



## Our Business Plan for 2020 – 2025

### Appendix 7: Delivering Great Customer Service

September 2018



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## Overview

This appendix contains supporting material for the Delivering Great Customer Service Chapter within our Business Plan and provides further information on our vision and strategic themes.

Our vision is to be the leading community focused water company. Key to this is understanding what's important to our customers and communities. Through engagement we will deepen our relationships and understand where innovation and data will support our ambition to be brilliant at and deliver great customer service.

## 7.1 Understanding our customers and delivering what matters

Using feedback, analysing data to identify trends feeds into our Customer Experience Improvement Programme. Results of the programme are reduced complaints, reduced unwanted contacts and improved customer satisfaction.



### Developing a customer-centric mindset

Customer first mind-set based around our Customer Charter is key evolving our customer centric business.

## Our Customer Charter

**Five commitments that flow through everything we do...**

*It starts with our dedication and focus on supplying high quality drinking water*

*Our empathy with our customers and commitment to always being effective, efficient and safe*

*The way we talk and listen to our customers and stakeholders*

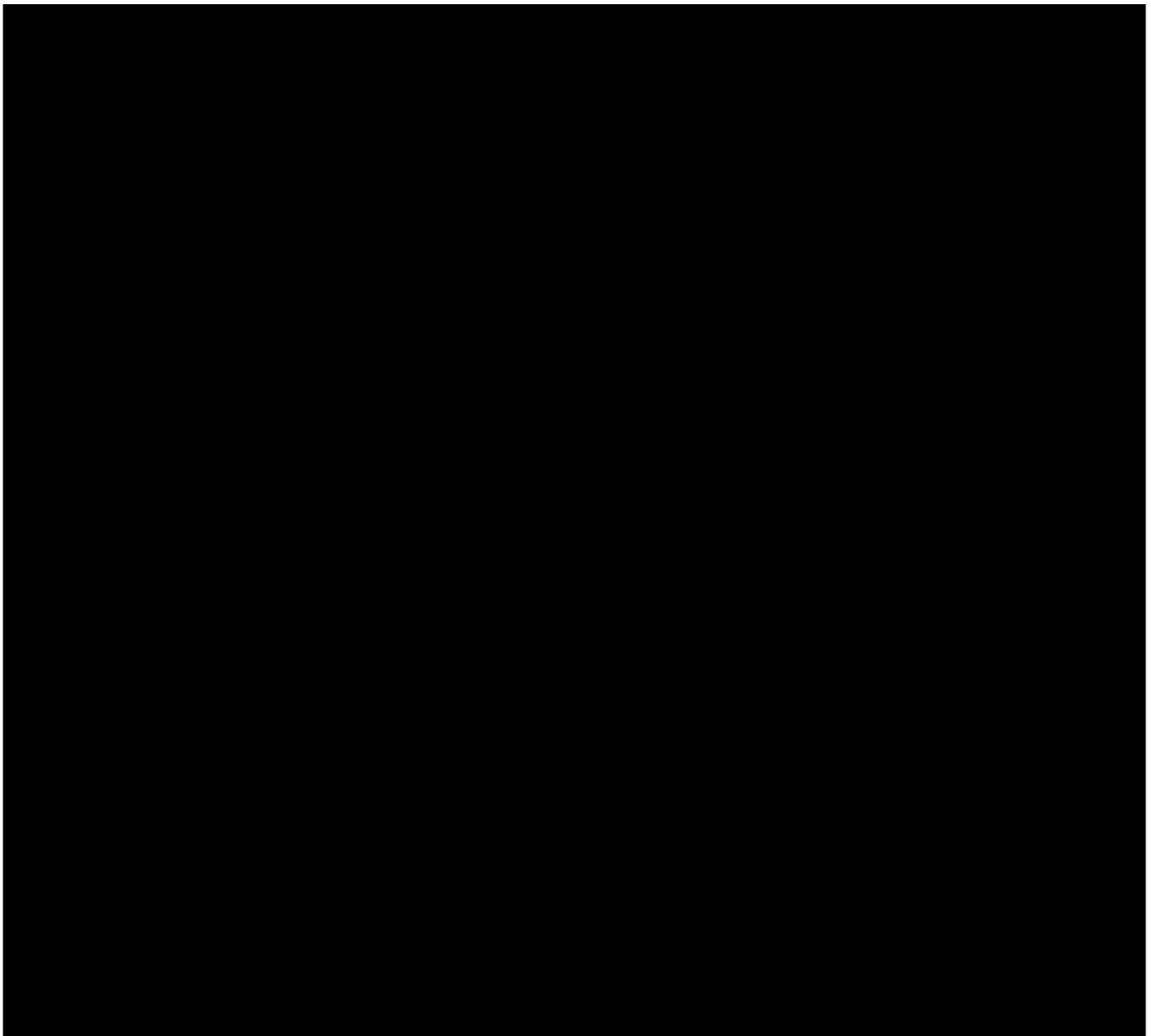
*The pride we take in our delivery and performance*

*An Affinity for our colleagues, customers and the environment we serve*



***Collaboration on our business-wide customer excellence days***

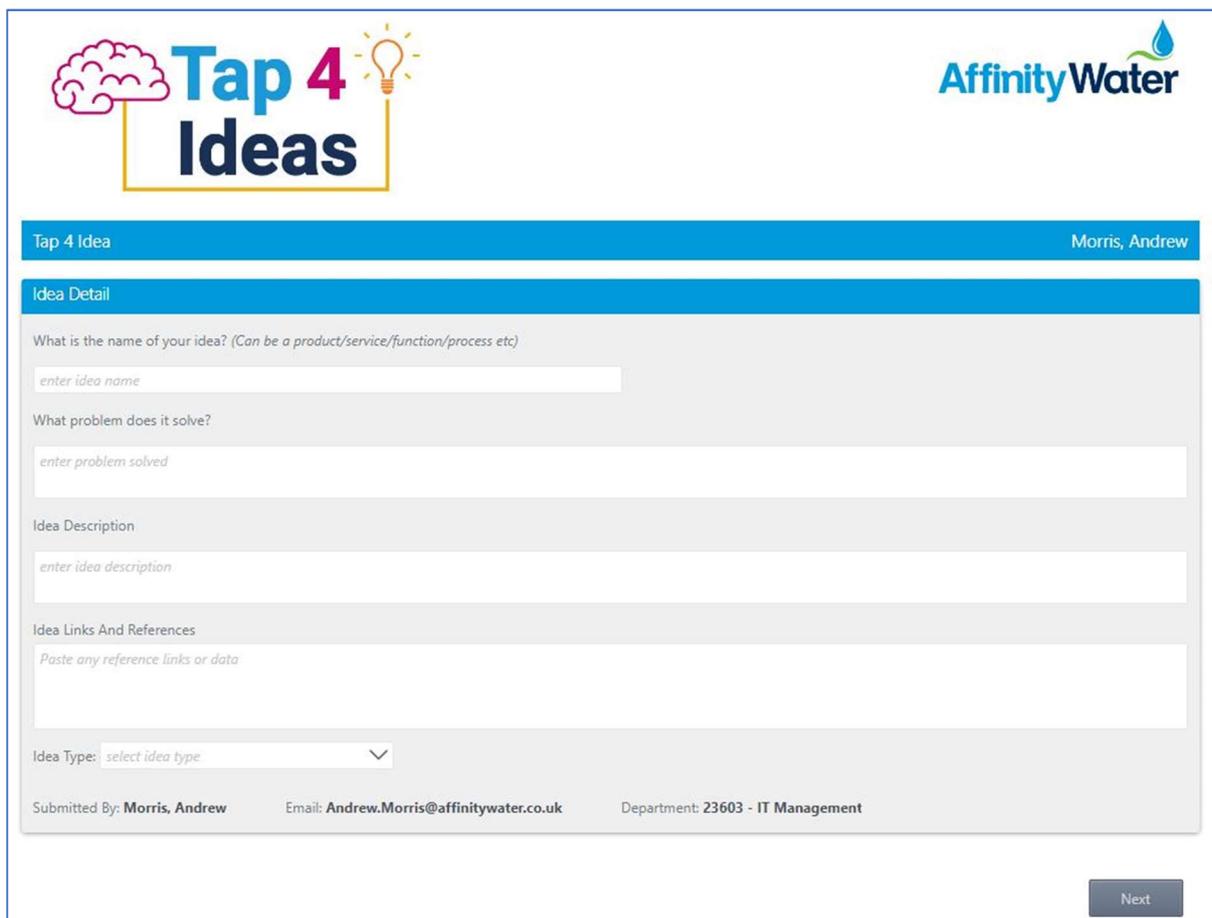
In 2016, we began our Customer Excellence Days, with attendance from teams across the business, external speakers and customers.





### Tap-4-Ideas Innovation platform

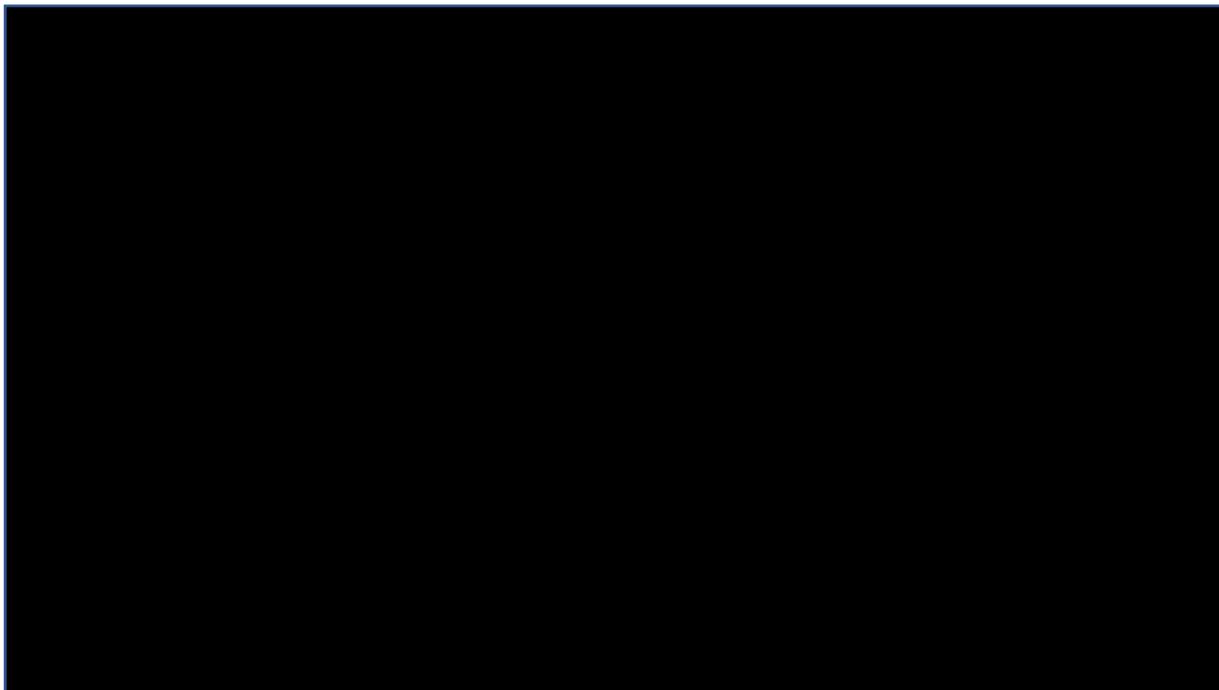
We have implemented an internal crowdsourcing platform to gather and prioritise ideas for further structuring and implementation.



## 7.3 Channel strategy & leading digital customer service

### Digital customer service research – best practice:

We worked with [REDACTED] a specialist digital agency, to complete a “discovery” piece of work exploring research and opportunity identification, to help inform our digital transformation programme. Below, the methodology of some of the initial research is outlined, along with some of the best practice benchmarking.



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## Learning from Amazon and Santander

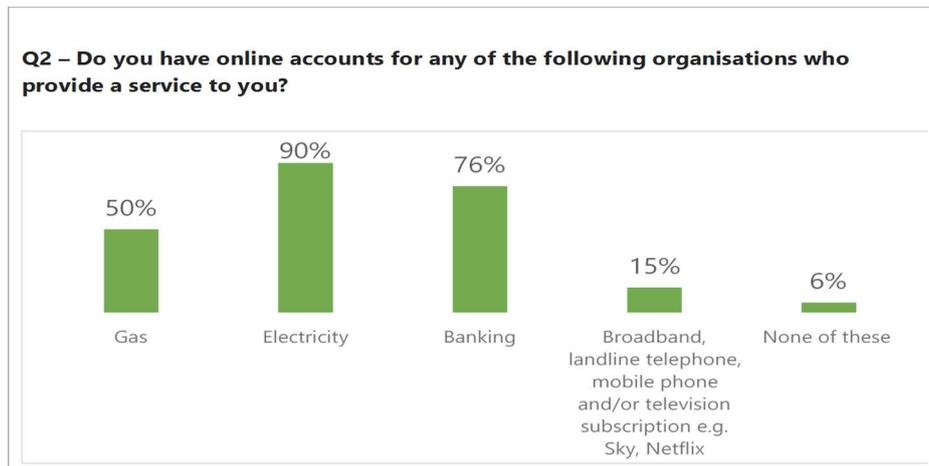
<p>Caroline, 40, likes and frequents shopping sites like Amazon, Ebay, and Waitrose because it is "basic, simple – a little old lady could use it without problem."</p> <p style="text-align: center;"><b>Key learning:</b></p> <p style="text-align: center;">Intuitive for everyone</p> <p><b>What Affinity could do:</b> Streamlined navigation and easy onboarding for new customers</p>	<p>Joe Simmons-Salandy, 32, says the Affinity Water mobile site should be more like banking apps: everything all on one page, and the contact page "actually has a bloody phone number."</p> <p style="text-align: center;"><b>Key learning:</b></p> <p style="text-align: center;">Knows what you're there for</p> <p><b>What Affinity could do:</b> Contact page directs customer to a live chat as well as a phone number</p>	<p>Elain Fairfax, 51, is an IT professional and identified the Santander banking app as especially easy to use because she is able to have payees visible across both her and her husband's accounts so she can transfer money without switching accounts.</p> <p style="text-align: center;"><b>Key learning:</b></p> <p style="text-align: center;">Joined up whenever possible</p> <p><b>What Affinity could do:</b> Personal and rental properties all managed on one account dashboard</p>
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This helped us develop our strategy and action plan, with conclusions as follows:

**Leading Customer Service Examples:**

New My Account self-service platform - designed and delivered using [REDACTED]  
 We recognised the need to have a custom solution to meet our requirements, as opposed to an "off the shelf" solution. Very early on we converted the existing platform to a "mobile-friendly" solution, in response to Google Analytics tracking data on our website, revealing a [REDACTED] increase in visits on mobile devices (tablet and smartphone), between 2016 and 2017. This instantly improved the experience for these users.

We have also seen customer registrations to My Account increase as new capability has been delivered. In 15/16 [redacted] of customers had an online account for managing their water service. Currently 25% of customers are using it, and by 2020 we expect this number to have reached [redacted]. This is a result of both the improved service offering and increased awareness, as well as greater expectations to be able to self-serve in the same way that customers are now used to interacting with other service providers (see chart below - source: Affinity Water 2020 Customer Community/Ipsos MORI, Base: 334 Community Members from across the Affinity Water customer areas)



This gives us a great platform to build from, having the knowledge that customers expect to use digital channels. This will allow wider ranging and more efficient means of engaging with customers.

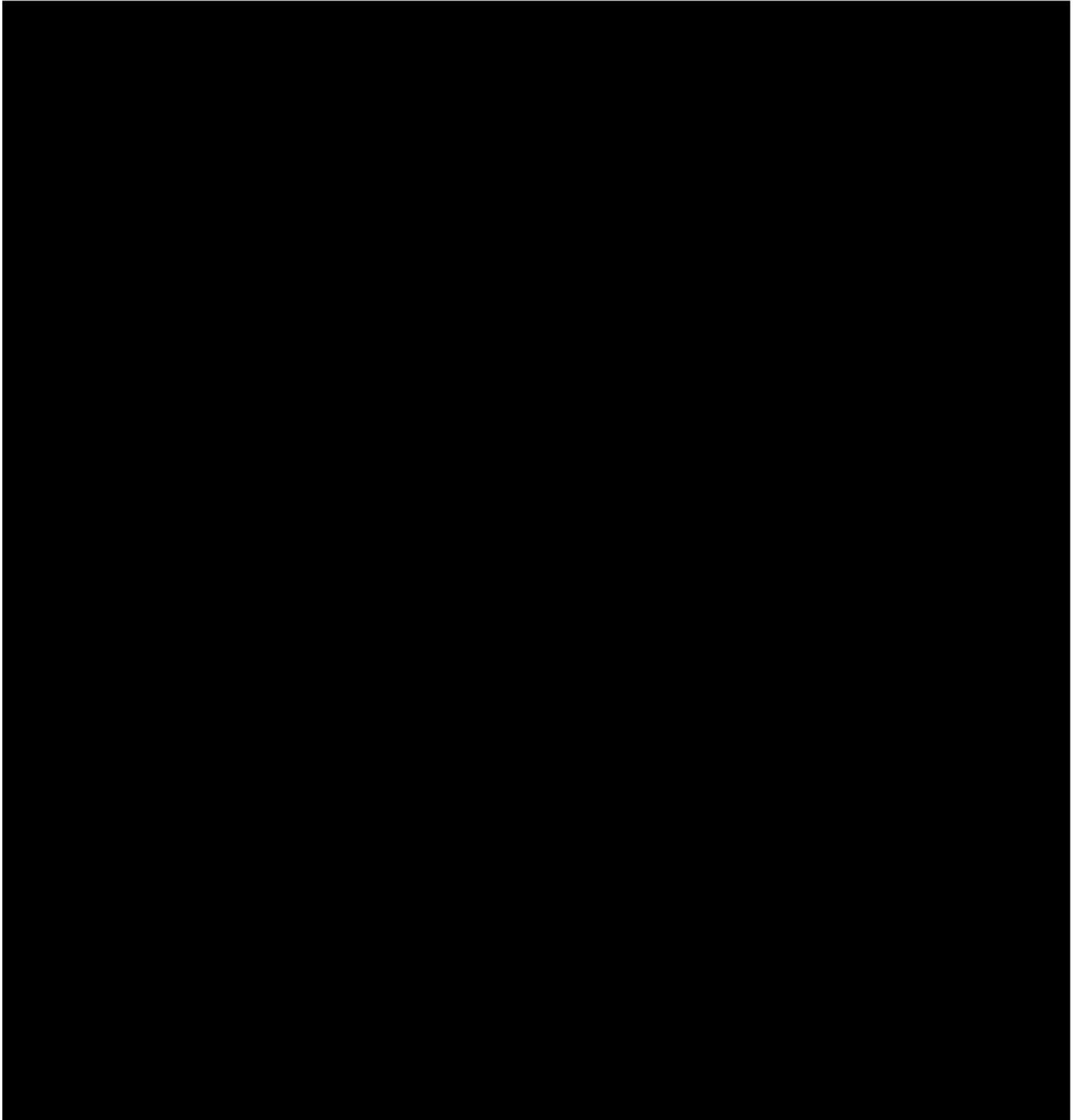
**Customer Communications:**

Customers have been receptive to email campaigns sharing with them new features of My Account. In February 2018, for example, we ran a targeted campaign and emailed [redacted] customers. The open rate was [redacted] and click-through rate was [redacted] of customers who opened the email signing up for an online account. This performance was significantly higher than industry average, where open rate is typically [redacted] and click-through rate [redacted]

Source: 2017 Mailchimp – average performance of like business

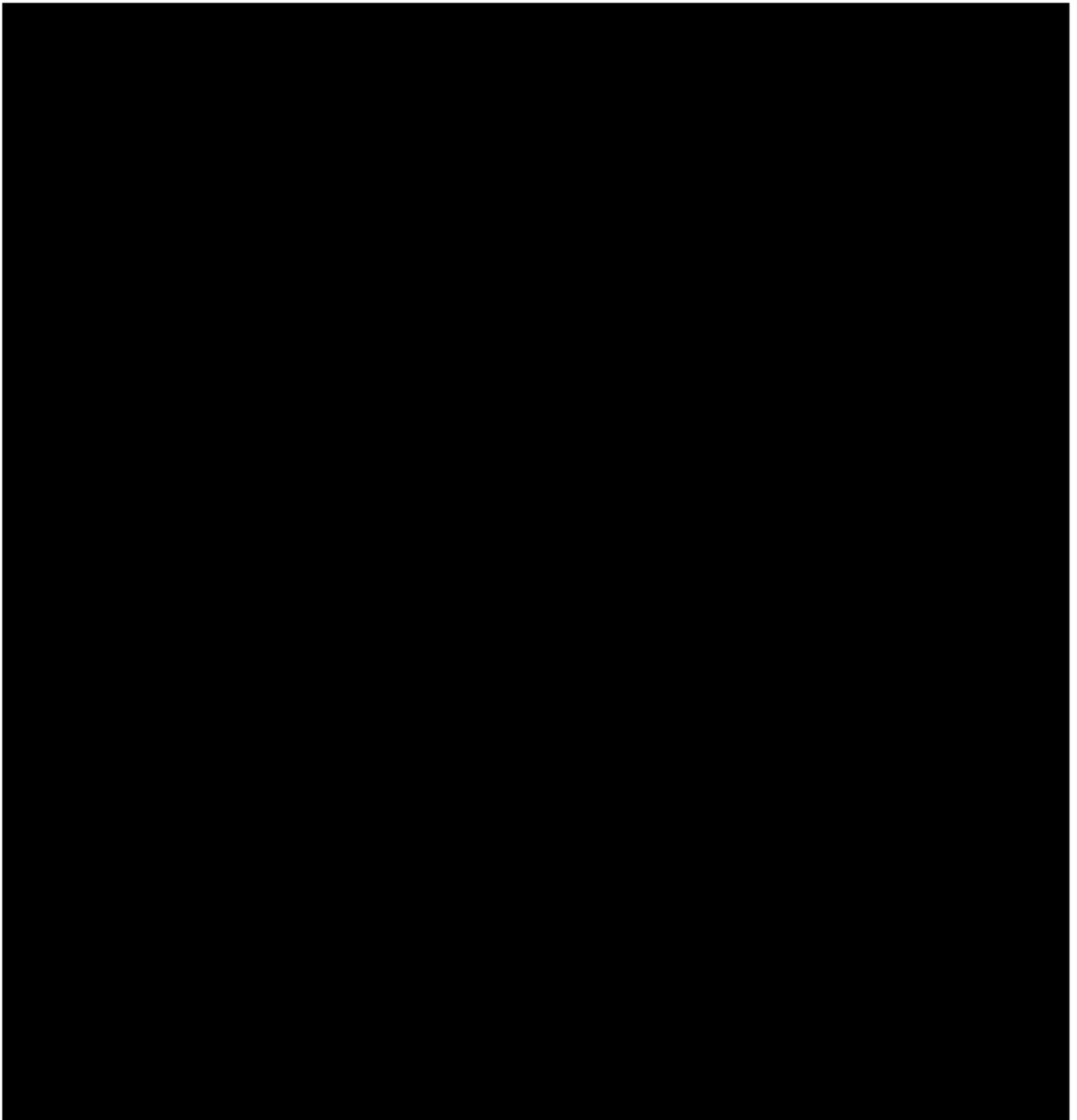
Open	Open rate (%)	Click through rate (%)	Soft Bounce	Hard Bounce	Abuse	Unsub
Agriculture and Food Services	24.71%	2.98%	0.58%	0.43%	0.02%	0.29%

This has given us confidence that customers are interested in interacting with us and that our targeted approach helps ensure this interaction remains as relevant as possible. Our channel shift projections and supporting initiatives will enable Affinity to find efficiencies of an additional [redacted] with the largest proportion realised towards the end of AMP7. This is driven by a reduction in call volumes [redacted] in use of self-serve capability.



***Affinity Water website & My Account – customer devices***

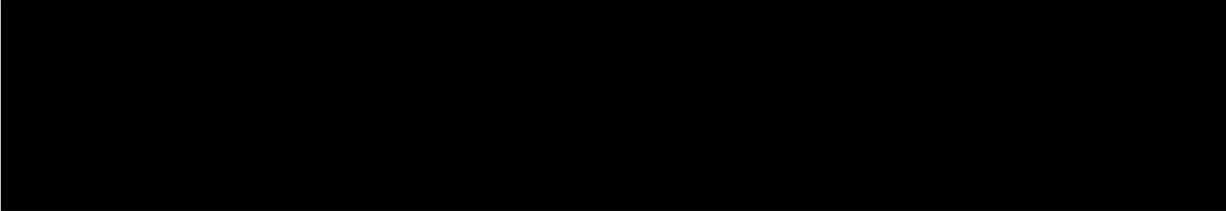
In line with the investments made to improve My Account we have seen a change in the devices that customers are using. This has given confidence there is appetite to engage more from other devices and, additionally, supports our plans to continue designing the future online services optimised for any device



We are striving to introduce automation where it can streamline customer journeys, we have embedded automation of process for all the below.

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In parallel we are looking at process redesign to make our journeys more efficient. To date we have introduced improvements marked in green below. Over the course of AMP7 all the journeys marked in red will be assessed with the aim to automate or redesign as appropriate.

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## 7.4 A well-loved brand

### *Customer loyalty case study: Recyclebank*

Recyclebank rewards users for doing everyday things that are good for the environment, such as learning how to cut back on water consumption or purchasing greener products – specifically, those with the Recyclebank logo. Users earn points by working their way through a tiered series of questions and answers, learning about greener living practices and pledging to follow them, and exchanging points for rewards. Rewards include discounts (20 percent off, \$10 or \$20 off, etc.) from vendors, and you can compare your rank against other users to gauge your green-living status.

We will use and expand upon the on-line community set-up with hubbub and the community activated for PR19 Business Plan consultation. We will embed the online communities into our business as usual and introduce gamification for sharing top tips on water saving, ideas for shaping the business as part of our continuous improvement and test out new technology and service offerings.

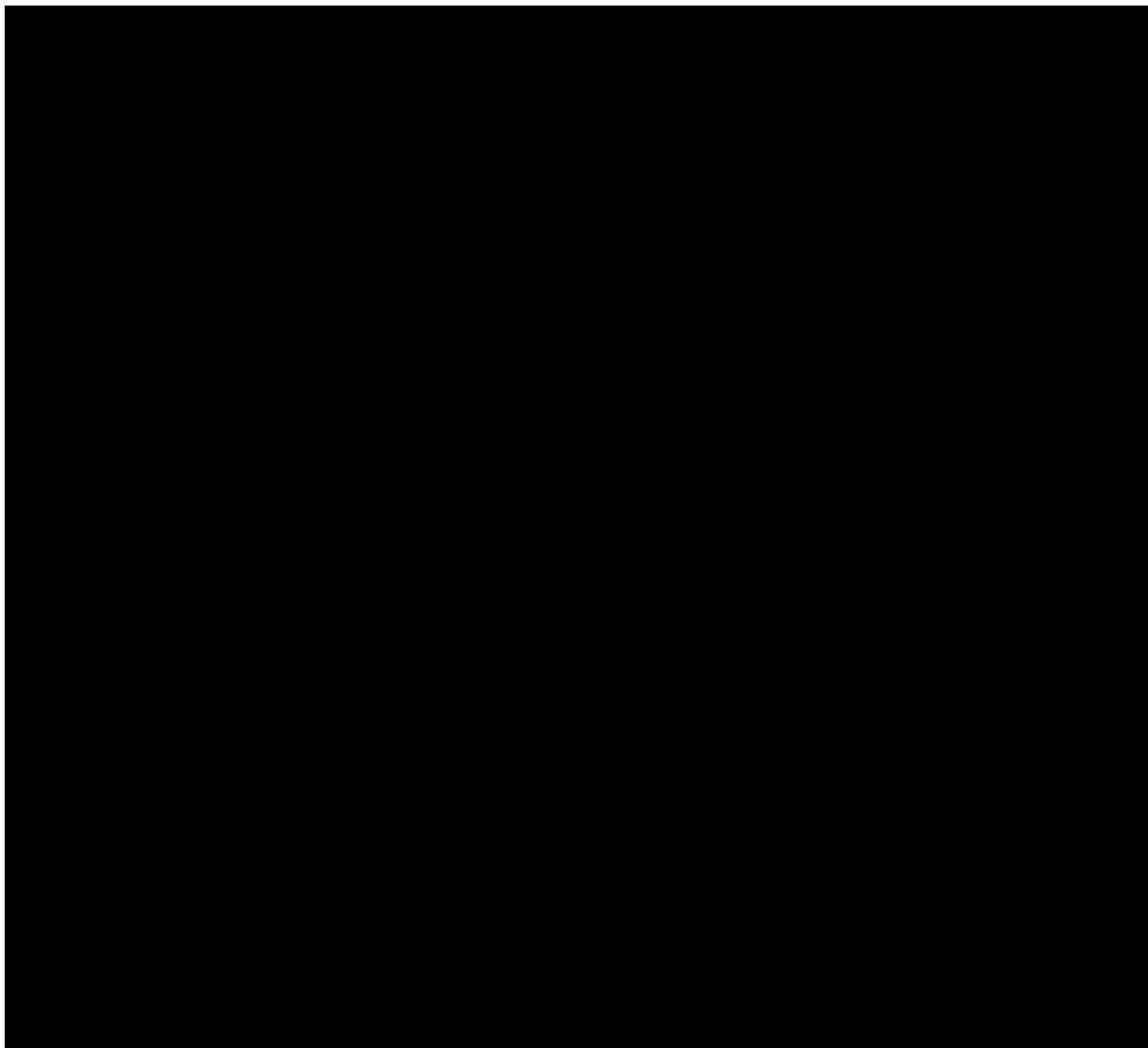
By creating this emotional link and communicating this through all customer and colleague touchpoints, we will create greater awareness and loyalty. This will in turn open opportunities for behaviour change through greater engagement resulting in a reduced water consumption and allow the brand to be seen not just as a utility provider, but as a trusted company leading to increased customer participation.

## 7.5 Customer and community insights from external data

Acorn data splits customers into 5 categories. We will be augmenting our Acorn data set from postcode-level to household level, which will improve accuracy of analysis.

Early analysis has shown that certain customer segments have greater tendencies to contact us than others. There is also variation within the type of contact each segment most typically engages with us about, “Urban Adversity” make most contact, particularly related to billing, whereas the largest proportion of unwanted calls are from “Affluent Achievers”. Using this insight combined with internal data, will solidify our strategic approach to the proactive channels we use to reach out to our customers.

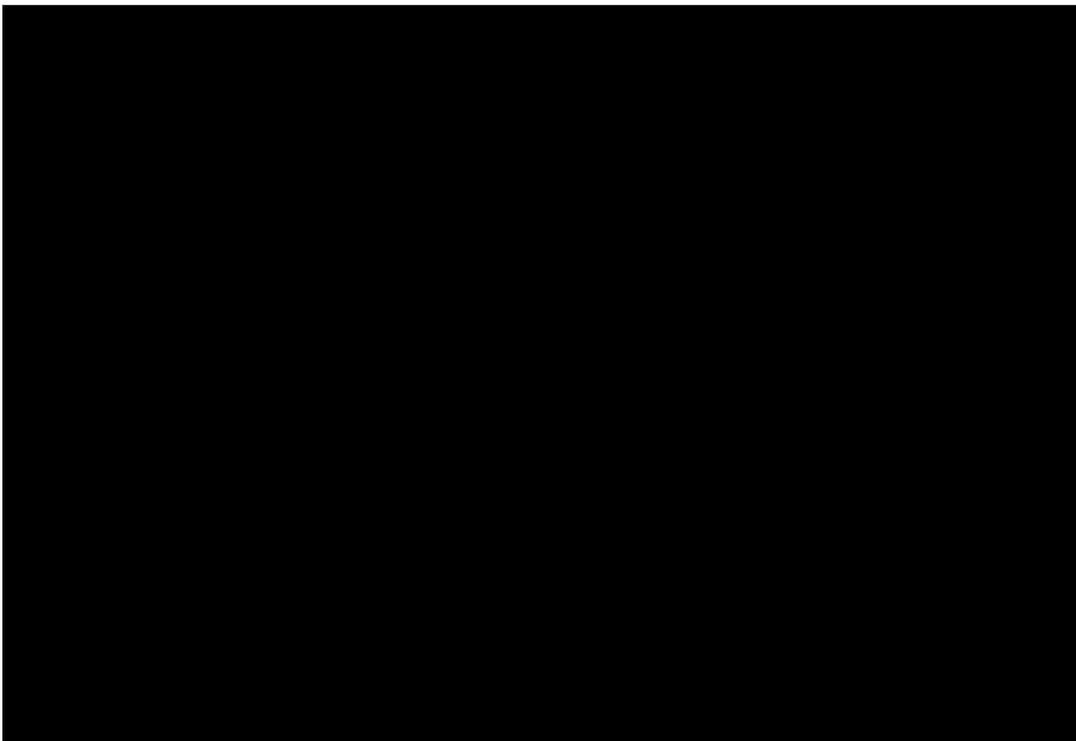
### ***Acorn consumer categories:***



### ***Acorn insights example:***



“Urban Adversity” category more likely to contact but “Affluent Achievers” have more unwanted contact



Analysis of Acorn data sets with telephone contact (sample based on January 2018 data) shows that the “Urban Adversity” group make most contact, particularly related to billing. Largest proportion of unwanted contacts are from “Affluent Achievers” – this group is relatively more likely to make a call regarding Operations

***Financial & non-financial vulnerability in our communities***

The following tables show the Acorn data variance between our communities, with [REDACTED] of our Lee community confirmed as financial stressed, vs [REDACTED] in Pinn.



The diverse nature of our communities demonstrates how we need to adapt and tailor our approach in terms of affordability for the financially stretched. We know that communities that have high levels of financial stress (urban adversity and financially stressed segments) can be difficult to make contact and engage with.

Therefore, by using multiple channels, we will maximise engagement with our most financial stretched communities, for example, via leaflets, online and digital. In addition, we will use social media to specifically target certain communities and by gaining the support (via retweet, like or endorsement) of key local influencers, we can reach directly into these communities and offer help and support from our affordability assistance measures.

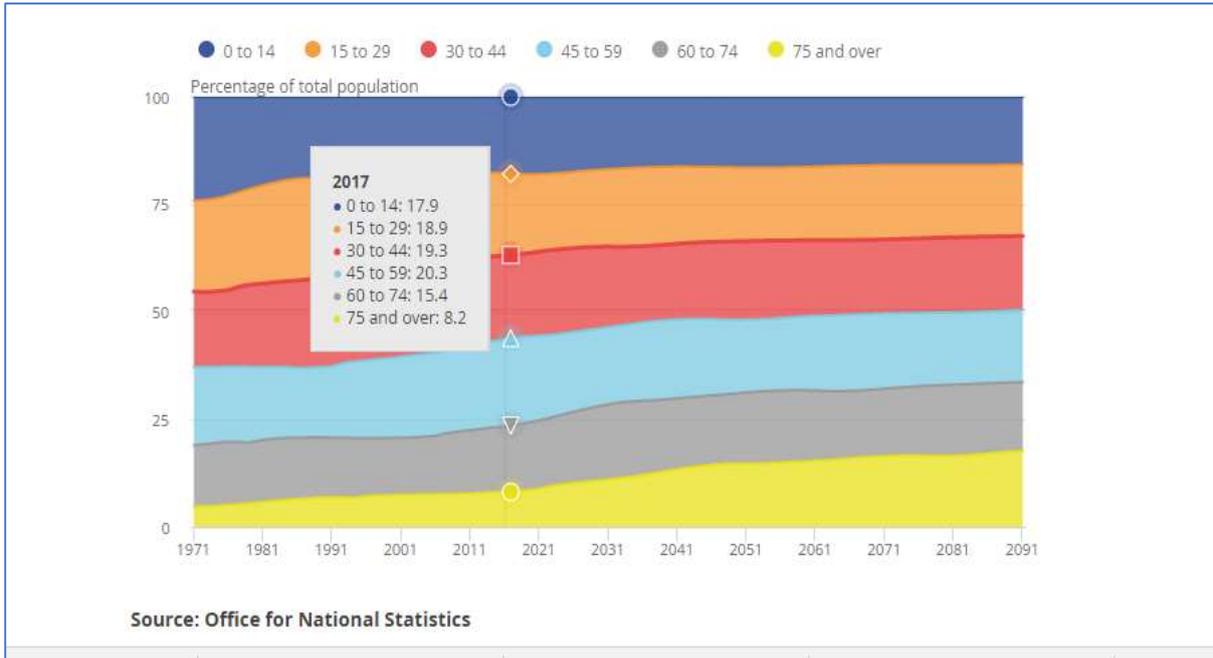
In the following table,  of total debt is from the Lee community. We will focus re-engagement campaigns and work with partners in the area to reach our customers who need additional support.



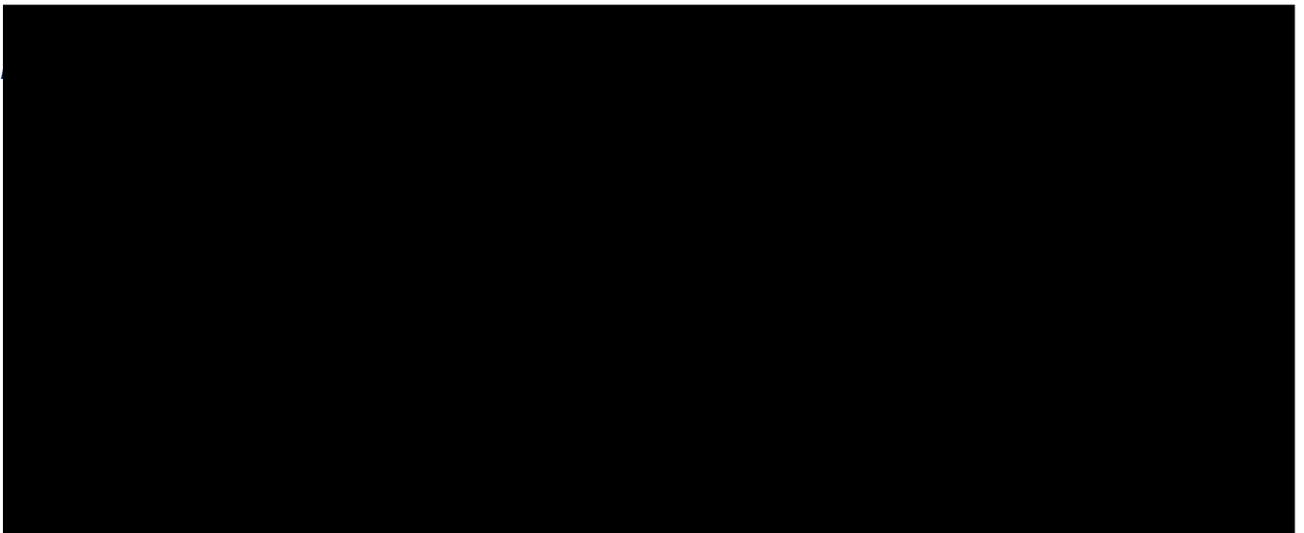
### ***Ageing Population***

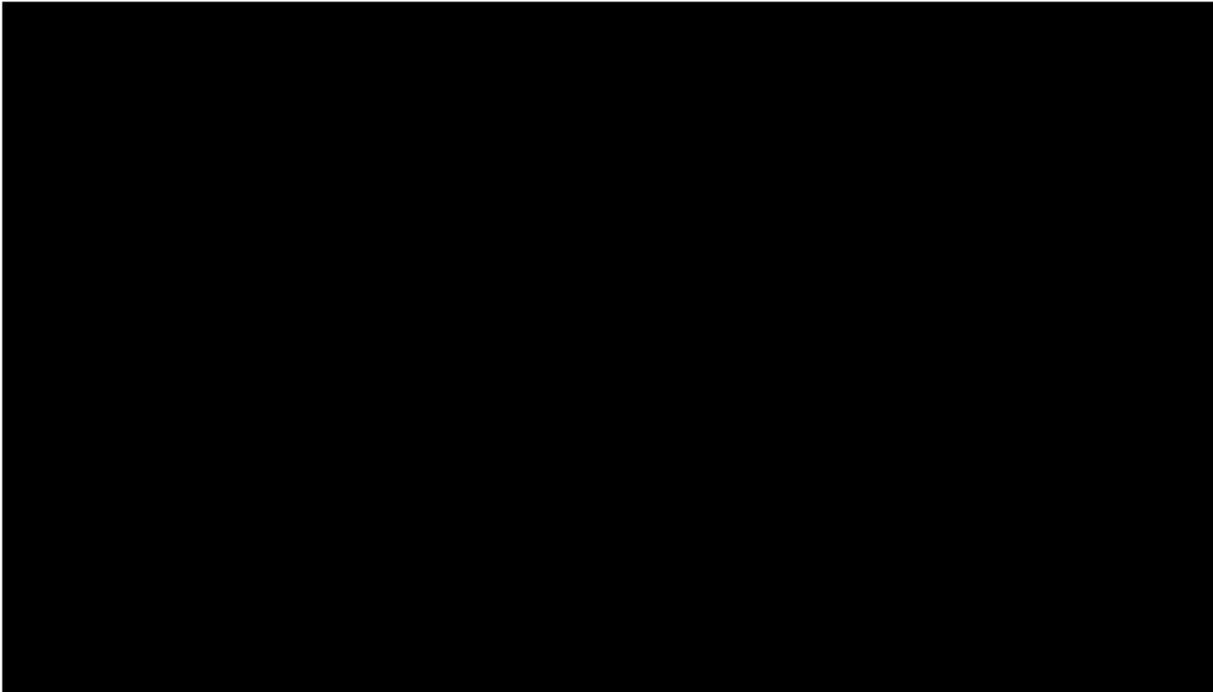
Understanding our age demographics and comparing to the UK average, enables us to build strategies to offer services relevant to our customers circumstances.

#### **Percentage age distribution, UK, year ending mid-1971 to year ending mid-2091**



**Health & Income Deprivation Indices - Geographical Outcome**





### ***Data and analysis to support customers in vulnerable circumstances***

Sources of data for Vulnerability and Affordability identification:

**Public Data:** Using data sources such as Acorn, RNIB and Health & Income Deprivation Indices (data breakdown in appendix) has given us greater understanding into the requirements of customers in our area. We have overlaid the data across our communities by ‘vulnerability’ category. This has given us statistical evidence on the gap between the support we currently offer and the support we need to offer moving forward.

**Industry Wide Service Codes Data Sharing:** As part of the working group, in collaboration with UK Power Networks, we are co-creating and developing a one-way data share whereby customers who register for the Priority Services Register (PSR) with UKPN and, give consent, will have their data shared to enable us to reach customers who need additional support and provide the most appropriate services for them.

**Personal Customer Data:** We will use internal and external data to evaluate likelihood of customers experiencing payment problems, such as: customer payment history, demographic data such as address, local community and transience, behaviour and arrears score, PSR or vulnerability flag. This will enable a personal approach and improved service to customers

**Third party data:** We are working with third parties to understand levels of financial stress across our communities. Research from Christians Against Poverty (CAP) has shown despite the strain and despair caused by debt, [REDACTED] of people wait over a year before seeking help. We will also employ credit bureau data such as credit commitments and payment history on other utility bills and financial products - loans/credit cards/mortgages. A data sharing capability with other utilities and credit institutions will be set up to share customer default and

payment history data. This will impact on customer credit ratings, particularly positively where customers maintain good payment records but have a limited credit elsewhere.

### ***Personal Data & Privacy***

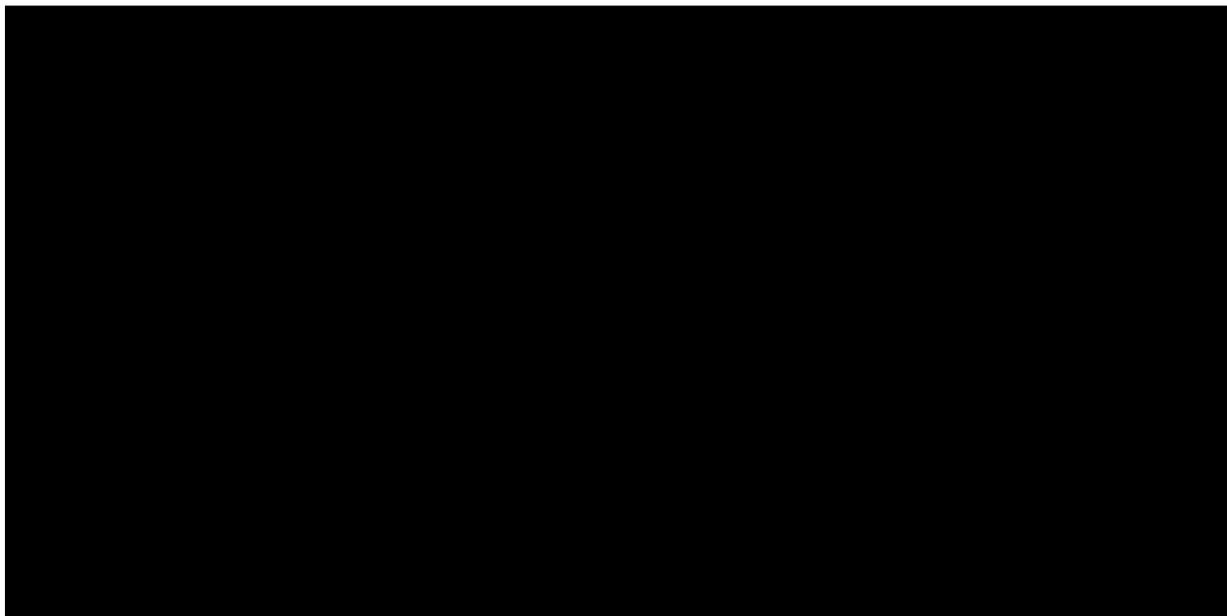


Use of personal data is key to the successful delivery of our business plan. Customers trust us to use their data appropriately but importantly in a fair way. The Affinity Water Privacy Notice sets out how we process customer and stakeholder data and how we protect it. Customers are encouraged to read the notice and sign-posted to it via the website and water bills.

<https://www.affinitywater.co.uk/privacy-notice.aspx>

## **7.6 Insights for improved customer satisfaction**

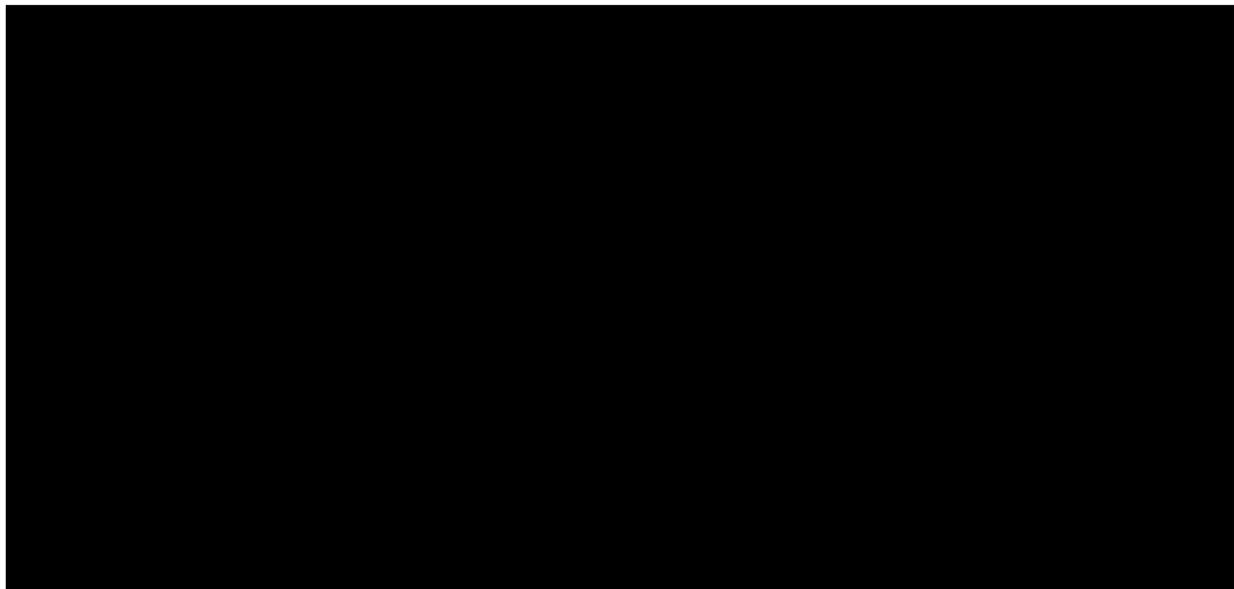
### ***Capturing vulnerable customer characteristics***



[Source: PR19: Triangulation and validation of phase 0 customer engagement (September 2017)]

### Customer satisfaction surveys

Insights from AMP6 data & case studies:



Insight gleaned from this customer feedback, particularly the verbatim, has enabled us to deliver improvements to customer service, for example:

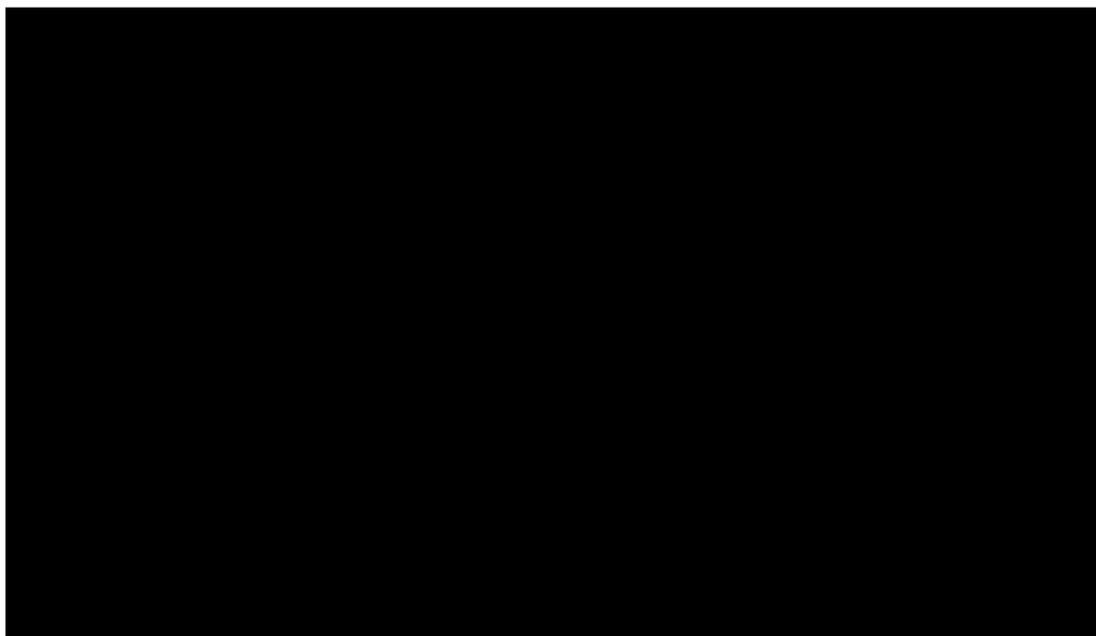
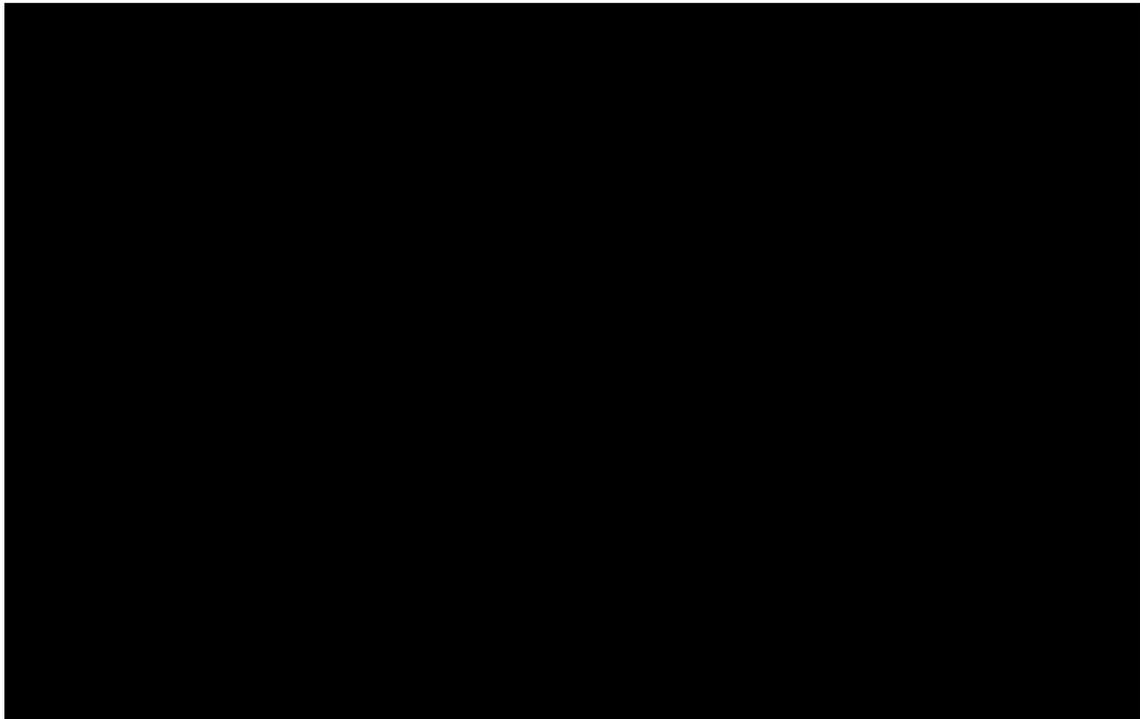
Customer Situation	Customer feedback	Issue	Change	Customer Outcome
<i>My Account password requirements</i>	<i>Customers were confused over password requirements upon registration</i>	<i>The password requirements were located on the right-hand side of the screen in an information panel which customers weren't seeing</i>	<i>We improved the user interface to include a "tool tip" which pops up and outlines the necessary characters,</i>	<i>More people have been able to reset their password without contacting us and successfully set up an account</i>
<i>Awaiting a refund</i>	<i>Customers were calling chasing the progress of their refund.</i>	<i>Customer were not informed throughout the journey</i>	<i>We implemented proactive customer updates, texting throughout every phase of the refund journey</i>	

This customer satisfaction data is used alongside quantitative data of customer contact, including unwanted contacts and complaints, which enables prioritisation of initiatives to continually improve service. In AMP6 we have started to deliver significant improvements to performance in key customer service metrics by segmenting data, to target areas through our Customer Experience Improvement Programme.

### Insights from operational data:

Our MI & Insight team has evolved approaches to support the Customer Experience Transformation and Digital Customer Service teams understand customer behaviour, needs, preferences, and ultimately inform investment decisions

A heatmap methodology has allowed us to identify where customer dissatisfaction is greatest as well as lowest, shown in the pie charts.



This incorporates the qualitative side through the SIM survey, as well as unwanted contacts and complaints. Here we have been able to identify the areas which are most important to

customers. We continually update this and formulate improvement activities based on the highest prioritised problem areas.

As a result, we have improvement initiatives underway linked to these, as below. This has ensured that we focus resource and investment in the most beneficial areas, for example:

*Interruptions to supply:*

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

*Billing & payment enquiries:*

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

*Moving home:*

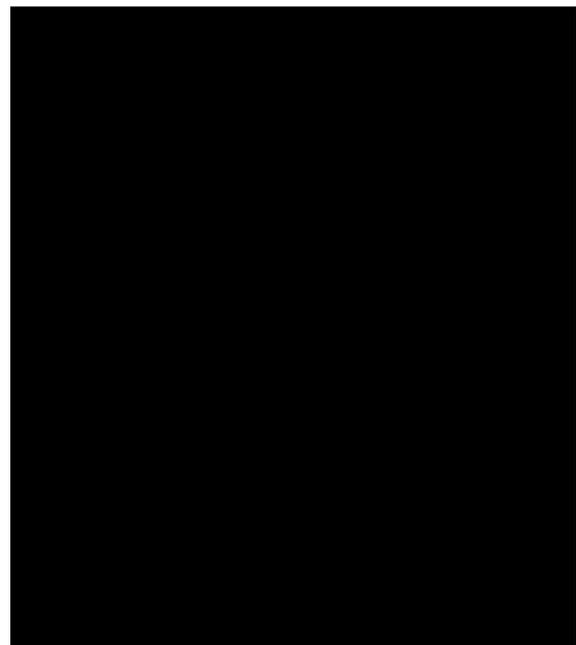
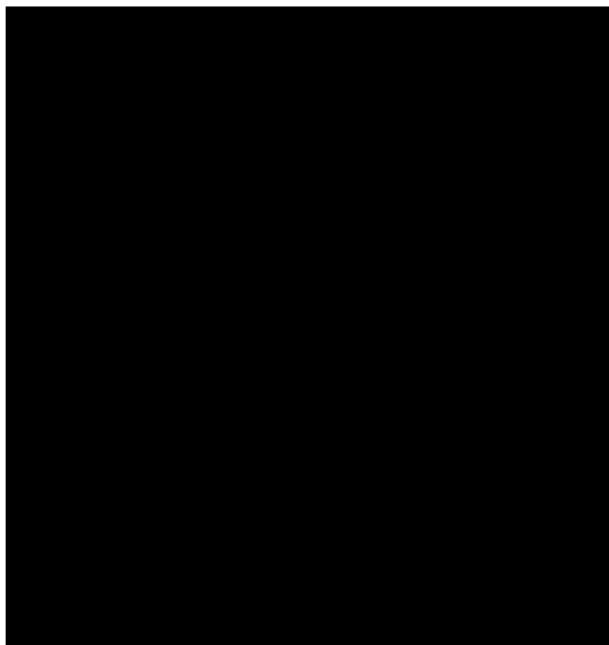
[Redacted]
[Redacted]



We have also used our operational data and combined it with external insight from other sectors, to develop improvements: for example, we have upgraded our refund process in line with customer preference, moving from sending cheques to customers, to doing BACS transfers. As well as reducing processing time, we are acknowledging evolving customer expectations: According to research by the BBC *"Those aged in their 20s don't know what a chequebook is, and those in their 30s don't know where their chequebook is,"* (Source: <http://news.bbc.co.uk/1/hi/business/7850945.stm>). Looking ahead, there is continued innovation in this space, for example, Virgin Media are offering refunds via PayPal. Our ongoing customer research, combined with the wider knowledge our new insight team has from greater experience in other sectors, will allow us to continue evolving the customer experience we offer.

***Speech Analytics - internal usage (by converting speech to text)***

During AMP6 we have used this tool to transform the way we measure and monitor quality & assurance – reducing effort and increasing sample sizes. The insight analysis has driven improvement in our customer experience. During AMP7 the tool will be integral in harnessing customer insight through analysis of telephone contact.



***Speech analytics – Cross sector insights***

With new disruptive technologies, such as real-time speech analytics, emotional analytics and other AI based technologies, call centres across all sectors are now able to provide customers a personalised interaction and improved service quality.

**Zinc Group**, a UK-based credit control, recoveries management, and business process outsourcing company have embedded Real-Time Speech Analytics which indicates live during a call, when important or mandatory information has been missed or incorrectly stated, helps ensure that terms are explained correctly and, in some cases, stops agents giving advice which could potentially be misconstrued. Additionally, the use of visual representations means that every agent can see an on-screen bar prompting them of the various elements that they need to cover in the call. As they complete them, they are ticked-off and physically leave the bar to indicate that they are complete.

**Cabot Credit Management**, the largest credit management services provider in the UK and Europe's largest debt purchaser, with over £2bn of assets undermanagement, are leaders in the application of Speech Analytics. Since 2009 Cabot review all calls handled in the contact centre, identifying key themes and trends to support operational performance, quality assurance, and compliance to FCA customer conduct requirements. Using call and associated metadata, accounts requiring remediation or further work can be timely identified, reviewed and corrected before any detriment to customer outcomes. Speech Analytics provides valuable insight into operational performance improvement and is key to demonstrating fair customer outcomes.

## 7.7 Water efficiency initiatives

We are currently on course to deliver [REDACTED] Home Water Efficiency Checks (HWECs) this AMP, hitting our target. Home visits to help our customers understand their water usage and how we can help them save water through education and appliances. The installation of meters has also enabled better identification through leak alarms

Also, from the meters we have installed on our Universal Metering Programme we receive [REDACTED]

[REDACTED] Looking ahead, we have several areas to build on:

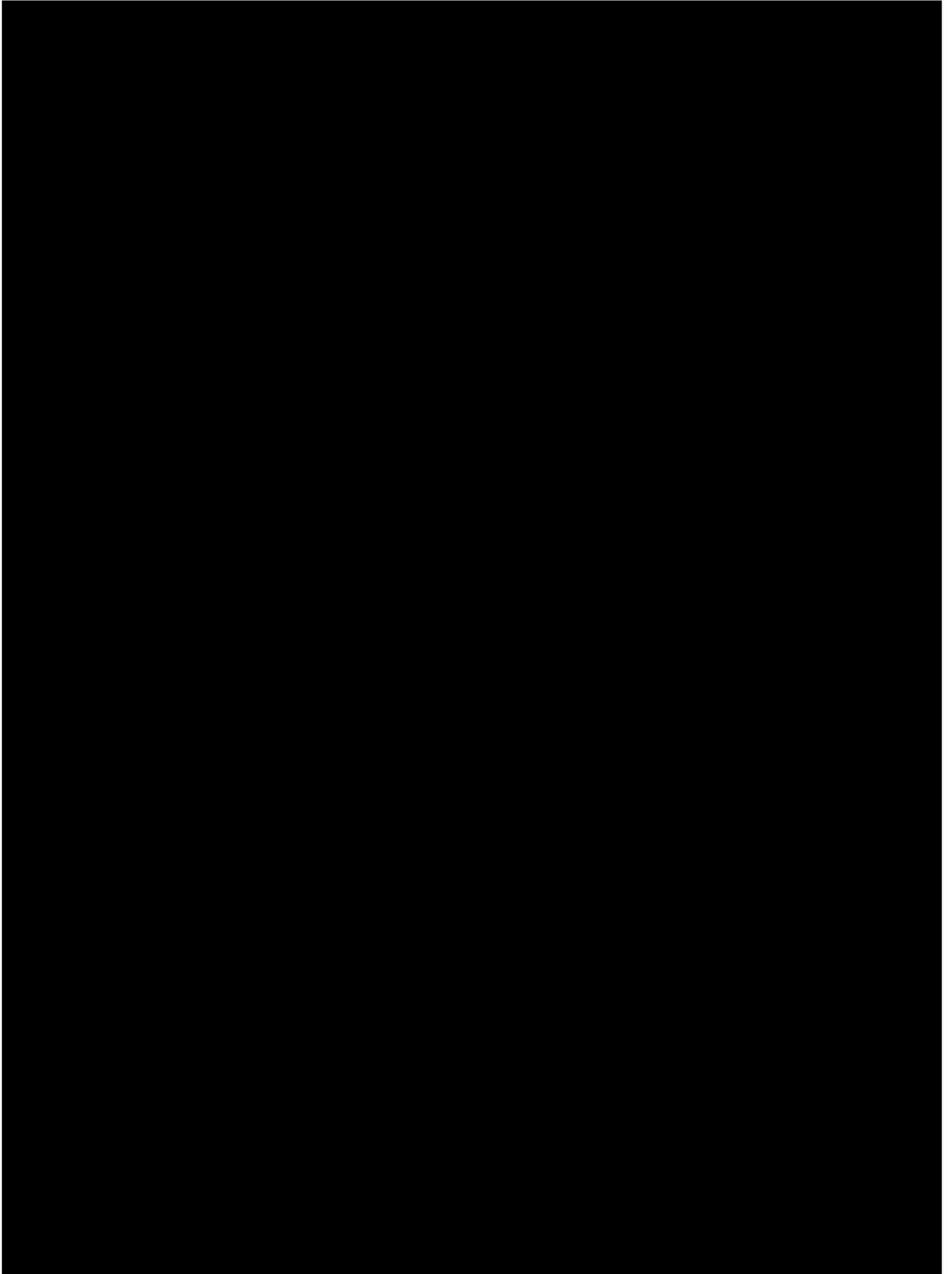
**Research** - Conducting an analysis and evaluation of current water efficiency activities across the board. Creating the ability to measure behaviour change and a baseline figure with recommendations for engagement going forward

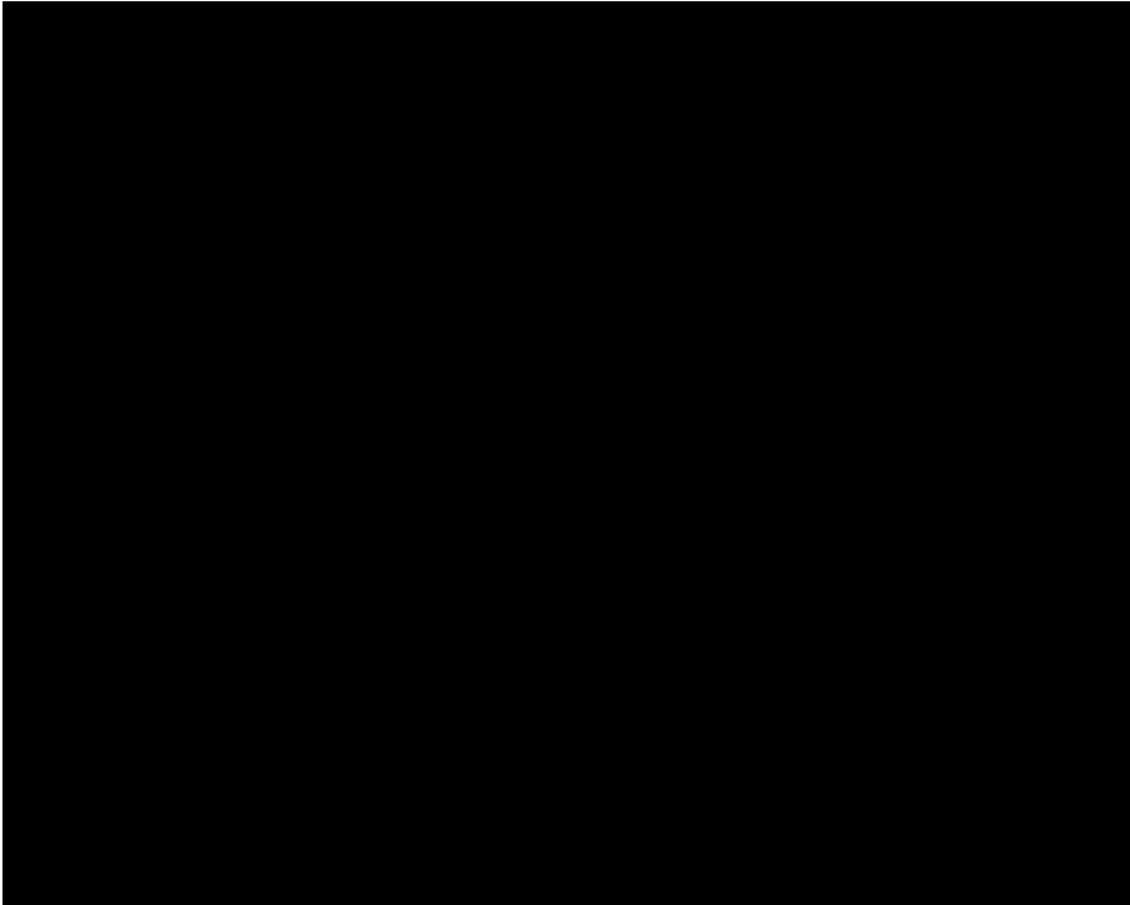
[REDACTED]

**Customer Engagement Platform** - Looking into [REDACTED] solutions, providing customers with their consumption data and ensuring continued engagement with customers who have been through our metering programme

**Incentives** - Looking into incentive pilot schemes - [REDACTED]

[REDACTED]

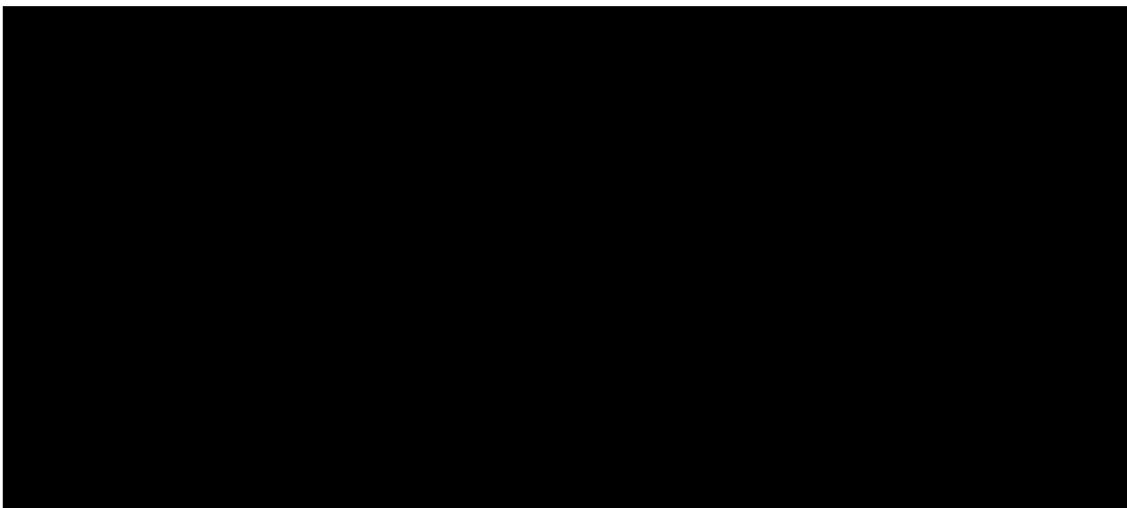




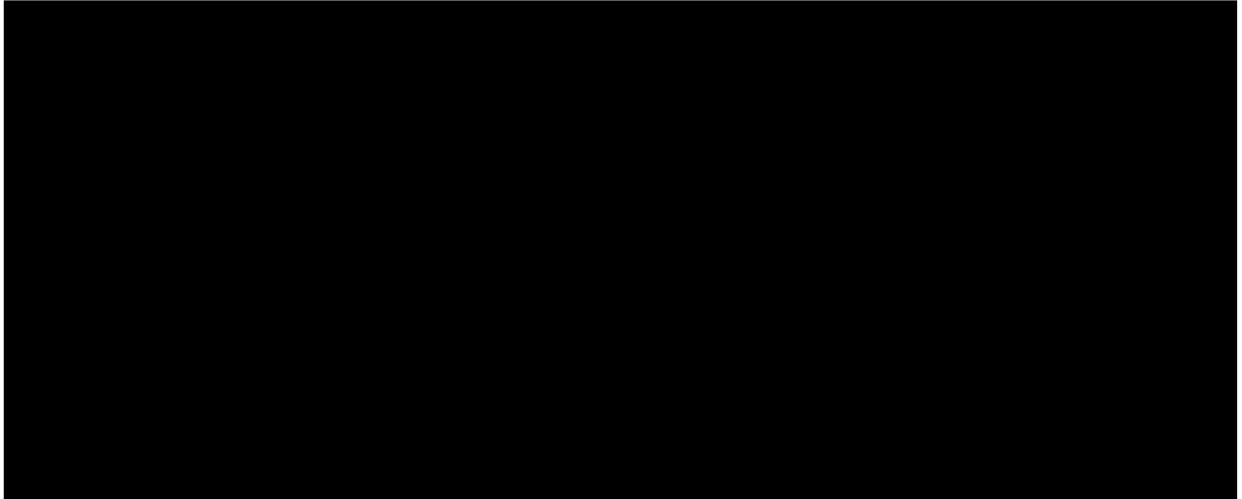
## 7.8 Key Value for Money survey outcomes

### *Key value for Money*

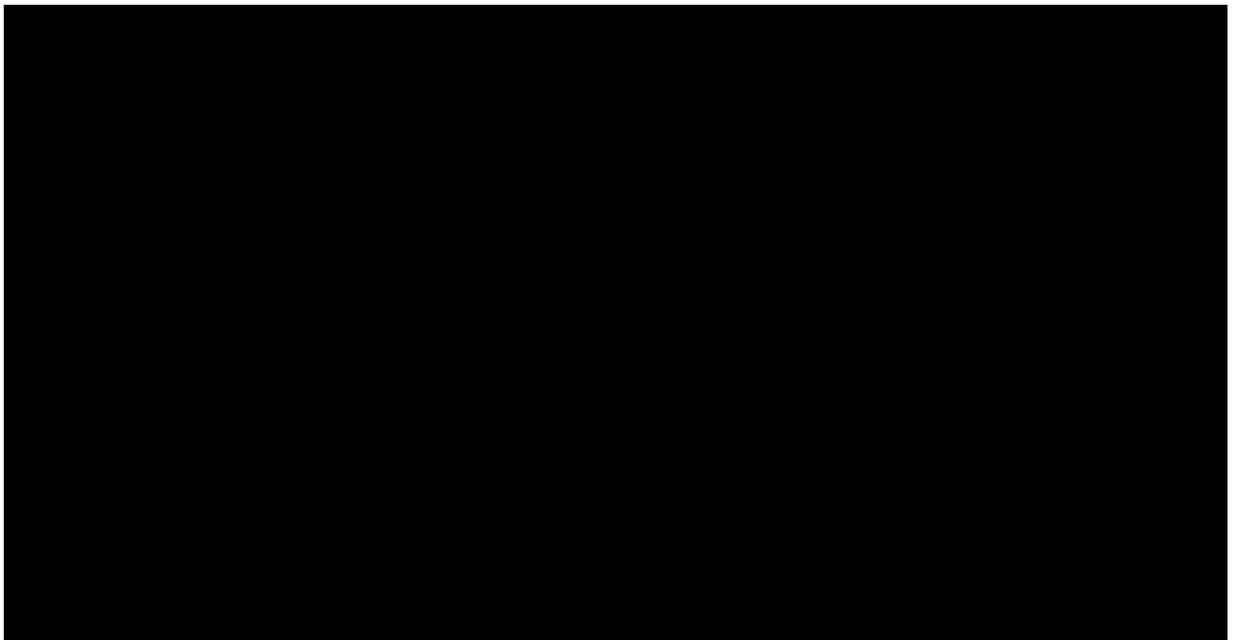
Survey question on unconsidered value for money

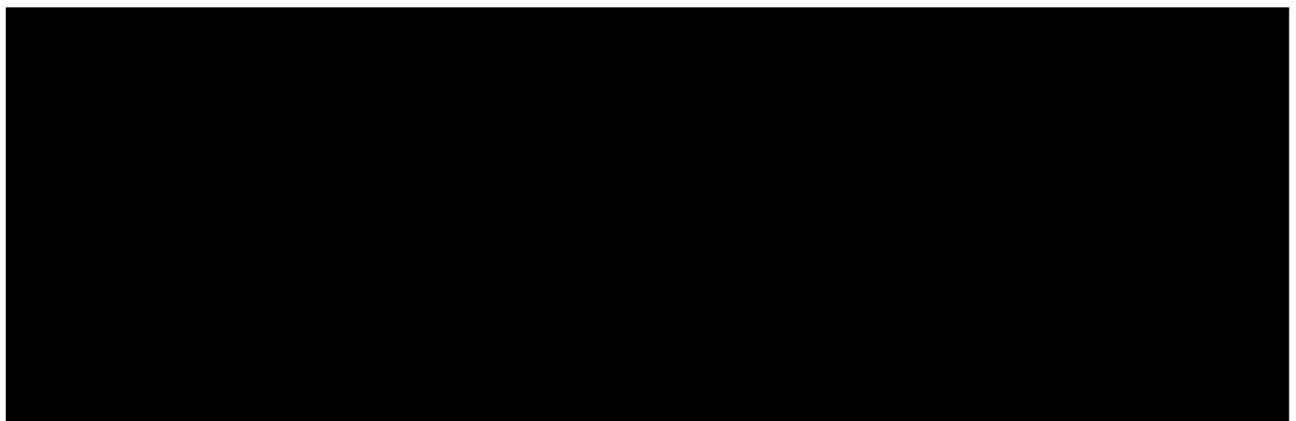
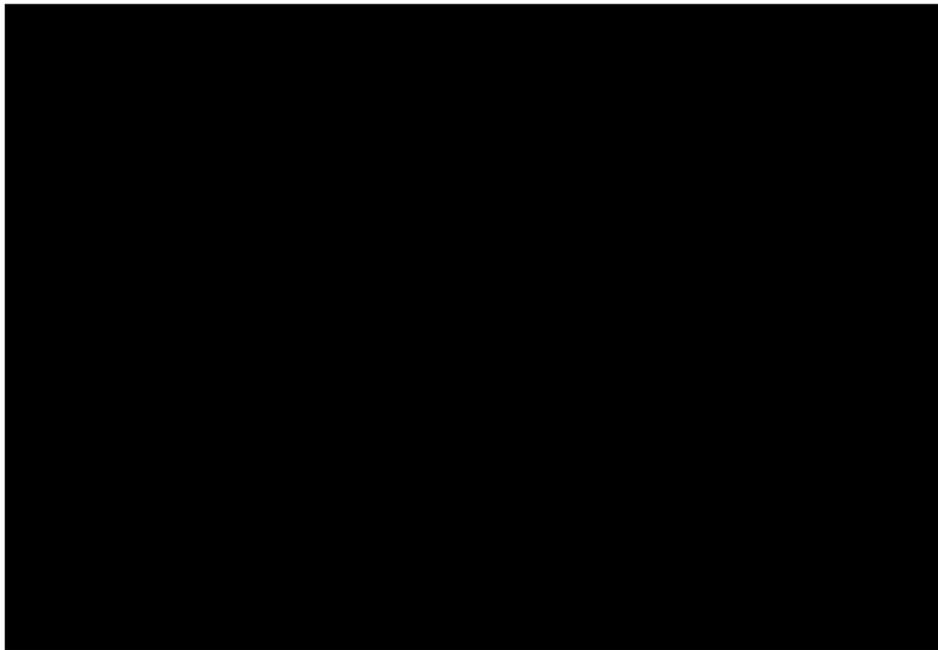


Perceptions of affordability



Scores through AMP6:





### **Unconsidered VFM - % scoring 9 or 10**

Looking at **unconsidered** VFM of water company versus the average of other category scores, there's evidence of a more distinct seasonal pattern for water than other utilities – likely related to the more uniform billing cycle.

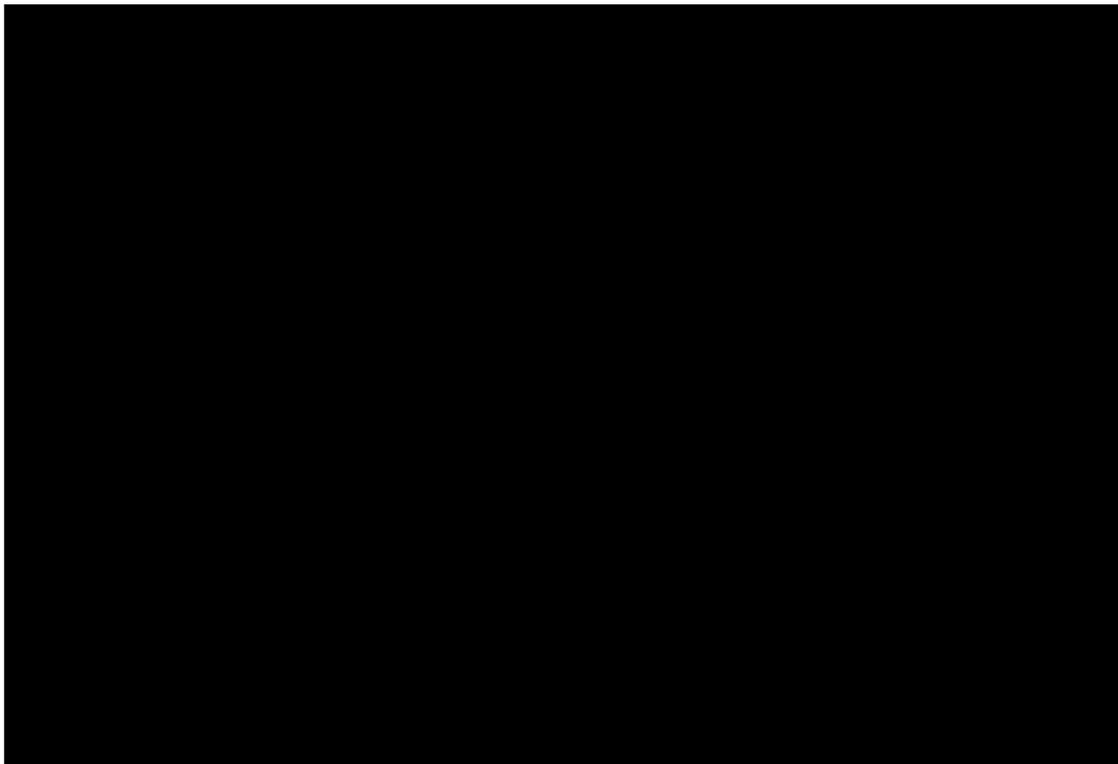
**Average of others = Electricity, Bank, Main Supermarket, Mobile Phone and Council Tax**

Unconsidered value for money (Q5. To what extent do you think this service provides value for money, where 0 is 'very poor' and 10 is 'excellent (Water supply to your home)

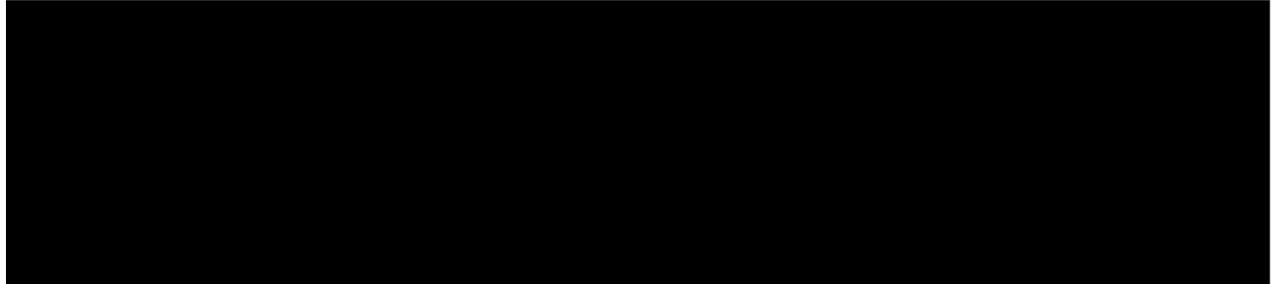


***NPS (Net Promoter Score)***

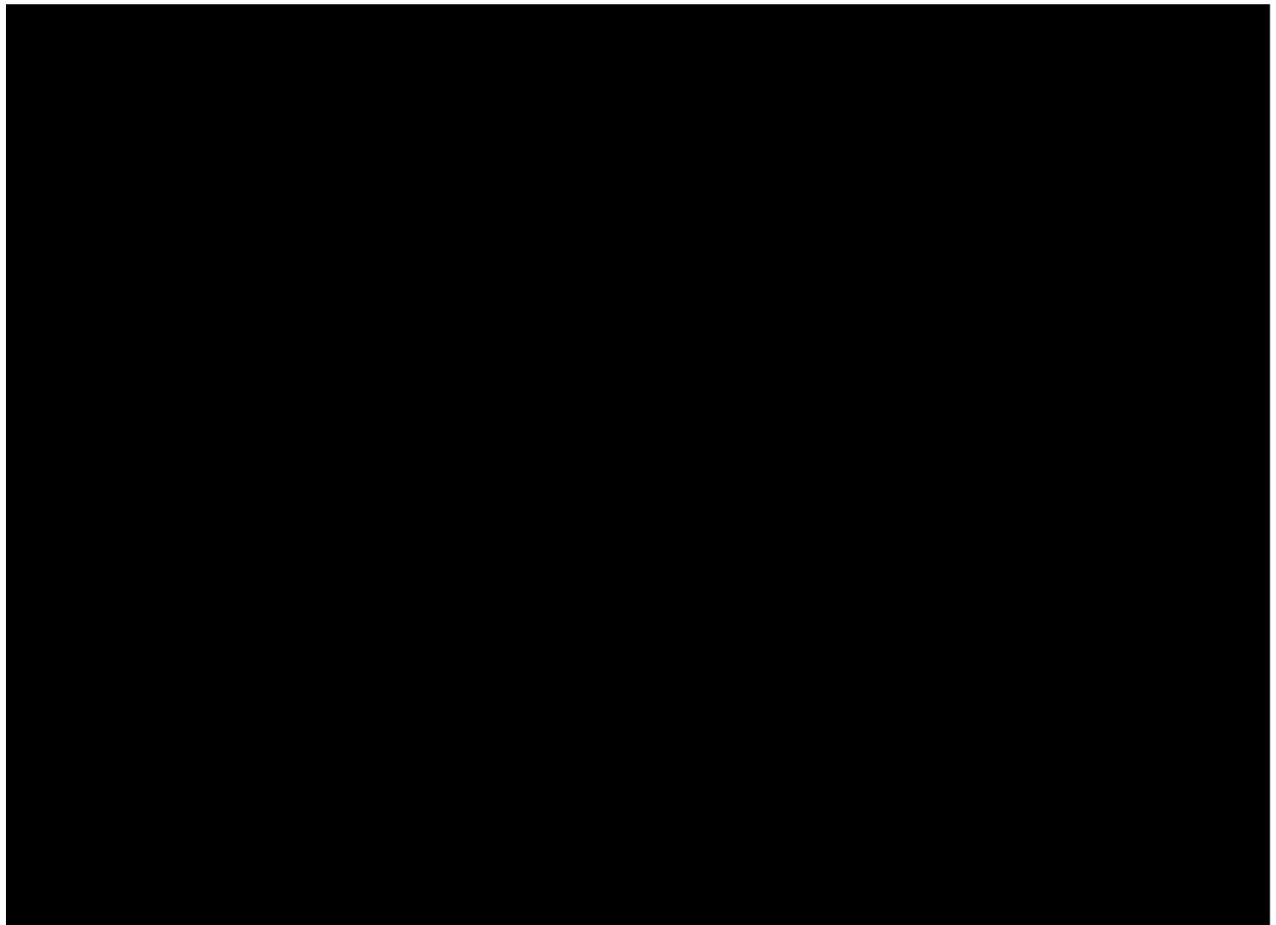
We have tracked a proxy for NPS during AMP6. Amongst those who have cause to contact Affinity Water, we ask likelihood to speak highly of the company (an adaptation of the 'net promoter score' due to the monopoly industry). This has remained remarkably consistent, evidencing consistent service; however, we know that those making contact are generally less satisfied than other customers (given they may have had problems) and so 'NPS' for the rest of the customer base may be higher.



### *Awareness of our brand*



In June 2018, we asked 251 customers spread equally across water supply area, gender and age, about their views of their water supplier. The chart above shows ■ awareness, which aligns to data from our VFM tracking during the AMP. Additional research below, during 17/18 undertaken as part of the VFM survey (■ customers) shows a greater level of awareness where customers know their bill size (■ for those confident of their bill and 55% for those not).



## 7.9 Inclusive services: affordability assistance

### ***Tailoring the level of affordability support provided***

We're committed to helping all customers afford and pay their water bill. We have specifically developed our affordability assistance measures to help customers who are struggling to pay, based on feedback and research from customers, but also from our partners and debt recovery best practice from other sectors.

In AMP7 we will analyse internal and external financial data to proactively identify customers who are at risk of financial difficulty. The aim is to positively predict customers at a high probability of default<sup>1</sup>. We will accelerate debt management activity for customers with a high probability of default and take simpler lower cost action with regards to customers with a low probability of default. By using propensity to pay and probability of default scores, debt collection can be optimised, allowing efficient and optimal resource for appropriate customer segments.

Customers will be segmented into probability of default "POD" 'scores', where a very high score will determine that the customer has a 'very high' probability of default and 'low' score where the customer has a low probability of default.

These scores determine the levels of support and how they are flexibly applied to customers depending on need.

POD Score	Sign-post debt advise	Flexible payment options	Affordable reduced payments*	WSP	Customer Assistance or Trust Fund	Sign-post support & help
<b>Very high</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>High</b>	Yes	Yes	Yes	Yes	Depends	Yes
<b>Medium</b>	Yes	Yes	Yes	Yes	No	Yes
<b>Low</b>	No	Yes	No	No	No	Yes

### ***Forbearance measures & expected volume of customers benefitting by end of AMP7***

Measure	Affordability Assistance Measures ~ Customer Support & Forbearance
<b>A. Sign-post debt advice</b>	Proactive sign-post customers to appropriate debt advice organisations who are best placed to provide holistic support.
<b>B. Flexible payment options</b>	Flexible payment options will allow customers to make payments on the day/date and frequency of their choice - <i>expected volume: █████ customers by end of AMP7, including both payments and re-payments</i>

<sup>1</sup> 'Default' is defined as being >30 days overdue with the current year water charge

<b>C. Affordable reduced payments</b>	Affordability assessment: Breathing Space, affordable repayment concessions once income and outgoings have been assessed, including a payment holidays – <i>expected volume</i> █████ customers/year
<b>D. Metered tariff assessment</b>	Advisors are trained to identify if a customer’s bill could be reduced by moving to a metered tariff outside of the Universal Metering Programme. Eligible customers will be offered a review of water usage, including Watersure - <i>average expected volume</i> █████ customers/yr <i>opting in to have a meter installed over AMP7.</i>
<b>E. LIFT social tariff</b>	Bill charges are capped using the LIFT tariff at £97.50 per year as at 2018/19 where household income is less than £16,105 pa or the customer is in receipt of certain state benefits – <i>at least</i> █████ <i>LIFT customers in AMP7 and a further</i> █████ <i>customers on Watersure</i>
<b>F. Customer Assistance Fund</b>	Affinity Water Customer Assistance Fund will provide financial help to eligible customers through either payment matching or debt clearance - <i>expected volume:</i> █████ <i>customers on payment matching and</i> █████ <i>customers benefitting from assistance funds</i>
<b>G. Trust Fund</b>	Affinity Water will introduce and fund a Trust Fund in AMP 7. The value of the Trust Fund will be █████ for the AMP. An independent panel will be created to authorise payments from the Trust Fund based on referrals from third party debt charity partners.
<b>G. Support awareness</b>	Online and leaflet used to promote help and support available, including use of our trusted partners
<b>H. Multi-channel contact</b>	We will provide multiple channels for customers to engage with us using their preferred choice, such as webchat, online, telephony, email and in future 2-way SMS

The above assistance measures to lower bills will be offered to those in debt or at high probability of default (POD) are C, E, F and G above, and combined are expected to benefit █████ households by the end of AMP7 or █████ of the projected household base at this time. Therefore, we plan to provide different forms of assistance to reach out beyond the current 5% of households currently reported to struggle paying their bills<sup>2</sup>. A summary of the above measures is shown below, showing which are currently being offered and which will be introduced in readiness for AMP7.

### A. Sign-post debt advice

StepChange has provided financial vulnerability awareness training and this will be refreshed annually bringing in different debt advice organisations such as Christians Against Poverty, Turn2Us and other partners as they are identified. As a result, we currently ‘warm-transfer’ customers to StepChange, providing a gateway to appropriate debt advice.

<sup>2</sup> Ipsos MORI Affinity Water Business Plan Acceptability Survey, June 2018

We have also introduced Benefit Champions training across the Debt and Advance Care Teams during 2018, with annual refresher training offered. This provides detailed knowledge of all state benefits that a customer may be entitled and will help customers understand where to apply for them.

## **B. Flexible payment options**

Following customer feedback, we propose to offer enhanced options for customers to pay their water service charge. The flexible repayment options will allow customers to select both the day, week or date of their choice and the level of payment, thus allowing both higher or lower payments through an agreed period. Customers will be able to align payments with their household income (receipt of benefits or salary). In addition, we propose to increase the number of customers paying by direct debit to █████ (from █████ in 2017/18) over the AMP.

Our flexible payment options will be by card payment and can be taken via the Affinity Water 'My Account' site or by telephone, either via IVR or when speaking to one of our customer advisors. Feedback from customers suggests a need for flexible payment options, thus we will implement them prior to AMP7, during 2018.

This functionality is in addition to other repayment methods of direct debit, standing order, cash and PayPoint card.

## **C. Affordable reduced payments**

To allow customers enough time to develop an affordable repayment proposal (either via a Debt Management Company or on their own) we will introduce a period of 'Breathing Space' where all debt recovery action will be suspended for up to 60 days. This period of breathing space is to allow the customer to work with their advisor to create a debt management plan and propose an affordable repayment, with the confidence that no debt recovery action will take place. This process is widely used within the financial services sector and will provide customers with the space and time to deal with their financial problems.

In addition, to support customers who have a temporary financial problem, caused by as an unexpected large bill or illness, we will offer an agreed period where no payment will be required. This 'payment break' would be agreed following an assessment of the customers affordability and financial position. Debt recovery action would be suspended during the agreed period. Ultimately, the customer's water service charges would still be outstanding and either payment or a further assessment of affordability would be required at the end of the payment break. However, this initiative will allow customers an appropriate period to recover their financial position.

Where customers are not able to repay the outstanding water service charge, an assessment of affordability will be completed. This will review customer income and expenditure, ensuring sufficient income is allowed for priority expenditure, before agreeing an affordable repayment amount.

As part of the assessment, advisors are trained to identify if a customer's bill could be lowered by moving to metered tariffs outside of the Universal Metering Programme. This simple review of usage will allow the customer to make an informed decision to switch or remain on the existing non-measured bill.

## **D. Water Saving Programme assessment**

Our customer advisors are trained to identify where non-measured customers may be able to reduce their water bill by an assessment of current usage. Customers who would benefit will be offered the option of moving to a measured tariff.

### **E. LIFT social tariff**

Customers with either a household income of less than £16,105 or on certain state benefits can apply for LIFT and receive a fixed bill of £97.50 per year. This equates to an average saving of 43% vs. Our standard tariff.

LIFT was introduced at the start of AMP6 to support customers struggling to pay for their water services. Eligible customers have a low household income (currently £16,105) or are in receipt of certain benefits. By the end of this AMP we believe we will have circa [REDACTED] customers accessing the social tariff.

We believe it is important we continue to offer a reduction on water services for customers with a low household income or in receipt of certain benefits as part of our suite of options to make bills affordable.

We have engaged with our Financial Charitable Partners, Customer Challenge Group and Consumer Council for Water to obtain views and feedback on how we support customers during AMP7. A key driver to the level of support we will offer customers during the AMP relates to the willingness to cross -subsidise.

We are working with water service providers in the South East to create a cross-regional network of organisations supporting customers facing financial and non-financial vulnerability. Our objective is to implement a common approach to supporting customers. This will increase the consistency of support across the region, removing unnecessary complexity and thereby allowing customers to access the support they require without having to contact multiple organisations. Our first area of focus is the alignment of our social tariffs and a single sign-up model, through the course of AMP7, we will further integrate and align our support provision.

Engagement interviews were conducted online (1500 customers) and face to face (825 customers) Recruitment and quotas targeted a representative sample of adults aged 18-75 resident in Affinity Water's service areas. The data is weighted to match the profile of the population living in Affinity Water areas by age and Water Resource Zone (WRZ). (Where percentages do not sum to 100, this is due to rounding of figures.)

The survey allowed us to understand customer attitudes towards different options for the Social Tariff and, through a deliberative approach, to test the impact of providing more information. Open-ended questions provide insights into the reasons why customers take the views they do. Participants were given a high-level view of the type of support that Affinity Water offers the financially vulnerable customers for their understanding.



Half of Affinity Water customers surveyed in the second survey feel that the amount offered in the Social Tariff should vary depending on household income, we will respond to this insight by creating a second tier for customers in severe hardship who have been referred or pre-screened by either Citizens Advice Bureau or one of our Financial Charity Partners.

The model below demonstrates the maximum number of customers supported at any one time, however, we will proactively be reviewing customer eligibility to ensure we are supporting

customers on low income and the fixed tariff is the best option for the customer. As we move to a higher metered penetration through the delivery of our water saving programme, we will identify some customers would receive a lower bill based on actual usage rather than the fixed social tariff and therefore processes have been put in place to switch customers back to normal tariffs to ensure they receive the most economical bill.

The number of customers could vary based on the financial landscape throughout the AMP, however, we will not exceed [REDACTED]

[REDACTED]

[REDACTED]

#### **F. Customer Assistance Fund**

The Customer Assistance Fund will support customers who are in either particularly financial vulnerable, for example due to extreme hardship or ill health, or where customers have severe



### ***Academic research on affordability support***

Sheffield Hallam University and the Centre for Regional Economic and Social Research provided findings from their study 'Delivering Affordability Assistance to water customers: cross sector lessons' in July 2016. Good practice identified within this study has been incorporated into our approach to both customer affordability and vulnerability, and how we can help and support customers.

For AMP7 we will further develop our approach by using Tallyman, our debt management system, to segment customer accounts and apply debt actions (I.e. different letters, SMS or outbound calling) using both champion challenger and test & learn strategies. This will allow us to maximise the effectiveness of our engagement strategies by trying different contact approaches and learning which is best for each customer segment.

In addition, we will focus effort on engaging with customers who are not currently engaged or responding to efforts to our make contact. Here we will instruct a specialist third party supplier to attend at the customer's home and conduct an affordability check.

### ***Engaging customers to offer affordability support***

#### **Reaching out to re-engage customers with existing payment problems:**

We acknowledge that some customers with high or historic arrears and other debts may have a 'fear' of the debt management process which causes them to dis-engage with us. To help re-engage and promote our affordability assistance measures, we will make additional proactive contact attempts, including targeted outbound contact via telephone, SMS and home affordability visits.

Once contact has been made, we will assess the customer's situation and offer our forbearance options, eligibility for Affinity Water's LIFT (social tariff), the Watersure scheme, water direct and, if appropriate, obtain consent to the Priority Service Register.

Our affordability visits are managed by a specialist water-industry 3<sup>rd</sup> party provider, using a dedicated employed workforce, who are trained and empowered to offer our full range of affordability assistance measures. Once they have contacted the customer, they tailor a solution based on the customer's individual circumstances, capturing details via an iPad. This ensures compliance to our procedures, social tariffs or water direct criteria.

All activity is focused on providing a fair and appropriate outcome for the customer.

Developing our eco-system of partners will raise awareness of our services for customers who do not come direct to us for help.

### ***Financial Benefits: Reaching out to re-engage customers with existing payment problems***

We project the financial benefit of our re-engagement strategy to be more than ■■■ over the course of the AMP. This relates to increased cash collected but also recognises the financial benefit from to increased collection rates arising from social tariff growth. The identification of new occupiers and true voids is more difficult to quantify in terms of debt collection; however, it will allow better validation of customer data and billing, and therefore bring additional financial benefits.

Engagement - customer with existing payment problems		
Customer Outcome	Additional volume over AMP	Benefit
Customer plan or pay in full	██████████	██████████
Occupier Status	██████████	██████████
Social Tariff referral	██████████	██████████
<b>Total</b>	██████████	██████████

Costs associated with this activity are estimated to ██████ , considering 3<sup>rd</sup> party supplier and internal costs. Therefore, total net benefit is estimated to ██████████ , partly from increased cash collection and lower bad debt rates.

### Customers requesting help with affordability:

For customers who proactively engage with us and request help with affording their water bill, will be actively offered appropriate forbearance options from our affordability assistance measures, as outlined in the table below. These customers may have been sign-posted to us from one of our partner debt advise charities, a debt management company or following support offered online or within our debt help leaflet.

### Customers proactively identified as being at risk of struggling to pay through data analysis:

Once customers struggling to pay are identified, we will tailor our support and help by proactively reaching out to individual customers and offering the options outlined below. It is important to note that this 'proactive' strategy is in addition to customers who may contact us directly or via a debt advise partner and request help. This customer group will be actively offered appropriate forbearance options outlined above.

### Efficient debt management

We recognise the overlap between affordability and efficient debt management, and plan to align our affordability initiatives with efficient debt management practices from the wider industry to reduce our overall bad debt in AMP7. This will help address our current performance of bad debt, as a percentage of revenue, from bottom quartile to be upper quartile by 2023/24. Specific initiatives are planned to deliver this improvement: -

- Data segmentation to ensure more targeted debt collection and focusing on collecting at risk before debt becomes seriously overdue, including accelerated collection actions for those customers who have ability to pay but currently choose not to do so
- A drive to increase the number of customers making secure payments from ██████ to ██████ by the end of AMP7. This will use both direct debit and flexible card payments to ensure customers make manageable payments each week or month
- Improving the service we offer to vulnerable customers. Following support from customers, we aim to expand the number of customers on a discounted social tariff by ██████ In addition, we will also continue with our home affordability visits, ensuring disengaged customers are aware of our affordability assistance measures and agree to sustainable payment plans

## 7.10 Inclusive services: inclusive assistance

### *Creating trusted Partnerships*

#### **Current Partners:**

During AMP6, we have set up partnerships as below to improve understanding of needs, develop training and enhance vulnerability awareness through trusted relationships. We have actively supported and been involved with the following partners.



#### **Future Partners**



Partnerships play a critical part of ensuring we deliver an 'inclusive service' using best practice both inside and outside of the industry, driving efficiency into our business as usual activities. Throughout AMP7 we will form new partners to continue to reach customers and remain agile in co-creating services that match their needs.

### **CCG & stakeholder engagement**

We have engaged with the CCG, external/internal stakeholders and customer insights to shape our inclusive services

Date	CCG Engagement
6.10.17	<ul style="list-style-type: none"> <li>• Vulnerability and Affordability Working Group</li> <li>• Review of current feedback (including from PR14)</li> <li>• Ofwat Expectations for PR19</li> <li>• AW's inclusive customer programme</li> <li>• Bespoke Commitments – criteria and proposals</li> </ul>
17.11.17	<ul style="list-style-type: none"> <li>• Vulnerability and Affordability Working Group</li> <li>• Updates on work with other organisations</li> <li>• Ofwat metrics</li> <li>• Proposal and development of bespoke commitments</li> </ul>
12.12.17	<ul style="list-style-type: none"> <li>• Chair of CCG observed partner workshop</li> </ul>
5.6.18	<ul style="list-style-type: none"> <li>• Customer Insight – Data is Key</li> <li>• Bespoke Commitments – Customer Satisfaction</li> <li>• Social Tariff</li> <li>• Affordability – Help &amp; Support for Customers</li> <li>• Partnerships</li> </ul>

Workshops were held with the CCG sub-group and experts from our services teams to review current services to customers in vulnerable circumstance to discuss and develop our services and options for a bespoke commitment. We shared their proposal for improvements in our inclusive service. Discussions quickly led to a general view that this improved service should be reflected in the commitment and would be best measured by a reflection of customers' satisfaction with the service received, supported by metrics.

Stakeholder sessions included partner debt advisors (StepChange, Money Advice Trust and Turn 2 Us), local authorities (Watford Community Housing, Herts County Council) and different charities (Samaritans, Alzheimer's Society, Support 4 Sight). We shared the services currently offered and metrics on the Priority Services Register and support through social tariffs. The workshop included a co-creation session where partners were asked to provide suggestions to the following questions:

- What works well for supporting those in need?
- What could Affinity Water do to support customers in vulnerable circumstances?
- How should this support be promoted?
- How should it be monitored and assessed?

A key output for the session was the need to expand support to bridge the gap with the estimated population volume who could benefit from assistance. Data sharing will be key to addressing this gap.

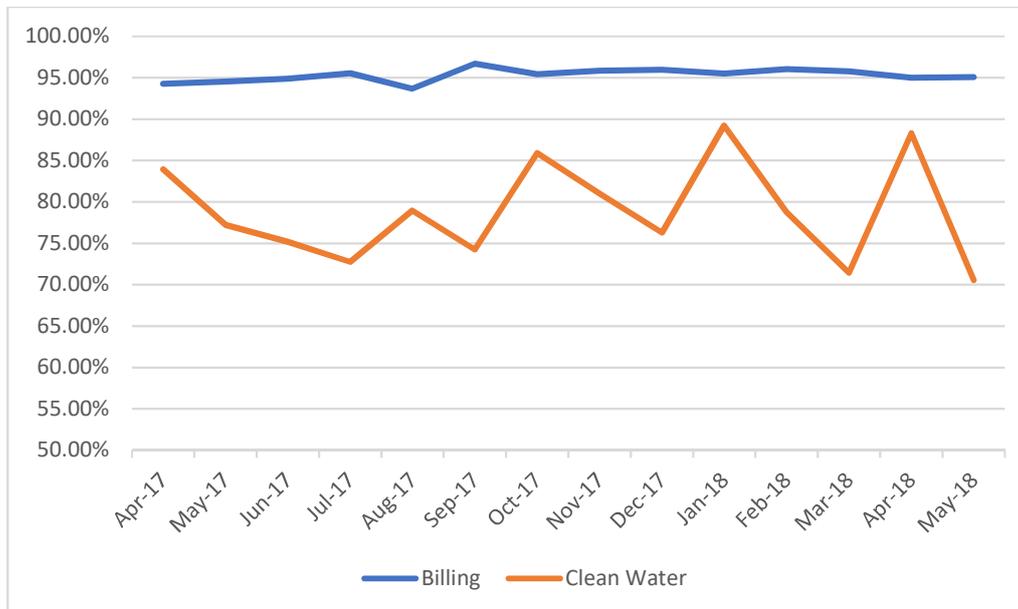
Additionally, three areas of customer insight have been used to inform the strategy and the bespoke commitment:

- involvement with industry wide projects (e.g. Water UK) to improve the experience for vulnerable customers and through sharing experiences from the energy sector.
- in-depth interviews with vulnerable customers
- Acceptability Testing

## Bespoke performance commitments

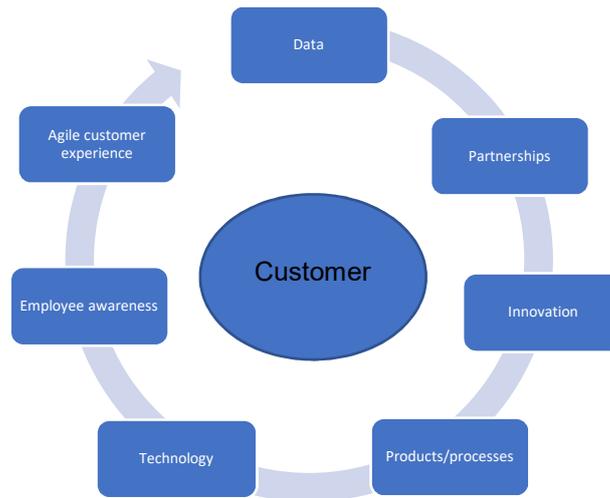
### Customer Satisfaction

Using segmented internal data, we have tracked the customer satisfaction for customers on our PSR and in receipt of our Social Tariffs over the past 13 months. This has been used to benchmark our current performance. Reflecting on this data and taking into consideration the increased levels of customers receiving support through our PSR, Social Tariffs and flexible payment arrangements we have set our bespoke customer satisfaction commitment at an overall yearly reportable target of ██████ satisfied.



Our ambition to provide an inclusive service will use data to influence service delivery going into AMP7 and beyond, strategically we can combine the insight relating to socio-demographic trends and use of partners to share and test innovative ways to reach our customers.

- Share and learn from best practice
- Understand the implications of key decisions based upon different customer characteristics
- Train and empower our teams to have the skills and confidence to demonstrate empathy. Allowing flexibility and ideas to be explored and developed and tracked
- Empowered structure to support decision making
- Continuously update our vulnerability strategy remaining agile to change



### Enhancing our Services

Data has identified within our area, 40k customers currently living with Dementia. Statistics show 225k people in the UK will develop dementia this year, that's one every three minutes.

Because of this we commit to becoming a dementia-friendly organisation and will follow the principles below. Bespoke awareness training for office and community teams is paramount to delivering a great service through understanding of customer circumstances

People	Processes	Places
<ul style="list-style-type: none"> <li>✓ Dementia awareness Training</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide support appropriate to level of vulnerability</li> </ul>	<ul style="list-style-type: none"> <li>✓ Signpost to key support and safeguarding organisations when appropriate</li> </ul>
<ul style="list-style-type: none"> <li>✓ Community face to face support to help our customers affected by dementia</li> </ul>	<ul style="list-style-type: none"> <li>✓ Support digital inclusion of people affected by dementia</li> </ul>	<ul style="list-style-type: none"> <li>✓ Consider how we support and protect customers and the public during disruptions or emergency work</li> </ul>
<ul style="list-style-type: none"> <li>✓ Improve customer awareness of existing support</li> </ul>	<ul style="list-style-type: none"> <li>✓ Understand how our contact centres can support people living with dementia</li> </ul>	<ul style="list-style-type: none"> <li>✓ Be part of the local dementia-friendly community in our area</li> </ul>
<ul style="list-style-type: none"> <li>✓ Encourage customers affected by dementia to inform us where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>✓ Assess our products and services to ensure we consider customer circumstances</li> </ul>	

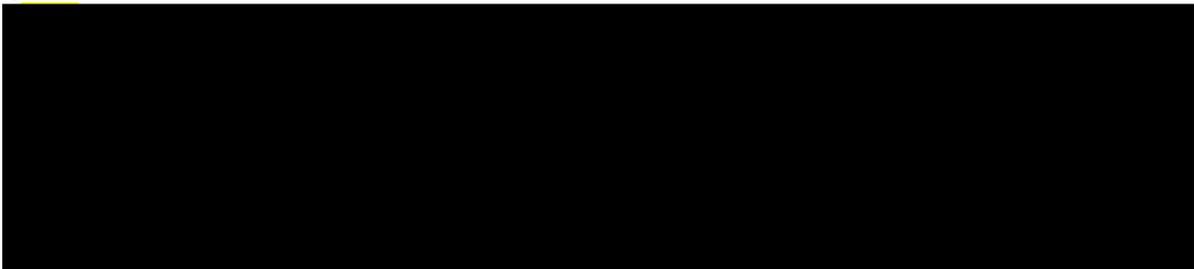
### Creating a Priority Services Registration Database for 2020

During AMP6, the Industry has worked collaboratively on a project to align the name of the register to create an easier understanding across sectors. As part of the project we are looking

to align needs codes and create databases which can share data whether this is one or two way.

We have learnt during AMP6, our PSR technology does not support transient vulnerability nor is it intuitive or automated. To ensure we provide an inclusive service we are investing in the creation of a new PSR platform. Working in partnership with the energy sector and our charitable partners we are gathering best practise and feedback on the requirements to ensure the sign up and maintenance going forward is seamless for the customer, effortless for the user and efficient in terms of cost to serve. The platform will be ready in 2019.

**Key new features of the database in readiness for 2020:**



- **Data cleansing automation** – we understand the need to keep our customers data up to date including the service support they require through our PSR. In AMP6, the register has not been subject to a rigorous maintenance process, but this will be launched in FY18/19 to perform due data cleansing ahead of the start of AMP7. After this year, we will ensure we perform data maintenance of every record every 2 years at most. To do so, the new platform will proactively generate a contact out to customers through their preferred channel to ensure the data remains accurate and level of support is correct.

**PSR current and forecasted performance against Ofwat’s 6 common metrics:**

Current performance is shown below:

There are currently 26,731 households on our register, split between four categories.

Measurement	Units	2015-2016	2016-2017	2017-2018
Customers on Special Assistance Register/ Priority Service Register (SAR/PSR)	nr	██████	██████	██████
Customers receiving services through the SAR/PSR: (a) support with communication	nr	██████	██████	██████
Customers receiving services through the SAR/PSR: (b) support with mobility and access restrictions	nr	██████	██████	██████
Customers receiving services through the SAR/PSR: (c) support with supply interruption	nr	██████	██████	██████

Customers receiving services through the SAR/PSR: (d) support with security	nr	██████	██████	██████
Customers receiving services through the SAR/PSR: (e) support with 'other needs'	nr	██████	██████	██████

We have forecast growth at the following levels:

Regulatory Year	Increase – year on year	Total Households on PSR
2018/19	██████	██████
2019/20	██████	██████
2020/21	██████	██████
2021/22	██████	██████
2022/23	██████	██████
2023/24	██████	██████
2024/25	██████	██████

### RNIB data for needs codes in the AW region

Using publicly available data from RNIB, we have in the region of 501,345 households with at least one 'need' where there is someone with a long-term disability which affects day to day life.

					Long term illness or disability that limits day to day activity (2011)	
			Vulnerable Customers on PSR	Vulnerable Customers % of POPN	Count	%
Barnet	██████	██████	██████	██████	██████	██████
Brent	██████	██████	██████	██████	██████	██████
Chiltern	██████	██████	██████	██████	██████	██████
Dacorum	██████	██████	██████	██████	██████	██████
Ealing	██████	██████	██████	██████	██████	██████
East Hertfordshire	██████	██████	██████	██████	██████	██████
Epping Forest	██████	██████	██████	██████	██████	██████
Harlow	██████	██████	██████	██████	██████	██████
Harrow	██████	██████	██████	██████	██████	██████
Hertsmere	██████	██████	██████	██████	██████	██████
Hillingdon	██████	██████	██████	██████	██████	██████

Luton	██████	██████	██████	██████	██████	██████
North Hertfordshire	██████	██████	██████	██████	██████	██████
Runnymede	██████	██████	██████	██████	██████	██████
Shepway	██████	██████	██████	██████	██████	██████
South Bucks	██████	██████	██████	██████	██████	██████
Spelthorne	██████	██████	██████	██████	██████	██████
St Albans	██████	██████	██████	██████	██████	██████
Stevenage	██████	██████	██████	██████	██████	██████
Surrey Heath	██████	██████	██████	██████	██████	██████
Tendring	██████	██████	██████	██████	██████	██████
Three Rivers	██████	██████	██████	██████	██████	██████
Uttlesford	██████	██████	██████	██████	██████	██████
Watford	██████	██████	██████	██████	██████	██████
Welwyn Hatfield	██████	██████	██████	██████	██████	██████
Woking	██████	██████	██████	██████	██████	██████
<b>TOTAL</b>		██████	██████	██████	██████	██████

### Forecast by 'need'

Using this data, we have projected our growth in our PSR as demonstrated in the table above. **Forecasted volumes of future 'needs' codes:**

Measurement	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Customers on Special Assistance Register/ Priority Service Register (SAR/PSR)	██████	██████	██████	██████	██████	██████	██████
Customers receiving services through the SAR/PSR: (a) support with communication	██████	██████	██████	██████	██████	██████	██████
Customers receiving services through the SAR/PSR: (b) support with mobility and access restrictions	██████	██████	██████	██████	██████	██████	██████

Customers receiving services through the SAR/PSR: (c) support with supply interruption	██████	██████	██████	██████	██████	██████	██████
Customers receiving services through the SAR/PSR: (d) support with security	██████	██████	██████	██████	██████	██████	██████
Customers receiving services through the SAR/PSR: (e) support with 'other needs'	██████	██████	██████	██████	██████	██████	██████

<b>COMMUNICATION (16.29% of PSR)</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
PSR	██████	██████	██████	██████	██████	██████	██████
Base	██████	██████	██████	██████	██████	██████	██████
ANNUAL INCREASE							

<b>MOBILITY &amp; ACCESS (24.98% of PSR)</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
PSR	██████	██████	██████	██████	██████	██████	██████
Base	██████	██████	██████	██████	██████	██████	██████
ANNUAL INCREASE							

<b>SUPPLY INTERUPTION (27.28% of PSR)</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
PSR	██████	██████	██████	██████	██████	██████	██████
Base	██████	██████	██████	██████	██████	██████	██████
ANNUAL INCREASE							

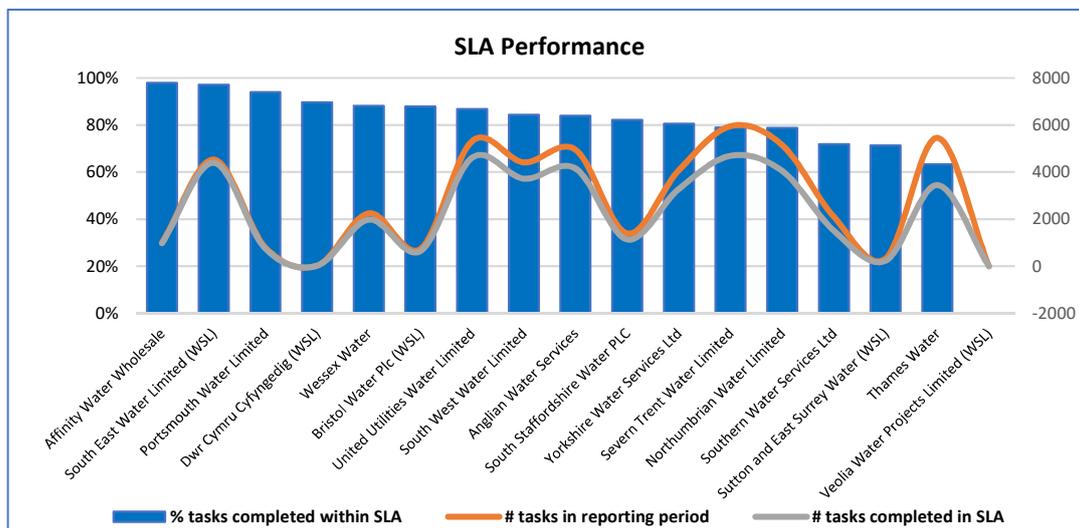
SECURITY (78.41% of PSR)		18/19	19/20	20/21	21/22	22/23	23/24	24/25
PSR	██████	██████	██████	██████	██████	██████	██████	██████
Base	██████	██████	██████	██████	██████	██████	██████	██████
ANNUAL INCREASE								

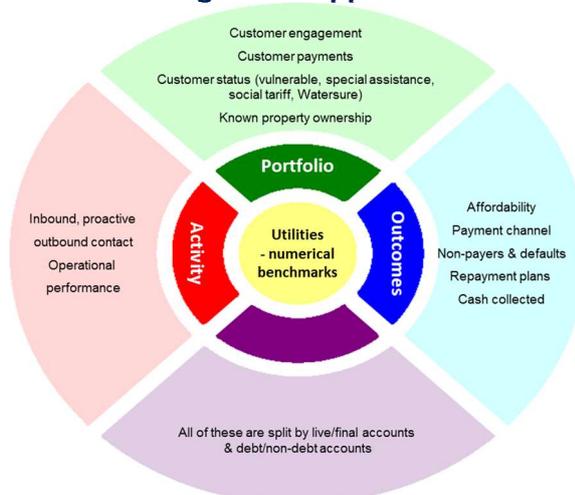
OTHER		18/19	19/20	20/21	21/22	22/23	23/24	24/25
PSR	██████	██████	██████	██████	██████	██████	██████	██████
Base	██████	██████	██████	██████	██████	██████	██████	██████
ANNUAL INCREASE								

## 7.11 Benchmarking our performance

### Wholesale Service Desk Performance across the Water Sector



### Benchmarking of our approach to Affordability & Efficient debt management:



We plan to start benchmarking our performance in readiness for AMP7. This will include our debt management and affordability processes, void property and our approach to vulnerability. Benchmarking will provide both process and numerical insight into our performance vs. both sector peers but also across energy and financial services. Areas proposed include engagement strategies, measurement of fair outcomes, debt portfolio and treatment of vulnerable customers.

Companies that benchmark can share best practice, learn and drive continuous improvement from insight into a wider dataset and peer group. This will assist our drive for

efficient debt collection, but particularly aid our process improvements around transience and CTS.

## 7.12 Customer Service workforce training and resilience

The customer service talent strategy is already in place, with a succession plan for front-line staff and managers, whilst recognising that an Apprenticeship Programme will become a key talent pipeline, building on people resilience.

We are preparing for the AMP7 workforce by:

- Accelerating re-skilling people in leadership, creativity and emotional intelligence
- Re-designing our work by unlocking potential through improved wellbeing, flexible workforce and enabling change through platforms and eco-systems
- Strengthening the talent pipeline plugging existing gaps to meet future requirements

According to the Institute of Customer Service Satisfaction Survey, knowledge and experience is ranked as the most important across all sectors for customers. We have invested in a dedicated people team to help us maintain and develop the skills we need for today and tomorrow, thinking specifically about tomorrow, we know that the contact channel profile will shift to more digital and social channels. We are already building the capability as we recognise the increased demand of these skills. According to PwC 22% of job role growth is expected in digital positions by 2022 (PwC report - Creating new value in new ways through digital transformation). Ultimately, to ensure we remain relevant and encourage innovative entrepreneurship we recruit experienced individuals. In addition, we have created new social and digital teams, this is an important career path for our existing staff who are given specialist "digital & social" training to help expand the capability as we progress into AMP7.

Looking ahead as part of our attraction strategy we have initiated:

- A customer service apprenticeship levy funded programme
- Newly designed induction programme which continually evolves as we progress with the customer and digital transformation
- New shifts and flexible hours
- Modernising the workplace with digital tools and breakouts/rooms to better support and attract millennials

To develop existing staff, we will focus on:

- A variety of refresher modules covering "great customer service"
- Customer personas
- Conversation starters for reducing per capita consumption and
- Customer relationship management incorporating personalisation

We will be strengthening our approach to training to support delivery of the improved customer service solutions across Retail and Wholesale. As we become increasingly insight focused, these will feed into training programmes, ensuring that customer experiences are tailored

based on segment knowledge. C-MeX provides an opportunity to focus further on the broader customer experience and brand perception.

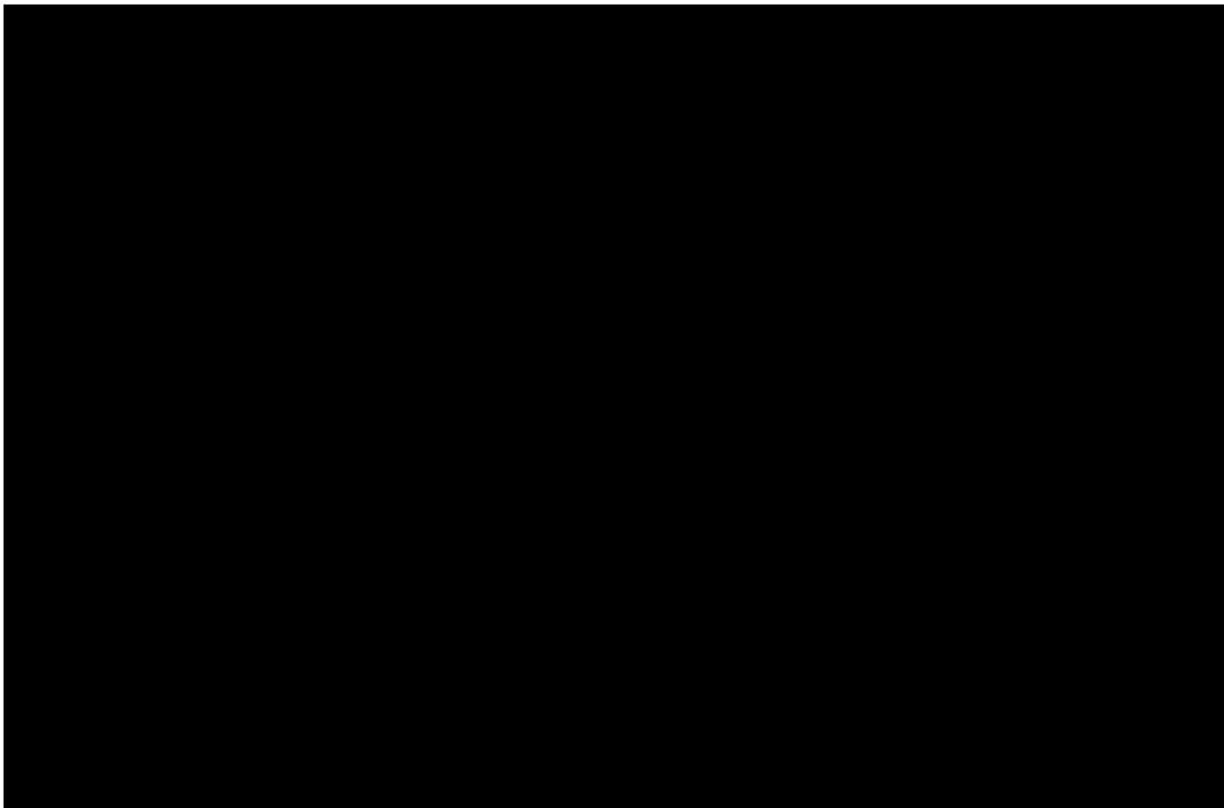
Our community-focused teams will build on existing knowledge and understanding of their local communities to ensure wider impacts are better understood. As an example, we recognise the importance of empathy across various customer service interactions and Phase 2 customer service training will take this further in both customer facing team interactions but also in understanding the impact on wider communities that we may have during operational works. Later this year we are evolving the focus of the customer services training team, bringing in experience from other industries and combining training with the Quality Assurance team, to provide a logical continuous improvement approach. This will ensure insights that the Quality Assurance team learn, are fed directly into training content.

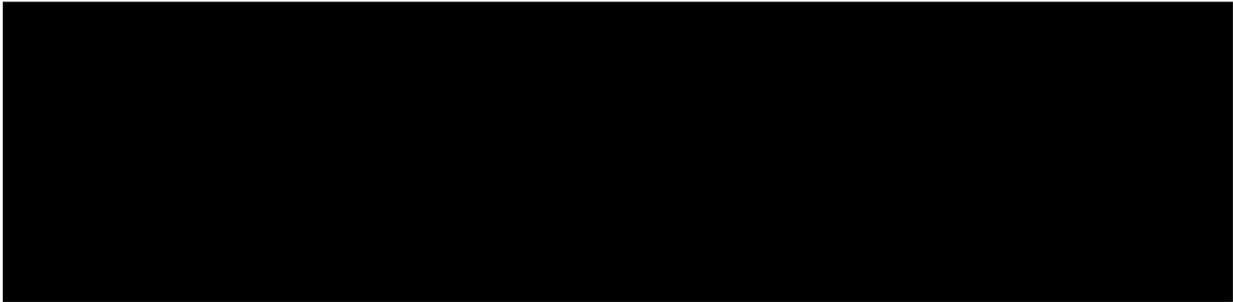
Resilience in the wider context for customer service includes effective management of future risks against likelihood and severity impacts and being more financial resilient from a cost to serve perspective. We continue to evaluate new initiatives against rigorous risk assessments and handle the delivery through current risk management processes.

## 7.13 False voids and gaps identification

### ***False voids and gaps identification***

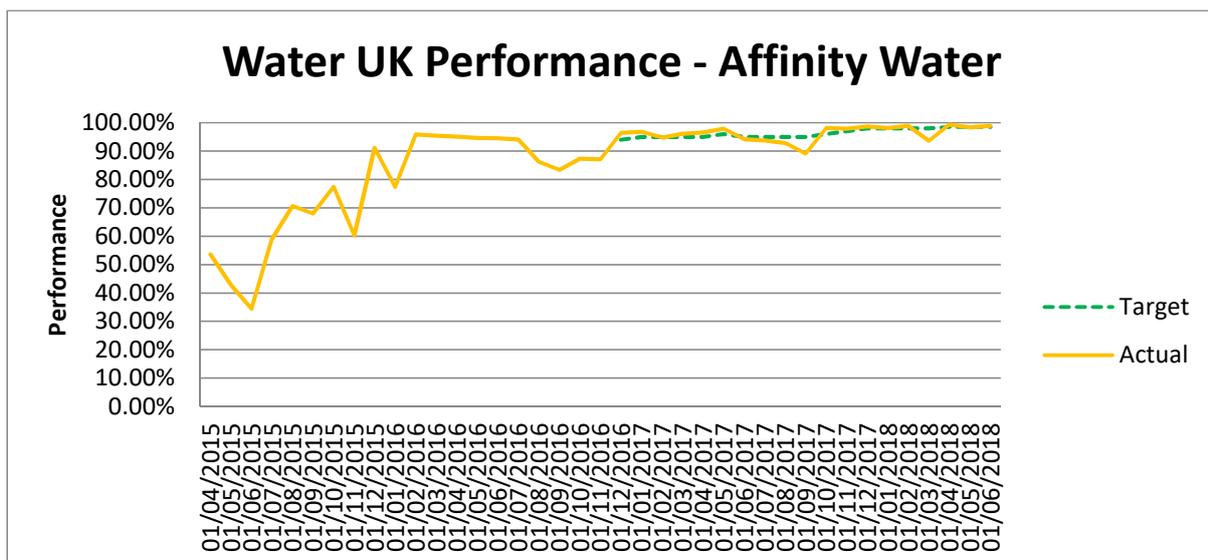
Using external and internal data we have been able to understand the potential level of false voids and build our strategy to reduce the level of customers using water without registering for our services.





## 7.14 Developer Service Performance

Developer Services performance within Affinity Water has historically been significantly below the expectations of our developer customers and regulatory bodies. During 2015-20 we committed to continuously look to improve our processes. We have therefore taken the opportunity presented by a period of significant change in regulation related to Developer Services to review and align our internal processes. Since April 2015, water and sewerage companies in England and Wales have been reporting on their levels of service (LoS) for developer customers in relation to a range of activities to support the provision of new infrastructure. Our approach to driving improvements in the LoS performance has led to a consistent upwards trend throughout AMP6 (see below chart).

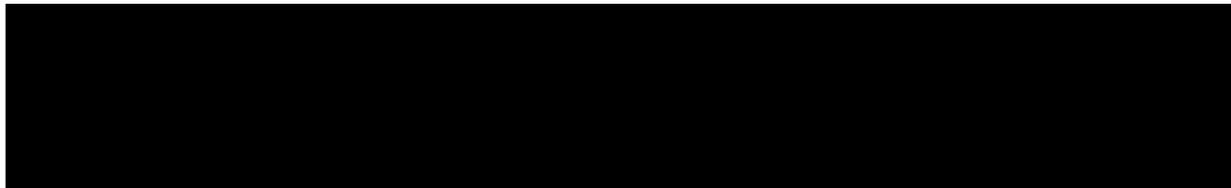


This has been achieved through completing awareness training of the LoS with our team, introducing stretch targets across all teams who directly impact our performance and set up jeopardy management tools to allow managers visibility of performance to resolve issues before targets are breached. Project Managers within the team have been assigned geographical areas, which created ownership, accountability and allowed performance management opportunities.



We have upgraded our I.T. infrastructure with the implementation of [REDACTED], which includes a developer-customer portal with significant benefits such as allowing the customer to self-serve, provides an easily accessible knowledge base (to answer FAQ's) and reduces paperwork. The Agent Desktop, another component of [REDACTED] allows for a consistent approach to data management, with access to advanced analytics and

visibility of key information for the delivery of an application and to enable more accurate business decisions. We continue to lead the industry with our on-line capability and foresee incredible self-serve benefits for our developer customers in the remainder of AMP6 and going into AMP7.



Going forward we will increase our focus on a customer centric Developer Services, which will be achieved by leveraging our enhanced data management capabilities to provide greater support and transparency. This will include building developer-customer surveys into [REDACTED] to enable us to act on any feedback we receive and to support our plans for the impending D-MeX mechanism.

## 7.15 Costs and benefits overview

### **Key affordability assistance measures & targets**

We propose to set the following 'Key Affordability Assistance Measures' targets to assess our performance over the AMP.

Description	Measure	Target AMP7
Reduction in Bad Debt £	£ write-off and provision	[REDACTED]
Customers paying via Affinity Water Standard Plan as %	% of all customers	[REDACTED]
Customer paying via Direct Debit as %	% of all customers	[REDACTED]
Customers in debt with a repayment plan	% of all customers in debt*	[REDACTED]

### **Cost to serve efficiency challenges**

The investment in improving customer service and in introducing new digital capability during AMP6 will have a significant impact on cost to serve during AMP7. Next AMP we will be reducing cost to serve within the customer service area through delivery of cost efficiencies across various areas including



- Reducing customer bad debt and debt management costs, by various initiatives covered in detail within the chapter and appendix
- Reducing bill print costs and increasing online support options
- Increasing the use of [REDACTED], for greater cost efficiency in back office tasks
- Further channel shift to digital and automation of customer journeys