



# MINUTES of the Customer Challenge Group

Held over Microsoft Teams

On 24 February, 9am – 2pm

## Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Jeremy Crook OBE	Action for Race Equality	JC
Dr Charlotte Duke	London Economics	CD
Baroness Grey-Thompson DBE, DL	Ukactive	BGT
Councillor Adam Jogee	Haringey Local Authority	AJ
Kay Lacey	Pang Valley Flood Forum	KL
Sarah Powell	Environment Agency	SP
Tiger de Souza MBE	National Trust	TDS
Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Doug Taylor	CCW	DT
Monica Wilson	HM Treasury	MW

## Thames Water:

Warren Buckley	Retail Director	WB
Andrew Burton	Customer Research & Insight Manager	AB
Alice Tow	Head of Brand and Marketing	AT
Kathryn Andrews	Executive Business Manager	KA
Peter Cotton	Customer Segments Manager	PC
Jonathan Read	Director of Policy and Investigations	JR
Jennifer Genevieve	Head of Regulatory Engagement & Policy	JG
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

## Visitors:

Victoria Borwick	Independent Monitor (Leakage)	VB
------------------	-------------------------------	----

## Apologies:

Peter Daw	Greater London Authority	PD
-----------	--------------------------	----

Agenda Item No.		Action
1.	<b>Apologies / Declaration of interests</b>	
	Apologies were noted. There were no additional declarations of interest recorded. The Chair introduced VB who joined the CCG call for the Retail performance session.	
2.	<b>Minutes and actions from previous meeting</b>	
	Minutes from meeting on 9 February 2022 were agreed. <b>Action:</b> MS to circulate updated matters arising post meeting. Completed.	

3.	<b>Retail performance</b>	
	<p>WB shared TW's Q3 retail performance focusing on measures of experience, household complaints, Per Capita Consumption, measures focusing on supporting vulnerable customers and metering. For context WB highlighted that TW is currently managing two significant key activities – annual billing and the impact of recent storms.</p> <p>The discussion focused on billing and how bill clarity can help drive customer contacts down. The CCG was interested in understanding how the measures are translated to front line staff to make them meaningful for them with WB explaining the focus is on providing quality service rather than the measure itself. The CCG was also interested in understanding more about complaint classification.</p> <p>VB shared her view on the importance of water usage throughout pandemic and recognised TW's effort to reduce leakage, noting that visible leakage sometimes needs to be prioritised as it impacts on TW reputation.</p> <p>When discussing vulnerability measures, it was noted this would be linked to the discussion on vulnerability later in the session, where TW sees an opportunity to show real distinction due to the range of activities.</p> <p><b>Action:</b> TW to share Complaints definitions.</p>	
4.	<b>C-MeX improvement plan</b>	
	<p>KA and AT stepped through the C-MeX improvement plan covering an overview, targets, C-MeX plan, investment in CES and the culture piece.</p> <p>CCG members praised TW for an impressive improvement plan.</p> <p>The discussion focused on historical Customer Satisfaction measures and the predicted improvements, financial modelling based on competitors spend and its impact on their brand perception, balance of investment and penalties incurred for current performance. CCG members were interested in understanding more about how ad spend and customers comms would help to improve customer perception. It was noted that Customer Comms is also being consolidated to help align messaging.</p> <p>Looking at the scale of young passive customers which is larger by 10 – 15% compared with other providers, TW recognised there is bigger opportunity to change this so the focus will be on the right fit for purpose creative which will help customers understand the added value TW provide.</p>	
5.	<b>Approach to complaints</b>	
	<p>WB shared TW's approach to complaints management explaining significant changes in the definition of complaints which resulted in recording complaints across all channels including telephone, making it easier for customers to complain, (improving?) the overall complaints process and prioritising response times.</p> <p>The discussion focused on core complaint themes, high bills, supporting frequent / repeating customers prone to making complaints, regional differences, and complaints channels. CCG was interested in understanding more about the complaints process and escalations to CCW as well as how easy it is for customers to complain, and opportunities to improve bills.</p>	

	<b>Action:</b> TW to walk through the complaints journey at the 19 May meeting.	
<b>6.</b>	<b>Triangulation and Line of Sight approach</b>	
	<p>AB introduced the approach to Triangulation and the Line of Sight process which is specifically designed to support the development of the PR24 business plan. It was noted that this is an emerging process which provides an opportunity for the CCG to help to shape it. The team is already thinking about how they are going to incorporate the CCG's feedback from the earlier session on customer engagement.</p> <p>The discussion focused on the proposed approach being different, taking account of the lessons learnt from PR19 including the importance of line of sight, especially when making trade-offs, possibly informed by willingness to pay surveys and other customer engagement across the industry. The discussion also covered rebuilding relationships with stakeholders including Ofwat and CCW. CCG members suggested that in terms of business plan sections, public value should be considered as a theme running through all sections rather than a standalone section as it could result in underselling what is being delivered. The CCG also supported the importance of customers' views as a starting point to feed into the business plan decision making process.</p> <p>CCG members were interested in understanding more in detail about Vision 2050 and public value in a future meeting.</p> <p><b>Action:</b> TW to review sharing of documents coming out of industry working groups</p>	
<b>7.</b>	<b>Vulnerability</b>	
	<p>PC provided an introduction to TW's approach to supporting customers in vulnerable circumstances to provide CCG with the baseline understanding what TW offers, focusing on an overview of inclusive service and affordability capabilities and proposition</p> <p>The discussion focused on social tariffs, support for customers who are digitally excluded, or where English is not their first language, data sharing, as well future investment, and its impact on bills.</p> <p>WB proposed to share the Channel strategy with the CCG at a future meeting to show how TW is going to focus on support for customers in vulnerable circumstances. In addition, WB offered to share what other support TW offers for customers in terms of affordability and debt management – to be covered at the 19<sup>th</sup> May meeting.</p> <p>CCG members recognised and praised TW for the hard work and focus in this area noting that TW have achieved BSI certification as well as the Stonewall award for inclusivity.</p> <p>It was noted that vulnerability is one of the key areas of focus for TW and they welcome the CCG's challenge and input through further engagement.</p>	
<b>8.</b>	<b>CCG discussion</b>	
	CCG members reflected on the meeting with some points captured earlier in the minutes. Additional points noted:	

	<ul style="list-style-type: none"> <li>• Managing expectations – given the scale of challenge and ambitions is there a capacity to change? There is a recognition that even with all the hard work there may be a limited progress e.g. moving up from 17<sup>th</sup> place</li> <li>• Noting complaints not being part of formal performance commitments - is there a risk of it not having a strong ongoing focus (It was acknowledged that complaints are a formal KPI through CCW scrutiny)</li> <li>• Suggestion of whether TW would benefit from an app and improvement to the website to help customers contact TW (is there a business case for or against - would it improve the customer experience/access beyond the website and existing social media platforms)</li> <li>• Potential tension between various areas of focus and where TW can deliver bigger change, with recognition that the CCG's focus should be around vulnerability</li> <li>• Importance of defining a target audience for CCG outputs apart from TW – how public these are</li> <li>• Recognition of TW efforts in customer service improvement in terms of complaints and also proactively contacting customers with high bills</li> <li>• Suggestion for the CCG to have an overview of Performance Commitments and their classification (e.g. financial / reputational and associated rewards and penalties)</li> <li>• CCG members would benefit from insight around what is the required level of organisational culture change to make short term / medium term transition and embed longer term transformation. (CCG may like to know results from previous culture change e.g. HEART campaign)</li> <li>• Recognition of TW being transparent and sharing upfront limiting factors – the CCG would benefit from questions up front where the CCG's views would be most beneficial</li> <li>• Recognition of trade-offs on many levels will continue be a topic of discussion</li> <li>• CCG need to get understanding of the performance commitments and how they drive the decisions in the business (e.g. rewards and penalties)</li> <li>• Explanation of the draft outputs and the base for them was created based on CCG members' expertise and interests as well as discussions with TW – further iterations will be discussed over the next few weeks.</li> </ul>	
--	---	--