



Chapter SRN07

Customer Household and Non-Household

(Costs and Outcomes)

7. Customer – Household and Non-household (Cost and Outcomes)

7.1. Executive summary

This chapter is about putting the customer at the heart of everything we do. It explains how we will continue improving our retail services for household and non-household customers, as well as non-household retailers and developers.

Despite significant progress since 2020, we know our performance has not been where our customers or regulators expect. Customers have lost trust in us because of our historic failures, and through media, activist and political noise. Even if a customer has had a positive experience with us, they will rate our service lower because of their wider perception of us.

Following negative media coverage in 2022, we saw a fall in all 34 of the UK Customer Service Institute's measures, despite no change to our services and a 1.3% fall in bills during the period¹. We know there are key areas where our service has fallen short, which also influenced the overall position. These include not keeping our customers informed of progress in resolving issues they have raised, failure to make our bills easily understandable, and not taking sufficient ownership of the problem.

We are continuing to improve through our [Turnaround Plan](#) – making things easier for our customers, changing how we engage with our communities and creating a customer first-culture. We are aiming to increase our C-Mex score by 8% to 7.5/10 and our D-Mex score by 5% to 8.4/10 by 2025.

Our customer engagement will seek to inform and educate our customers on how we are spending their bills and where we are improving our services. We will utilise our own channels, such as email, website and text messages, before harnessing earned channels and paid for channels, such as social media, radio, community notice boards and newsletters and streaming services.

We will also continue growing our community presence through customer drop-ins, community centre grants, event support and sponsorship and outreach to community groups and vulnerable customers. We will also build on relationships with key stakeholders, such as MPs, councillors, special interest groups and business communities, to understand their challenges and how we can help them be successful.

We will invest in a new customer relationship management (CRM) and billing system – making our data more accurate, our services more responsive and easier to access for all our customers, empowering our customer service teams to fix problems quicker and supporting real-time data from our smart meters to enable water-efficient choices.

We will also further improve how we support our household and non-household customers during incidents, such as water outages. Through improved data accuracy, we will be able to proactively inform customers by text message, when they are likely to experience a water outage, and when their service will resume. We will also be able to direct them to alternative supplies of water. We will also enhance our support for vulnerable customers as discussed in the affordability chapter.

By introducing a new billing system, we will be able to give our household customers the information they need from our smart-meter rollout to make water-saving decisions. Additionally, our smart meters will give non-household retailers enhanced meter reading data so we can collaborate on targeted water efficiency campaigns for businesses.

We know our developer customers, including New Appointment and Variation and Self Lay Providers, want to self-serve as much as possible but expect us to be there for them when they need a hand through good case management. ([Customer Engagement technical annex, Section 1 Index: 203d – Developer, SLP and NAV workshop Reports Sep '22](#)”).

Speed and accuracy are critical for these customers, therefore we will continue to improve our online service by enhancing our GetConnected portal and having highly-trained customer service colleagues easily available. Our new operating model will also mean customers will have their application managed from beginning to end by one team, with key updates provided at the moments that matter to them.

We will continue improving by investing £364 million in our retail services between 2025 and 2030. We will:

- Introduce a new customer relationship management and billing system that will allow us to deliver high-quality customer services and help our customers take control of their water use
- Redesign our customer services processes to put the customer at the heart of everything we do, including automated updates via SMS and email, keeping them informed of the progress of their query and proactively informing them about issues in their area
- Enhance our community engagement programmes – reflecting what our customers and communities have told us is most important to them
- Move to a new operating model, bringing together operational management control and customer contact into a centralised 'hub' with operational delivery in operational bases across our region, known as 'spokes'

1 [SRN14: Customer Insight technical annex](#), Section 1 Index: 156 – UKCSI FAO David Black – July '22

Our customers told us to focus on getting the basics right first and push boundaries in the areas most important to them or where we already perform well². Given the reputational challenges we face in the region, especially relating to storm overflows and our significant coastal communities, we have set deliverable targets to improve our retail services.

By 2030 we will be:

- In 10th position for C-Mex
- In 8th position for D-Mex
- We will also be establishing our baseline position and setting our targets against BR-Mex in 2024

7.2. Our context

The world around us is constantly changing and this impacts how we provide our services. We have identified different trends, challenges and opportunities and how we need to adapt to them now and in the future. This includes our reputation, the expectations of our customers and communities, changes in technology and the changes to customers' costs of living.

7.2.1. Trust and transparency

The water sector has seen an unprecedented level of public scrutiny in recent years. The pandemic brought to the fore the value we place on our natural environments.

Water quality and our use of storm overflows has become an issue of significant interest to customers and stakeholders.

Our historic performance issues, and the court cases that made headlines in 2021, have led to a level of mistrust and an erosion of public confidence in our operational resilience alongside questions about our integrity and transparency. The loss of our customers' and communities' trust can have a disproportionate effect on what they think about our services. The loss of trust can also impact our customers' and communities' wellbeing. Negative perceptions about water quality impacts our customers' enjoyment of their coastline.

Improving our performance is the main way we will build trust with our customers and communities, but there are other steps we can take such as:

- Changing how we communicate with customers and stakeholders day to day – as well as during incidents
- Making sure we are transparent about our performance
- Working with our communities to improve their local areas
- Partnering with schools on education programmes about our water environment
- Donating to local charities and colleagues using their volunteer days

See [SRN13: Reputation, Trust and Transparency technical annex](#) for more information.

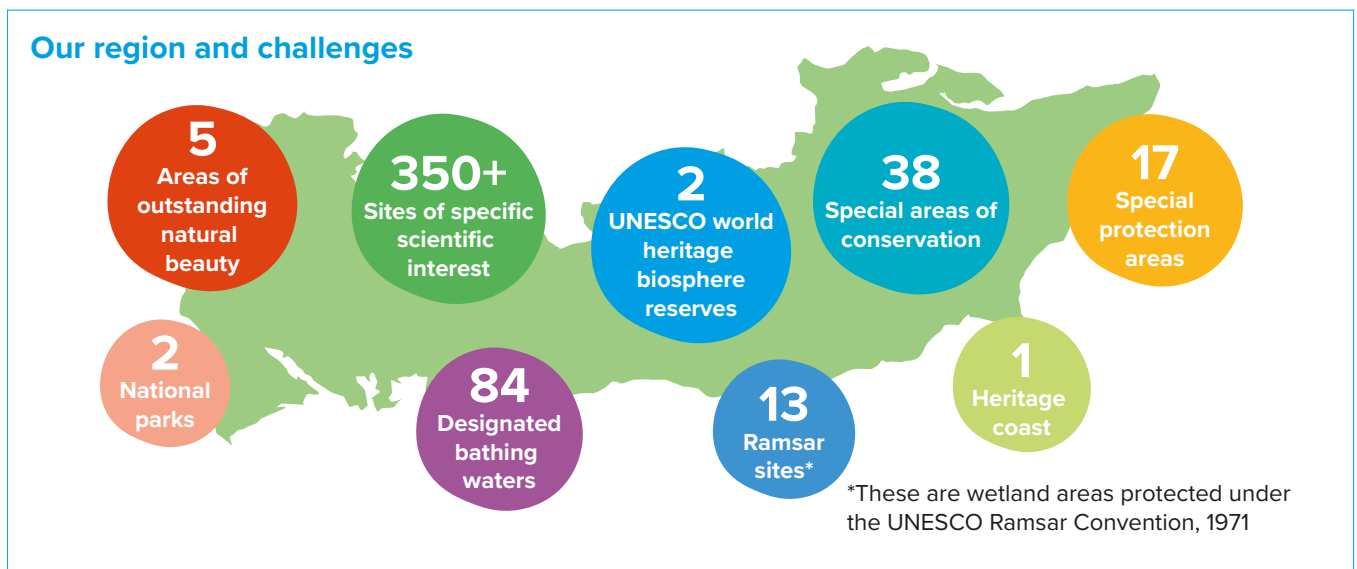


Figure 1: Our region

7.2.2. Our region and environment

Our region blends densely populated coastal communities, inland towns and cities, and rural areas all spread across two national parks, five Areas of

Outstanding Natural Beauty, 700 miles of coastline and 84 bathing waters. More than 40% of our customers live in coastal communities.

It is home to more than 400 environmentally designated areas – including more than 350 SSSIs (Sites of Special Scientific Interest), two UNESCO world heritage biospheres, 38 Special Areas of conservation and 13 Ramsar sites, as well as numerous other protected areas.

Climate change and population growth mean we are forecasting a water supply deficit. With the first hosepipe ban in a decade seen in 2022, awareness is rising, and customers and stakeholders want to be reassured we will ensure a reliable supply for the long term.

We are forecasting more than 800,000 new homes connected to our wastewater network by 2050 and expect demand for water to increase by up to 180 million litres per day by 2075. In some areas, this growth is already being slowed by regulators to protect the environment for future generations³.

7.2.3. Our customers and communities

Every community is unique. During our ongoing engagement with customers and stakeholders, we make sure we recruit a representative range of customers from across our region – with diversity across demographics such as income, household size, customer segment and location. This insight allows us to adapt to the changing shape of our communities, understanding their priorities and how best to engage with them.

Our customers take immense pride in their communities, whether that is coastline, green spaces, historic buildings or architecture, and are committed to preserving them for future generations and they expect us to help protect them.

Over 40% of our customers live in coastal communities – a higher proportion than any other water company⁴. While our coastal communities feel connected to the coastline, our rural communities have a stronger connection to nature and the countryside.

We have a deeper understanding of our customers and communities than ever before. They want us to do more

and further develop our understanding of their needs and priorities. They want us to define our role in the community and help to educate young people, as well as households and businesses. Customers want consistent and good service, especially when things go wrong. This is especially true for customers who find themselves in vulnerable circumstances, who may need greater support⁵.

As part of our ongoing insight programme, we developed profiles of different communities across our region and shared this insight internally to help embed the customers' voice throughout our plans and day to day work.

We also developed a deeper understanding of our non-household customers. Smaller businesses have similar priorities to our household customers, while larger businesses and non-household customers were more likely to understand our planning challenges. This is in addition to the regular engagement we have with retailers, developers and other non-household customers which we use to improve our services for them.

We piloted a qualitative piece of research to explore differences between North Sussex, Southampton and Chatham. We found differences that we could apply to our activities. For example, we designed a bespoke engagement campaign in North Sussex to inform and educate customers on our local activities.

We expanded the research to an additional 11 locations. This included innovative approaches such as photo mood boards that are shared with colleagues to help bring the insight to life and help create our customer culture. We also analysed contact data, complaints and operational performance across these regions, and combined this with demographic data (such as income, ethnicity, customer segmentation) and satisfaction data from our Reputation tracking⁶ to develop regional profiles.

This insight helps us understand our communities, engage with stakeholders, understand key priorities, and differences in trust and reputation, and are a core part of bringing the voice of the customer to life.



³ See SRN05: Wholesale Water (Costs and Outcomes) and SRN06: Wholesale Wastewater (Costs and Outcomes)

⁴ See SRN20: Coastal population Cost Adjustment Claim

⁵ See chapter SRN08: Affordability for more information

⁶ Reputation Tracker (Dec – Jul '23)

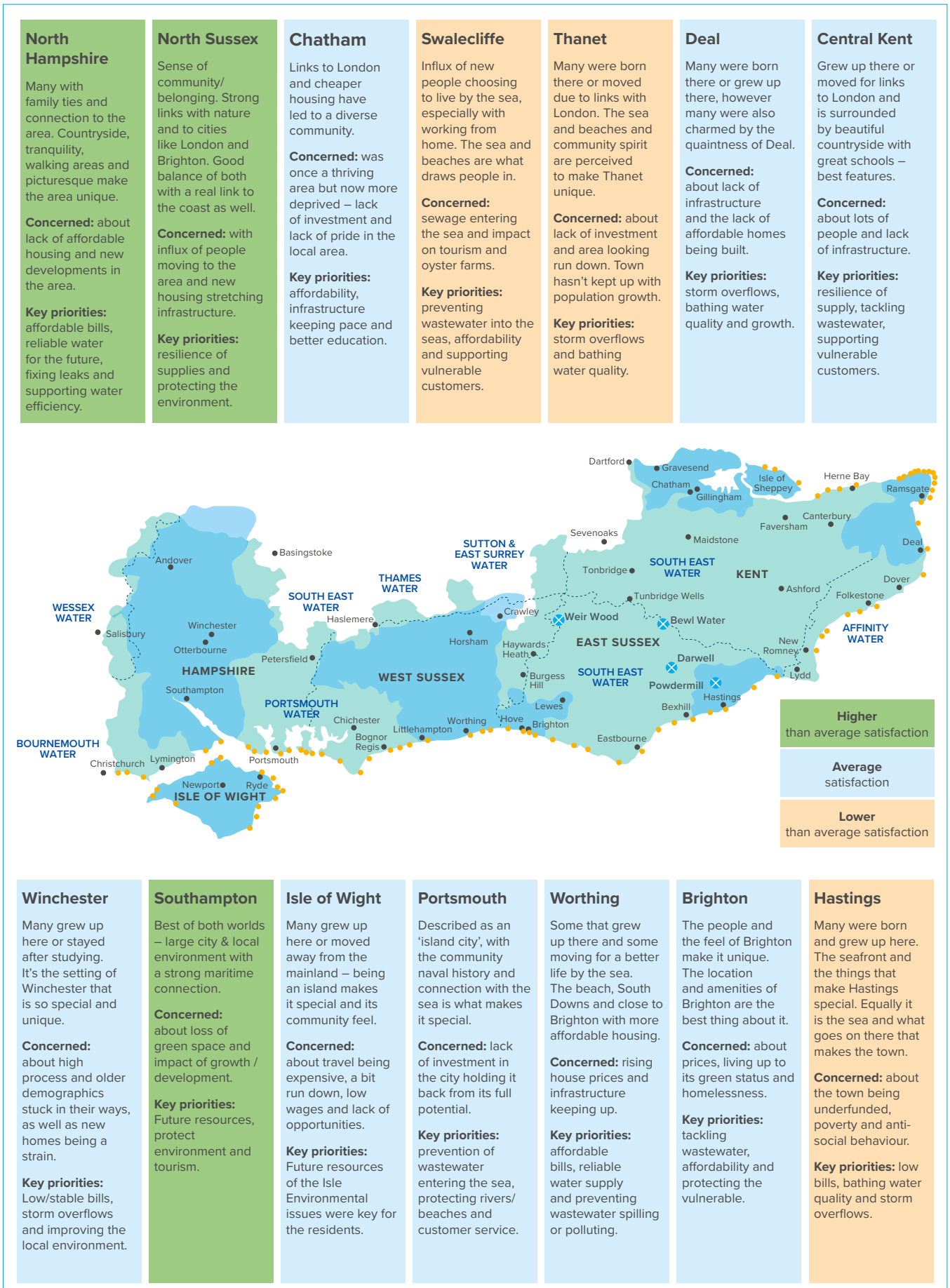


Figure 2: Our regional profiles

7.2.4. Affordability and the cost of living

Our bespoke insight found a quarter of our customers struggle to afford their household outgoings⁷.

While current concern about water bills is low, around 40% of our customers said they are worried about them⁸. Our robust insight found 14% of customers struggle to pay their water and wastewater bills, but this could rise to 24%⁹.

We have already increased the support we offer the most vulnerable and will enhance it further as our bills rise to fund the investment we need. Full details about how we will keep bills affordable and support the most vulnerable are in [chapter SRN08: Affordability](#).

7.3. AMP7 delivery

We know we have fallen short for our customers in recent years, including our C-MeX and D-MeX performance and the overall satisfaction with our support for vulnerable customers¹⁰.

Through our [Turnaround Plan](#) we are addressing the root causes of problems and improving how we work and the services we provide.

Despite falling short in some areas, we are making good progress in others. We are on track to meet or exceed 9 of our 15 customer ODI's by the end of this AMP. We are making improvements in five of the others, with only one getting worse¹¹.

7.3.1. Improving our services for household customers

Most of our customers are households. We are continuously improving the services we provide for these customers and have made good progress since 2020. We have:

- Embedded a customer culture – including upskilling all our customer service agents and launching our customer promise
- Rebuilt our customer satisfaction (CSAT) processes, data and insight to provide our operational and customer teams the data to easily identify and focus on the areas, job type and volume that are causing the most dissatisfaction to customers. Customer feedback and scoring is monitored and discussed weekly at executive level
- Simplified our online processes to make it easier for customers to carry out basic tasks such as paying a bill or giving us a meter reading meaning that 70–80% of customers who attempt these tasks can successfully complete them
- Updated our website¹² to make it simpler, clearer and easier for customers to find what they're looking for and self-serve, such as reporting a leak or blocked sewer
- Significantly changed how we respond to amber and red incidents by implementing proactive text alerts and consistent messaging to keep customers informed, responding quicker with alternate supplies and applying bill rebates for loss of service. This has seen customer satisfaction for incidents increase from 5.2 to 6.5/10 and an 83% reduction in complaints relating to supply interruption (between December 2022 and May 2023)
- Made it easier for customers to contact us by introducing live web chats, an AI digital assistant and enabling customers to contact us via WhatsApp
- Launched Remote Triage – the introduction of video conversations with customers, the ability to provide photographic evidence and subsequent annotation of imagery to help ensure we can more efficiently triage and prioritise jobs. We are seeing a 60% inspector visit avoidance when video is used, meaning the job can be resolved by the virtual inspector or passed directly to our contractor, resulting in a quicker resolution for the customer
- Introduced a close the loop team which has helped improve customer satisfaction for both water and waste issues. Calling the customer and ensuring the issue is resolved through their eyes has enabled us to act quickly and case manage any issues that need attention. Since launch we have seen customer satisfaction scores improve throughout 2023 from 5.9 in July to 7.0 in August for water and scores reaching 9.1 in August for waste customers
- Used behavioural science principles to improve our complaint responses and our payment reminder letters
- Increased the basic discount we offer to help those struggling financially and improved our overall support for the most vulnerable by introducing a Hardship Fund
- Increased the number of customers on our Priority Services Register from under 20,000 to nearly 200,000¹³

7 Taken from slide 78 of board strategy pack – 28th July

8 Taken from slide 79 of board strategy pack – 28th July

9 Taken from slide 80 of board strategy pack – 28th July

10 [Southern Water's Annual Performance Report](#) – page 42 and 43

11 [Southern Water's Annual Performance Report](#) – page 42 and 43

12 As of September 2023, we are in the final stages of rolling out our new website which will go live before the end of this financial year

13 Full details about how we will keep bills affordable and support the most vulnerable are in chapter [SRN08: Affordability](#)

7.3.1.1. Making our billing journeys easier

Making it easier for customers to contact us via our website, upskilling our customer service colleagues and introducing new technologies resulted in one-third fewer calls per year and four times as many interactions completed through different channels per year since 2020.

We understand that sometimes when our customers struggle to pay it might not be their financial situation. It might be because the bill or the process was too complicated, we had not resolved an issue or had not arranged the right payment plan for them.

We changed how we handle the end-to-end billing process, from meter reading to payment, by:

- Bringing all the processes and people involved into one place
- Redesigning our bill based on customer feedback and simplified language
- Encouraging customers to move to e-billing
- Making the eligibility criteria for payment schemes more consistent

These changes, alongside the improvements to our website and other channels, helped reduce bill related calls from 40,000 to 13,000 a month and reduced our costs by more than £1 million per year.

We know we do not always get things right and when customers do complain we want to make sure we respond to their concerns quickly and fully. To do this we revamped our complaints handling process by:

- Emphasising trying to speak to customers who have made a written complaint so we can understand the full details of their concerns and ensure we give the fullest possible response
- Changing how we respond to written complaints by using behavioural science to shape replies so we provide the information to resolve the complaint in an easily understandable format
- Empowering colleagues to go the extra mile in resolving complaints and think creatively about solutions
- Strengthening our quality monitoring framework so it drives best practice behaviours

In order to be fair and transparent to all of our customers, we need to make sure that we are billing everyone who uses our services. This means we need robust processes for creating accounts for customers who are living in properties we provide either fresh water or wastewater services to.

We recently identified 42,000 properties that had not been added onto our billing system. We are now working with third party data providers to identify the occupiers of these properties so that we can start to contact them and ensure they are billed correctly.

To understand how we ended up with 42,000 “gap” addresses, we have undertaken a full review of the process of moving from a newly connected property to the set-up of a property on our billing system, as the vast majority of the gaps were newly built properties. We are implementing several improvements we identified to ensure this process is working correctly and clear reporting is in place to allow us to track the journey of a newly built property from connection to addition to the billing system.

We also have properties on our billing system but with no current occupier, known as “void” properties. We have introduced a process for reaching out to these properties directly to encourage the current occupier to get in touch. We also work with third party data providers who can provide occupier details so we can set an account up and start the billing process. Overall our household Void properties across 2022–23 averaged 57.6k equating to 2.82% of properties, in spite of the number of properties increasing by across the next 7 years we are aiming to keep level of void properties at around 2.8%.

We understand the importance of supporting the developer services markets, to help give developers choice and promote competition. The New appointment and Variation (NAV) market has grown substantially in our region over the last five years, with 44% of connections now completed by NAVs, and 13% of new connections by Self Lay Providers (SLPs).

- To help support these markets, we’ve streamlined our processes, moving the applications online to our GetConnected portal, and introduced dedicated resources to manage applications end to end, including a NAV billing and relationship manager to oversee the contractual elements once the connections have been made. Our levels of service offered to NAVs and SLPs remains above industry average ([Water UK Developer Services](#)).

7.3.1.2. Improving how we address debt

We have improved the way we collect debt. We know there is a real difference between customers who are struggling to pay due to their circumstances and customers who are able to pay but chose not to. In recognition of this difference, we created two different customer journeys:

- “can’t pay” – with more prompts to get in touch and more sensitive wording
- “won’t pay” – a more streamlined journey that leads more quickly to formal debt collection activity

In addition to creating more sophisticated customer journeys, we have used behavioural science principles to revise our payment reminder communications. We designed all of our collections letters to be engaging and prompt customers to get in touch. We have recently launched the full suite of new communications and are monitoring their impact in terms of engagement.

Improving our payment reminders and creating more tailored collections journeys are two elements of our plans to bring down the costs of managing our debt. Other measures include more efficient targeting of litigation activity and ensuring we remove incorrect bills from our systems. Overall, we have managed to bring the costs of managing our debt down to 3.11% (of total revenue) in 2022–23 and are aiming to improve that further to 2.5% of total revenue by 2029–30.

We are working closely with our three debt collection agencies to improve the efficiency and effectiveness of our debt collection activity. We have introduced a “champion-challenger” approach that rewards the organisation delivering the best performance with the aim that the competition element will drive improvements. Recognising that debt collection can often be very difficult for customers we monitor our debt collectors on the quality of their customer interactions, as well as ensuring they have robust policies in place to identify, and handle appropriately, vulnerable customers. We also ensure we are compliant with Ofwat’s “Paying Fair” guidelines.

7.3.1.3. Improving how we respond to incidents

After operational incidents we have spoken to our customers to understand their experience, how they felt we handled it, and how we could improve our response.

Between our survey after the Isle of Sheppey (July 2022) incident and our most recent in West Sussex (May 2023), customer satisfaction of our incident handling, increased from 5.2 to 6.5 out of 10. This increase is largely driven by better proactive communications with customers.

For example, during the Isle of Sheppey incident in July 2022, we saw a three-fold increase in the number of contacts relating to water issues compared to the month before. When customers lost supply in Kent and Hampshire in December 2022, we proactively informed affected customers of the issue and what we were doing to fix it. This meant we only saw twice as many contacts relating to water issues as the month before.

In our post-incident surveys, customers referenced improvements in the frequency of updates, the use of text messages, social media and website messaging, and the consistency of messaging between channels. In addition, we have improved internal processes to extract data quicker, enabling initial incident messages to go to affected customers sooner.

This shows clear progress, but also that we have still got improvements to make.

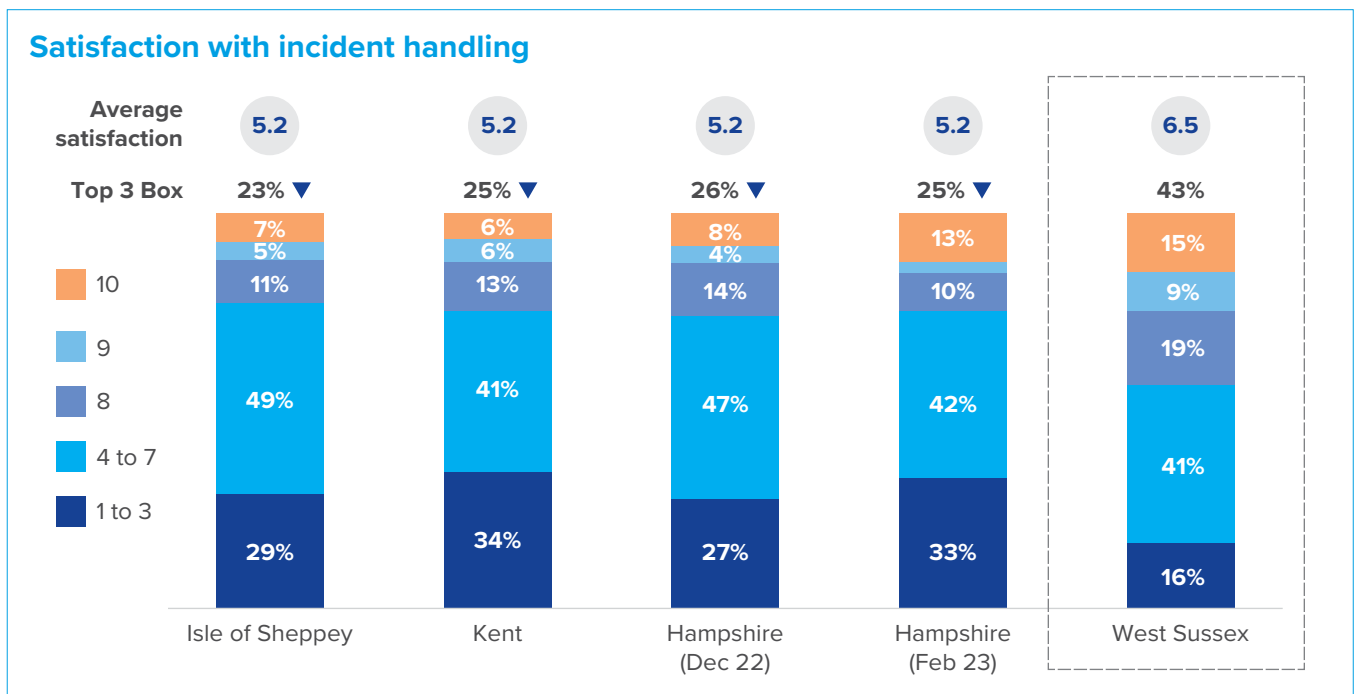


Figure 3: Satisfaction with incident handling

We know that the service we provide to non-household customers during incidents has been variable. We have now established a system for contacting business customers during incidents, especially private schools, care homes and farms during water outages, to ensure they have a sufficient supply of alternative water.

7.3.1.5. Using technology to automate and improve customer experience

Technology is changing rapidly, and we need to make sure we keep up. New digital channels mean we can provide better, more accessible services for customers. We need to make sure we are able to keep up with new developments to meet the changed expectations that come with them.

This means we can offer video calls and remotely triage issues that come up – resolving issues more quickly and conveniently. Early trial results are showing that for certain customer water issues, such as stop tap enquiries and leak reporting, we are able to avoid up to 60% of inspector visits. Instead, we can triage, resolve or forward directly to our contractors to schedule the work. This speeds up resolution and increases customer satisfaction.

We are also able to automate more processes. We can now quickly compile lists of affected customers on our Priority Services Register, enabling us to quickly provide support during incidents. We have also automated processes for customer contact, Guaranteed Standards of Service and compensation payments making claims quicker and easier¹⁴. We also now allow our customers to enter meter readings online – providing an element of control over their billing.

We have built new digital analytics capabilities to track website journeys, contact forms and call centre contact to identify improvements and customers in need of help more accurately.

7.3.2. Engaging with our communities

Our efforts are very localised and frequently involve colleague and supply-chain volunteers, who are encouraged to take paid leave for their time spent giving back to their local communities. We have:

- Mentored young people
- Welcomed workplace visits for unemployed 16-24 year-olds
- Opened some of our sites to the public, such as our wastewater treatment works
- Offered grassroots community grants to support regional charity and community groups for young people and a grant for community centres to support their utility costs and ensure they are open over winter
- Partnered with community radio stations and a charity to collect non-perishable tins of food for local foodbanks – which we matched in kind

- Ran our own community events and roadshows to showcase several aspects of our work such as:
 - Educating customers about water scarcity and other issues such as blocked sewers
 - Offering free home water audits and water-saving gadgets
 - Signing relevant people on to our priority services register
 - Raising awareness of our social tariffs
 - Answering important questions from our customers in person and building trust
- Improved signage for repairs, roadworks and our capital schemes to give clarity to customers and communities of the improvements we are making, and the timescales involved

Tonnes of Tins

In 2022 we launched a campaign to collect one tonne of tinned food for local foodbanks. We partnered with community radio station V2 Radio to encourage donations and raise awareness.

With the support of our customers, communities and colleagues we collected 4.6 tonnes of tinned food. We matched this with an equivalent financial donation that went to foodbanks that missed our original distribution.

In 2023 we expanded this further and partnered with more community radio stations across our region and UK Harvest.

Our customers, communities and colleagues collected almost 13 tonnes of food this year which will be distributed amongst local foodbanks. We will match this with a £30,000 donation to community foodbanks and support struggling households.

In 2022–23, 372 colleagues volunteered 2,690 hours with 54 different organisations – and 10% of this time was spent directly skill-sharing such as free first aid, ecology and health and safety training for charities alongside mentoring and interview preparation for young people.

Over the same period, we have been in touch with nearly 30,300 young people in a variety of ways including mentoring, school talks and classroom resources. We have expanded our outdoor learning offering and provided travel bursaries to attend courses. We have added to our bank of curriculum-based, teacher resources to explain the water cycle, how scarce water is and how we work – and will open sites up for educational visits from October 2023.

7.3.3. Enabling housing growth

We play an important role in enabling new growth in our region by helping developers to connect new properties to our networks. Since 2020 we have connected over 10,000 new homes.

We have changed our operating model, overhauled our online services and focussed on a responsive service for our developer customers. This has resulted in our levels of service, as measured by Water UK, to customers improving from an average of 90.40% in 20/21 to 98.26% in 2023, which has been reflected in our overall D-Mex score improvement from 79.02 in Q1 22/23 to 83.74 in Q1 23/24.

Since 2020 we have:

- Introduced County Hubs where our teams work closely with local planning authorities and medium to large developers to understand and anticipate their needs, which feeds into our investment planning
- Launched our brand new developer portal, GetConnected, to make it easier for developers and builders to contact us, make and track applications for water and wastewater connection services, and find the information they need
- Started working in partnership with developers to address water and nutrient neutrality challenges – and increase the sustainability of new developments
- Cut the average time to connect a new development from 100 to 30 days for water, and from 21 to 7 days for wastewater

Incentivising water efficient homes

Development in some areas has been halted because of the pressures new homes can have on the environment.

In North Sussex, development has been paused because of the impact new demand could have on our water sources.

We are working closely with developers, local authorities and Natural England to encourage water efficient homes – reducing the impact on our water sources and enabling housing growth.

We have also introduced an incentive for developers to build water efficient homes. We will refund developers £250 for every home built to use an average of 100 litres per person per day – and up to £800 if homes can capture or recycle up to 50 litres per day.

7.3.4. Supporting the non-household market

Our R-MeX position has increased from 11th in 2020 to 6th in 2023 because of the work we have done to understand and work with our retailers. Since 2020 we have:

- Worked with retailers to improve data quality – cutting the total number of long-unread meters to 8.3% and legacy vacant properties by 71%
- Improved the quality of our processes to enable us to respond to retailers' requests more quickly, for instance, reducing our meter exchange turnaround time by 9 days to an average of 13 days ([file \(mosl.co.uk\)](https://www.mosl.co.uk))
- Hired a Retailer Relationship Manager to better understand retailers' concerns and a Non-household Water Efficiency Co-ordinator to lead on collaborative water efficiency partnerships and campaigns support we offer to businesses
- Extended the credit support for small retailers and new entrants, helping them enter the market with discounted credit collateral, therefore reducing their financial burden in the market
- Organised regular webinars with retailers and businesses on important topics such as drought, smart metering and water efficiency
- Created a register to better support our most sensitive business customers during outages, including hospitals, prisons, farms, schools and care homes
- We have also increased our engagement with non-household customers through webinars, emails and information about how to save water, and what happens during incidents

7.4. Developing our plans

We are committed to continuously improving the services we provide for our customers. We have made progress since 2020 and, through our Turnaround Plan, will deliver more improvements by 2025.

Our plan is centred on our customers' needs and informed by constant conversations – through bespoke focus groups, online surveys and customer panels, talking to them during and following incidents, collecting daily customer satisfaction surveys and verbatim comments, analysing feedback and complaints, talking to them at community events and customer drop-ins, and understanding how they work and interact with us every day.

7.4.1. Our Turnaround Plan

We are committed to continuing to improve our customers' experience and our reputation. Through our Turnaround Plan, we are already delivering improvements to our operational and customer services.

By 2025 we will have improved customer experience and increased our C-MeX, D-MeX and R-MeX scores. We are doing this by:

- Continuing to embed a customer culture, making sure every colleague and supply-chain partner understands our customers and their unique needs. This includes embracing our customer promises and introducing customer service training for all colleagues and partners
- Making things easier for our customers by improving the online experience and creating a new website, improving customer journeys, data quality and our complaints process. We will also introduce a video assistant for customers
- Improving how we engage with our communities through improved multi-channel and direct communications, education programmes, supporting charities and environmental organisations and regular stakeholder forums
- Improving our support for customers in vulnerable circumstances – increasing the support for them through our priority services register, improving how we respond to incidents and increasing the number of customers we provide with financial support

This is alongside the day-to-day improvements we are making to our services. Our full Turnaround Plan is available on [our website](#).

7.4.1.1. Our Customer Promise

We want to create a long-term change in how we approach everything we do – focussing on providing the services our customers expect. As part of our Turnaround Plan and work to create a customer culture, we are embedding our Customer Promise across all our teams and supply partners.

Our Customer Promise is based on our extensive insight and research and has four parts:

- We resolve issues properly and quickly
- We will own the problem
- We will always keep the customer informed
- We will be open and honest

Our Customer Promise is about changing how we work and making sure we are constantly thinking about what our customers want – based on what they've told us.

7.4.2. Our customers' priorities

More than 25,000 customers spent over 8,000 hours telling us what they think to help us develop our PR24 business plan.

This includes dozens of different audiences, segments, and communities. Our panels of current and future customers, businesses and vulnerable communities gave us informed views into our plans. Full details of our engagement are in [chapter SRN03: Customer Acceptability](#) and [SRN14: Customer Insight technical annex](#).

Household customers and businesses want us to maintain our focus on improving our operational and environmental performance – reducing pollutions and flooding and securing a reliable supply of high-quality water.

They told us we should focus on getting things right when they go wrong, and they do not expect us to try and compete with Amazon or Google for customer service. We should focus on getting the basics right, improving how we respond to incidents and supporting the most vulnerable.

Customers expect to be able to get in touch with us in different ways. Most are happy to deal with us online, but some still need to be able to get in touch with us over the phone. This is especially true for our vulnerable customers.

When things go wrong customers expect us to be proactive, solve things quickly, support vulnerable customers and keep them updated. Customers expect a much higher level of service during incidents compared to when they're dealing with things like paying their bill.

Customers also expect us to understand our communities better and increase the support we offer the most vulnerable. Details about our increased support for the most vulnerable are in [chapter SRN08: Affordability](#).

Our non-household retailers, want an easy, responsive service they can trust and they expect us to respond quickly to enable them to serve their customers in the same way. In the last R-MeX survey we placed 10th out of 15 companies with a score of 7.5/10 for "speed and quality of response to service requests".

We have identified three other priorities for non-household retailers:

- Maintaining and improving the quality of our data so retailers can provide accurate bills for their customers
- Rolling our smart meters and making sure we have the right billing system in place to provide real-time data
- Helping improve water efficiency in the market and drive down usage

Developers range from large housing developers, building hundreds of homes, to small and medium-sized builders. New Appointment and Variations (NAVs) and Self Lay providers also are our customers, acting on behalf of developers to connect to our network.

These customers have slightly different needs, but all want an easy, responsive and trusted service. Value for money is important to smaller builders, with homeowners wanting extra support with their application when making a single water connection.

Developer, SLP and NAV workshops

We ran bespoke research groups with these unique audiences. As an important part of many of our plans, we needed to ensure we understood their views. We made it easy for them to engage by tagging on research activity to workshops that had already planned to attend. Their feedback on overall plans was very focused on the services they provide in relationship to developments.

7.4.2.1. Drivers of dissatisfaction

To understand why customers are dissatisfied with our services we analysed verbatim comments from C-MeX surveys, complaints data, used our own reputation tracker and engaged with the UK Customer Service Institute's UK Customer Satisfaction Index.

We found the biggest drivers of dissatisfaction with us was our operational performance, being more transparent about how we work and customers wanting cheaper or more affordable bills. We are addressing these through our plans for water and wastewater – as well as by making our plans as efficient as possible and increasing the support available for the most vulnerable.

The biggest areas for improvement in our customer services were:

- Making our communications easier to understand
- Improving our website and making it easier to navigate
- Giving our colleagues the knowledge and tools they need to resolve customers' issues quickly and right first time

Our reputation tracking found customers were most satisfied with us if they had not previously experienced any issues with us – or when they'd recently had good service from us.

This insight, alongside the more than 9 million data points from our customer insight, is guiding our Turnaround Plan, other improvements we are making, and the improvements we will make between 2025 and 2030.

For more on the customer insight outlined above, see [chapter SRN03: Customer Acceptability](#) and [SRN14: Customer Insight technical annex](#).

7.5. Our AMP8 plan

We will invest £364 million to provide and improve our retail services between 2025 and 2030. We will roll out improvements to make our services easier and simpler for customers, provide value for money and support our smart metering programme.

The table below shows our current performance, 2025 target and the improvements we will make by 2030 – in addition to the tangible improvements our customers will see in their services.

Table 1: Performance commitments and improvements 2025-2030

Performance Commitment (PC)	Current performance (2022–2023)	2025 target	2030 target
Households (C-MEX)	6.6/10 16 th position	7.5/10 14 th position	8/10 10 th position
Developers (D-MEX)	8/10 15 th position	8.4/10 13 th position	8.7/10 8 th position
Non-household and retailers (R-MEX)	7.8/10 Joint 6 th position	8/10 5 th position	BR-MEX: awaiting Ofwat guidance

We will focus on four key areas to improve our retail services:

- Our people and operating model
- Systems and technology
- Developer services
- Engaging with our communities

For details of how we are keeping our plan affordable and increasing support for the most vulnerable, see [chapter SRN08: Affordability](#).

7.5.1. Our people and operating model

We will continue investing in our people, giving them the skills and support they need to provide trusted, easy customer services and focus on getting things right first time¹⁵.

We will move to a new operational model for our water and wastewater services – including our developer services. This will bring customer contact and operational management control into a centralised

“hub” with operational delivery in “spokes” across our region. This will mean we more effectively distribute work to our service partners, improve collaboration across our teams and service partners, and improve our ways of working and planning – making it easier for us to continuously improve our performance.

Our teams will be county focused, building knowledge of the local areas, and helping to understand and keep on top of our communities’ needs. Having the full end to end accountability together within the hub, will help us respond more effectively and take full ownership of resolving issues for our customers.

Our billing services will remain centralised, and our new CRM and billing systems will allow us to move to a more “universal agent” approach. By providing multi-skilled training, better information and focussing more on proactive, quick and complete resolution we will improve first-contact resolution and remove the need for calls to be transferred.

Our agents will have full visibility of all customer interactions, as well as being provided with a visual dashboard on each customer account that flags any potential or actual issues – for example, highlighting whether there is an outstanding complaint or if a payment is late.

7.5.2. Systems and technology

7.5.2.1. Household customers

Our new customer relationship management (CRM) and billing system will move us from our complex and inflexible IT architecture to a modern, state of the art, cloud-based system, we can easily adapt to serve the needs of our customers.

This will allow us to move to a leaner, more customer-centric service – and ensure we are accurately billing customers in a timely fashion and provide them the information they need to manage their account.

Our multi-skilled agents will be able to see customers’ key information and our new system will automate more processes – removing the need for many of the manual processes that slow resolution down. An improved training environment means process changes and improvements will be easier and quicker to implement.

It will also give us access to better data to enable and promote innovation and continuously improve our services, like our website. Our new system is essential to maximising the benefits of our smart metering programme by being able to absorb and interpret data which we can use to target interventions, direct our campaigns, provide tailored support and advice, and ensure our customers have full visibility of how much water they use.

We will also be able to automate processes during incidents or planned works, including automatically and proactively contacting affected customers. We can build on the improvements we have already made to our incident response, as well as targeting tailored water efficiency advice and support.

We will continue improving our website, making it easier for customers to find what they’re looking for and adding new ways for them to contact us. We will also continue making it easier for customers to self-serve through our portal, enabling customers to carry out the majority of their transactions themselves without ever having to contact us.

7.5.2.2. Enabling smart metering

Our new CRM system is also essential to get the biggest benefits from our smart metering programme.¹⁶

By providing customers with near real-time data, they will be able to make water-saving decisions based on their use. We will also be able to identify leaks, on their pipes and ours, and target water efficiency and affordability support.

Nearly two-thirds of customers agreed being able to see how much water they’re using more often would help them save more water – and only 11% disagreed.

“Having it monthly, you’d be able to see quite quickly how much difference things actually made to your bills like whether or not it was worth watering your garden or not, those types of things.”

7.5.2.3. Water efficiency and Target 100

It can also create opportunities for new incentives, like our You Save, We Pay incentive we launched for businesses during the Drought of 2022 programme for non-household customers.

We are committed to reducing non-household demand by 9% by 2037 – one year ahead of the government’s target¹⁷. To achieve this, we will offer non-household customers water efficiency audits, advice and support and continue our Target 100 campaign, and replace 52,500 non-household AMR meters with smart meters.

¹⁶ See chapter SRN05: Wholesale water (costs and outcomes)

¹⁷ Environmental Improvement Plan

We are currently piloting two key initiatives including Business Efficiency Visits which includes leak detection and retrofits in a hotel, school and sports stadium. We are also trialling our Business Partnership Fund where we will fund water saving projects in collaboration with retailers and businesses. The pilot will focus on the transport and entertainment industries. We forecast we will help businesses save 2 million litres per day by the end of 2025.

7.5.2.4. Developer customers

You Save, We Pay

In September 2022 we introduced an incentive called 'You save, we will pay' for businesses in Hampshire and the Isle of Wight to protect rivers and safeguard precious water resources during a drought.

Businesses received a discount of up to 25% of their wholesale water charges if they saved the equivalent amount of water compared to the same period in 2019.

This was the first scheme of its type in the UK and saved 8 million litres of water between September and November 2022. Because of its success, we will offer it to more customers to save more water during future droughts.

By 2030, developers will be able to apply for and track all 25 of our processes through our GetConnected portal. We will also update developers more often on progress by enhancing our automated communication via SMS, WhatsApp and online chat.

7.5.2.5. Non-household customers

We will build on the significant improvements we have made in AMP7 and continue to focus on improving the quality of our address and meter data for the non-household market. We understand the importance of keeping this data clean and up to date so retailers can read meters and bill their business customers accurately.

We will support the non-household market's enterprise data cleansing activities, supplementing this with our own targeted improvements in collaboration with retailers. For example, reducing long unread meters by carrying out site visits and improving SIC code population to help us better manage during water supply interruption incidents.

7.5.3. Engaging with our communities

Our customers have told us they want us to play a bigger role in their communities – being proactive to understand their needs and priorities, providing educational courses and giving access to our sites and the nature around them.

We are working to a new community engagement strategy, focused on four areas:

- Building skills for our community by sharing our expertise and supporting young people
- Making our communities stronger by ensuring they feel valued and heard by us
- Caring for the environment together
- Demonstrating our positive impact and responsibility in the community

This includes the activities we currently undertake in our communities and will allow us to build on those by:

- Setting up flagship programmes such as:
 - Mentoring young people
 - Sustainable water-use campaigns
 - Training and support for diverse and marginalised community leaders so they can pass on the importance of saving water to their communities
- Working closely with our contractors and supply chain to ensure local communities benefit
- Establishing a region-wide network of outreach activities and ambassadors
- Building new partnerships and setting up community grant projects, supporting communities and local environmental groups to grow
- Implementing a programme of new ways to reach our communities such as virtual town halls and pop-up spaces
- Increasing access to our buildings to use as community assets to support local social enterprises, such as a food waste café, for charity and community groups, or a safe office space for vulnerable groups
- Training our own customer outreach ambassadors in inclusivity to reach deeper into our communities

We are also working with Business in the Community to develop a Place initiative in Southampton. This will bring together local authority and council leaders, with local businesses and NGOs, to tackle the social and economic issues in Southampton and provide a programme of long-term self-help support.

Our customers and communities have told us they want us to provide more educational resources, facilities and enable more customers to take part. We will enhance our education programmes by:

- Expanding our teaching programme and curriculum support into older age groups, as well as early years learning
- Establishing a *Water Mark* accreditation certificate based on the number of times a school participates in activities with us
- Setting up a school's programme from early years all the way to apprenticeships
- Expanding early careers activity and work experience opportunities for young students

- Establishing bursaries and education grants
- Increasing the number of our sites we offer as visitor education centres
- Making our site tours more accessible and inclusive – for example by providing Special Educational Needs-friendly tours

7.5.4. Developer services

From 2025 to 2030 we forecast 98,180 new water and wastewater connections to our network. We have seen the number of connections made by self-lay providers rise in AMP7 and we expect connections by self-lay to rise further in AMP8 (based on ONS forecast numbers for household properties), making up 20% of our total water connections.

Table 2: Forecasted new waste water and wastewater connections to our network 2025-2030

Connections	Water	Wastewater	Total
New Connections (Household – excluding NAVs)	24,956	62,015	86,971
New Connections (Business – excluding NAVs)	1,582	3,123	4,705
New Connections – Self Lay	6,504	-	6,504

In addition, we forecast an additional 45,300 properties to be served by NAVs across our region, benefiting from our offsite water and wastewater networks.

Developers range from large housing developers, building hundreds of homes to small and medium builders who are building 25 homes, or even a single connection. New Appointment and Variations, and Self Lay providers are also our customers, acting on behalf of developers to connect their new build homes to our network.

These customers have slightly different needs, but all want an easy, responsive and trusted service. Value for money is important to smaller builders, with homeowners wanting extra support with their application when making a single water connection.

98% of our developer customers apply for services through our portal – GetConnected. We will continue developing this platform and adapt it to our customers' needs based on their feedback. Planning consultations and pre-development information will be submitted through GetConnected, enabling us to track and monitor housing growth more effectively across the region – improving how we prioritise future network reinforcement and wastewater treatment work upgrades to support housing growth.

In addition to moving to a hub and spoke model, we will bring more key processes back in-house, such as design approval and acceptance, to improve the customer journey. We will communicate with our customers more proactively – ensuring customers are kept informed at every step of the process.

Developers can play a vital role in protecting our environment – helping reduce household water use and reducing the impact of new developments on waterbodies. We will expand our existing environmental incentives for developers to encourage water neutral homes, sustainable drainage solutions in new developments and surface water separation.

Encouraging sustainable development

New housing growth in some parts of our region is slowed to protect the environment from nutrient pollution or over abstraction.

We are partnering with developers and planning authorities across our region to encourage and enable sustainable developments and reduce our collective environmental impact.

This includes engaging on their plans for growth and encouraging them to respond to consultations on our strategic plans.

Our Sustainable Development Policy includes our ten expectations for new developments across our region, including considering water efficiency, nutrient neutrality and water recycling.

7.6. Delivering our plan

Our plan for 2025 to 2030 is twice the size of our current investment programme. We know delivering investment at this scale and pace is a challenge. We have reviewed our current capabilities for delivering in core areas. We will invest further in these capabilities.

We have already taken steps through our Turnaround Plan to increase our capacity to deliver – including securing additional shareholder funding, scaling up our procurement and supply-chain capabilities and developing our plan for 2025 to 2030 using rational phasing and alternative delivery methods. This has given us confidence to plan for a significant increase in investment and delivery.

The increase of investment programmes across the water sector will lead to heightened demand on the supply chain. Addressing this this requires careful coordination and collaboration to make sure there is sufficient capacity and capability, while maintaining commercial tension to drive best value.

Our plans from 2025–30 include more advanced solutions and technologies, in addition to more work and specialist skills. Attracting and retaining key people, from field force to skilled environmental scientists, in a highly competitive region of the UK, adds weight to this challenge and could potentially slow down pace of delivery.

Reflecting on these challenges, and drawing from best practice delivery across the sector, we have assessed our current and planned measures against four core deliverability requirements to mitigate deliverability risks.

<p>Supply chain strategy: We have established strong relationships and agreements with suppliers ahead of the next investment period and we will complete procurement of our delivery partners early in 2024.</p>	<p>Portfolio execution plan: We have developed clear plans and priorities across the portfolio, aligning planning, delivery, and other business areas to ensure efficient execution and effective resource allocation.</p>
<p>Portfolio delivery and performance management: We are enhancing our programme management capability and capacity to track performance, implement the plans and oversee delivery.</p>	<p>Strategic workforce: We are committed to finding, retaining, and training the right people. Strategic workforce planning will address capability gaps and ensure a skilled workforce is in place.</p>

[Chapter SRN09: Deliverability](#) has more information about the work we commissioned and how we are implementing this.

7.7. Board engagement

We regularly discuss progress against our customer service objectives and turnaround plan with the Board. They share our ambition to improve outcomes for our household, non-household and developer customers, and our wider communities. They support our ambition to roll out a new CRM and billing system to enable smart metering and great customer understanding and service.

[See chapter SRN11: Data and Assurance](#) for more information about our Board engagement and assurance processes.