the CCG to widen the discussion to a more general level.</p> <p>It was suggested that the next session will focus on voice of communities, use of nature solutions and customer engagement.</p> <p>CD suggested that as a follow up CCG should revisit existing challenge on inclusive stakeholder engagement to ensure TW are listening to wide views. It was noted in addition to technical discussions, TW are running a number of community events.</p> <p><b>Action:</b> Next WRMP/WRSE session to include an update on progress including an overview of the key schemes and plans for community engagement.</p>	
6.	<b>Communicating performance to Customers</b>	
	<p>JH introduced himself and set out a context for the session noting Ofwat published Water Company Performance and Monitoring Financial Resilience reports on 8 December 2022 and given Thames Water's lagging behind performance in 2021/22 and requested TW to publish an action plan detailing how TW will improve their performance.</p> <p>There is an expectation for sharing the plan with Customers and stakeholders. JS stepped through current reporting expectations using a subset of key metrics which would be reported twice a year in Q1 and Q3 between Interim and Annual Reports. JH highlighted the importance of the report needs to be the right fit for every customer and invited CCG to provide feedback and challenge on the proposal.</p> <p>CCG were interested in how this reporting fits together with C-MeX and PR24. As a part of the discussion CCG included the following suggestions:</p> <ul style="list-style-type: none"> <li>• Customers and stakeholders will have a different requirement with customers interested in snapshot while stakeholders would welcome more detailed view on KPIs preferably with regional view</li> <li>• Layering report may serve both customers and stakeholders with links in digital reports provide the opportunity to drill down to the details</li> <li>• TW should consider this additional report in the round of all other information's being published to ensure customers are not overwhelmed</li> <li>• TW to consider elevating the use of the CCG through the report and their performance monitoring role.</li> <li>• TW to pursue better clarity for the purpose of the reporting with Ofwat</li> <li>• Report should be linked to the actions as well as WCCSW and what it means for customers.</li> <li>• Agreement to include it in plain English</li> </ul>	

	<ul style="list-style-type: none"> <li>• It is important that TW acts on the feedback and possibly include how TW supports customers in vulnerable circumstances</li> <li>• CCG queried the purpose of the report and suggested the CCG itself could be elevated through discussions with Ofwat when clarifying.</li> </ul> <p><b>Action:</b> JH to explore feasibility of regional reporting which could be published as currently only reported on 6 monthly bases.</p>	
<b>7.</b>	<b>Action log / CCG away day</b>	
	<p>AG and BGT provided an update on the current state of the existing action log noting over 50% actions raised so far were completed.</p> <p>AG focused on the ongoing action / challenge regarding inclusive Stakeholder list. Recognising that one long stakeholder list will not be an answer and suggested maybe tailored lists grouped by focus area may help.</p> <p>Looking back at the action log, BGT suggested that further work could be done to make the action log to help analyse and link to the overall CCG objectives, forward plan and identify key challenges.</p> <p><b>Action:</b> MS to work with NA and BGT to map the action log against the impact framework and to ensure it does represent a view of what CCG achieved.</p> <p>DB set out the context and purpose of the CCG away day on 3 March which will focus on the CCG challenge to date, working with Indepen on a number of topics and forward plan. The day will include some group discussions, discussion on CCG success factors and feedback from TW on CCG Challenge so far. Key takeaways from the day will include the position on challenge so far as well as plan for forward plan and annual report.</p> <p>The discussion focused on whether CCG can play a more significant role in the engagement with regulators, the aim and outputs of the CCG away day.</p> <p>There was a recognition that input and views from CCG members who cannot attend the day will be gathered in advance.</p>	
<b>9.</b>	<b>AOB</b>	
	Next meeting is planned for 3 March 2023. No AOB raised	