

# **Citizens Advice response to CCW's Draft Strategy and Forward Work Programme 2024-25**

A Citizens Advice  
consultation response



**citizens  
advice**

Tom Brooke Bullard  
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# About us

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We can all face problems that seem complicated or intimidating. At Citizens Advice we believe no one should have to face these problems without good quality, independent advice. We give people the knowledge and the confidence they need to find their way forward - whoever they are, and whatever their problem.

We provide support in approximately 2,500 locations across England and Wales with over 18,000 volunteers and 8,650 staff. Through our advocacy work we aim to improve the policies and practices that affect people's lives. No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today.

As the statutory consumer watchdog for the energy and post industries we have an important role to play in shining a spotlight on the problems consumers encounter, providing solutions to these problems and ensuring their voices are heard when important decisions are made about the future of these essential markets.

# Our response

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## Introduction

Citizens Advice welcomes the opportunity to respond to CCW's draft strategy and forward work plan. As the statutory consumer advocate for energy consumers, we note that consumers face many similar challenges in both the energy and water sectors. It's more than 2 years since the start of the cost of living crisis which rapidly increased the numbers of people in Great Britain who can't afford their essentials. While inflation levels have fallen from their peak, the evidence is clear that huge numbers of people are still struggling. A priority going forward will need to be finding sustainable solutions to make bills affordable across different markets.

As we transition to net zero, this will require greater investment in infrastructure across the energy system. Mirroring CCW's work, a priority for Citizens Advice is ensuring that this investment is made in a way that offers good value for consumers.<sup>1</sup> This transition will also depend on behavioural changes from consumers, including adoption of new technologies and engaging with novel services, which is undermined by strong consumer distrust in the energy market. Like CCW, we are working to improve performance and transparency in customer services, drawing on the data and research we have available to us.

Going forward Citizens Advice look forward to sharing relevant insights with CCW as we progress towards our shared goals.

## A trusted water sector

### Guaranteed standards scheme

We support CCW's work to increase the minimum Guaranteed Standard payments for service for customers on things like supply interruption and sewer flooding and to see new standards put in place.

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<sup>1</sup> Citizens Advice (2024) [Consultation on our Draft Consumer Workplan for 2024-25](#)

Data from our service suggests that water and sewerage issues are an increasing problem. In 2023 our local offices saw a more than 50% increase in the number of people with issues relating to water and sewerage compared to 2021.<sup>2</sup> This is at the same time as we're seeing a marked increase in consumer issues across other essential services. In 2023 our local offices helped over 161,000 people with energy issues, compared to over 149,000 in 2022 and over 46,000 in 2020.<sup>3</sup> Our consumer service energy helpline helped people with over 103,000 issues in 2023, compared to 89,000 in 2022 and 49,000 in 2020.<sup>4</sup>

Improved Guaranteed Standards for consumers across the water sector and increased payments are an important step to improving the consumer experience. However, improvements in customer service and the way water companies deal with complaints are also an important part of the problem. That's why we're pleased to see CCW focus on complaint handling standards in your reporting, and your focus on transparency of performance as discussed in the work plan.<sup>5</sup>

## **Transparency of performance**

We support CCW's Alternative Dispute Resolution (ADR) process as a tool to support people with ongoing and complex problems with their water supplier. We understand that the change will mean that customers will no longer need to go to a separate adjudicator if a resolution can be found at an earlier stage. In principle this should mean that the process is easier to follow and should reduce the time it takes to resolve a complaint.

Given that CCW adopted the ADR Scheme in December 2023, the scheme is in its early stages. We support the decision for CCW to review early progress and make improvements where necessary, and encourage CCW to make these learnings public where possible.

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<sup>2</sup> In 2023 advisors in our local offices helped 5,435 people with issues relating to water and sewerage, a 51% increase on the 3,595 people we helped in 2021. This figure excludes water and sewerage debts, billing and metering issues, and affordability problems (including Watersure, and the PRS)

<sup>3</sup> Citizens Advice (2024) [Citizen Advice - Clients by issue 2022](#)

<sup>4</sup> Citizens Advice (2024) [Consumer Advice Trends January 2024](#)

<sup>5</sup> Consumer Council for Water (2023) [Household customer complaints report 2023](#)

## **Customer-focused culture**

We support the decision to develop an incident assessment framework including company culture and a process for best practice, and look forward to results from the pilot scheme after its launch in Autumn 2024. The decision for CCW to be transparent about its own performance on people and culture is a step in the right direction towards encouraging water companies to do the same.

## **Improved customer service**

Regular monitoring of supplier performance is one way that CCW can improve customer service across the water industry. This can help to provide customers with information and support to help them make informed decisions, and identify problems and shortcomings through root cause analysis. CCW's annual reports which compare complaint handling standards across water companies provide a good example of how this can be achieved.

As the statutory consumer advocate for energy, Citizens Advice regularly monitors the performance of energy suppliers, drawing on evidence from our Energy Consumer Service, web advice and Local Citizens Advice offices. Through this we are able to identify emerging issues, and work with suppliers and/or Ofgem to put them right. Utilising our statutory powers, we also request data from suppliers and the Energy Ombudsman to deepen our understanding of supplier performance.<sup>6</sup>

One way that we provide customers with the information and support to help them to make informed decisions is through our energy supplier star rating.<sup>7</sup> The rating is available on our website, to help consumers to make informed decisions based on suppliers, including on complaints, billing and customer service. We also publish historic and market level data. Citizens Advice also regularly publishes research to better understand the problems facing consumers in the energy market on our website.<sup>8</sup> We would be happy to share our insights with CCW where useful and relevant.

## **Fair and affordable bills**

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<sup>6</sup> Citizens Advice (2020) [How We Monitor Energy Suppliers](#)

<sup>7</sup> Citizens Advice (2024) [Compare energy suppliers' customer service](#)

<sup>8</sup> Citizens Advice (2024) [Energy Policy Research](#)

## End water poverty

Citizens Advice supports CCW's commitment to work with water companies to ensure that their plans are in line with the Water UK commitment to end water poverty by 2030. We note that this is an ambitious target, particularly in the context of current trends. A survey commissioned by Ofwat last year found that nearly one in four (23%) of bill payers were struggling to pay their energy bills last year<sup>9</sup>. In 2023, Advisors in local Citizens Advice offices helped more than 38,000 people with water debts, a 21% increase on the 31,000 we helped in 2021<sup>10</sup>.

The enduring affordability crisis is apparent across essential services. In energy, polling commissioned by Citizens Advice in December 2022 found that more than 3 million people had been disconnected from their energy in the past year because they could not afford to top up their prepayment meter<sup>11</sup>. Energy debt is now the most common type of debt we provide advice on, with our advisors helping double the number in 2023 than we did 2020<sup>12</sup>.

Despite a fall in prices from their peak, energy prices remain 40% above 2021 levels, while a fall in support through the benefits system means that many lower income households will have less disposable income in the future. The need for extra support is likely to endure over the coming years, and current policies are not well designed to respond. In January we published 'Shock Proof', which looked at the policy options available to address bill affordability in a sustainable way in the medium and longer term. We have advocated using the existing Warm Home Discount scheme to expand support to more low income households, at a level that is tailored to their energy needs<sup>13</sup>.

Yet we know that the enduring crisis of affordability is not limited to energy, which is why it's good news that CCW aims to focus on tariffs that work for consumers. At Citizens Advice we are seeing record numbers of people using our services. Our research has found that 4 million people cancelled insurance,

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<sup>9</sup> Ofwat (2023) [Only 3 in 10 customers aware of financial support available from their water company](#)

<sup>10</sup> Citizens Advice (2024) [Citizen Advice - Clients by issue 2022](#)

<sup>11</sup> Citizens Advice (2024) [Shock Proof: Breaking the cycle of winter energy crises](#)

<sup>12</sup> Citizens Advice (2024) [Shock Proof: Breaking the cycle of winter energy crises](#)

<sup>13</sup> Ofwat (2023) [Only 3 in 10 customers aware of financial support available from their water company](#)

mobile or broadband in 2022, due to cost of living pressures<sup>14</sup>. This is why Citizens Advice are developing a project focussing on targeted support in the form of social tariffs, across a number of markets. The work will aim to understand the need for, impact of, and costs involved with targeted support across different markets. We welcome the opportunity to share insight as we develop this work further.

Achieving the ambitious goal of ending water poverty by 2030 will depend on a sustained and coordinated effort across industry and government. We hope to see more detail on how CCW aims to support this effort in the coming years.

### **Value from the price review**

We agree with the CCW's assertion that consumers should not have to choose between affordable bills and investment in improving services. The CCW's plan to use the Price Review process to test all water companies draft determinations will be an important step towards this.

As the statutory consumer advocate for energy consumers, Citizens Advice are working to ensure that sustainable investment is achieved in a way that is cost effective for consumers. This includes scrutinising arrangements for funding and delivering new infrastructure, and engaging with the process of setting new price controls for Transmission and Gas Distribution. We are also working to put consumers at the heart of plans for delivering net zero at a local level, by working with all the parties involved. We look forward to sharing these insights with CCW as we work towards our shared goal of providing cost-effective investment in our respective sectors.

### **Improved overall offer of support**

We agree with CCW's intention to carry out a review of the Watersure scheme.

### **Customers making full use of the support available**

With increasing numbers of people struggling to afford household bills, it is essential that people are aware of the support available to them. This is the case in energy as in water. A survey commissioned by Ofwat in 2023 found that the percentage of customers aware that financial help is available to them stood at

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<sup>14</sup> Citizens Advice (2023) [Nowhere left to cut back](#)

just 30%<sup>15</sup>. Therefore, CCW's goal of increasing this figure to 50% by the summer of 2025 is an ambitious one. We welcome further detail on the plans to achieve this important aim.

## **Resilient water services**

### **Consumer behaviour change**

Effective behavioural change has the potential to have a significant impact on increasing the efficiency of water consumption in the UK. In progressing towards our net zero goals, energy consumers will need to make significant changes to the way they use energy, including engaging with new products and services. Giving people the confidence to make home changes, and to change the way they use energy, will require significant changes. It will depend on: high quality information and advice, robust and simple consumer protections, and access to the right financial support. You can read more about the steps that we think will be needed to support people on our website.<sup>16</sup>

While the specifics of consumer behavioural change in the water sector are different, we encourage CCW to also think about what supportive advice, regulatory reform and financial support are needed to give people the confidence to make the changes necessary to use water more efficiently.

### **Better incident management**

We support CCW's goals of piloting in-depth incident assessments into water companies, and working with Ofwat to act on and share the insight gained from joint research in this area. We don't have anything to add on this topic at this stage.

### **Acting on customer priorities**

We support CCW's commitment to make insights from environmental performance data and public research more available to government and regulators to increase the consumer voice in decision making. As the statutory consumer advocate for energy, Citizens Advice regularly monitors the performance of energy suppliers, drawing on evidence from our Energy Consumer Service and Local Offices. We also commission bespoke research to

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<sup>15</sup>Ofwat (2023) [Only 3 in 10 customers aware of financial support available from their water company](#)

<sup>16</sup> Citizens Advice (2024) [Net Zero Consumer Protections](#)



support our aim of increasing the consumer voice and influencing decision-making in energy. You can find more information on how we use data on our website<sup>17</sup>, alongside our latest policy reports and research<sup>18</sup>. We would be happy to share any specific insights with CCW, and to work with you going forward to share experience and expertise.

Any questions on the above consultation response please feel free to contact us.

Yours faithfully,

Tom Brooke Bullard

Senior Policy Researcher

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<sup>17</sup> Citizens Advice (2020) [How We Monitor Energy Suppliers](#)

<sup>18</sup> Citizens Advice (2024) [Energy Policy Research](#)

# Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

**[citizensadvice.org.uk](https://citizensadvice.org.uk)**



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