

Ofwat Customer Billing Research 2024/2025

Response from Portsmouth Water

This document outlines Portsmouth Water's response to Ofwat's billing research in 2024 and 2025, which requires a forward plan to be published by the company by 1 April 2026.

1 April 2026

Section 1

Portsmouth Water working with our customers

At Portsmouth Water, we put customers at the heart of everything we do. We're committed to understanding and meeting customer needs, continually refining our customer journeys, strengthening our communications, and deepening our engagement with the communities we serve.

This customer centred approach is reflected in our upper quartile C-MeX performance, where we are currently ranked second nationally, a powerful signal that our efforts are delivering meaningful results for our customers.

To ensure that we continue to improve, we have focused on gaining both customer and stakeholder feedback, at both a strategic and service delivery level. This helps us to use insight to drive that continuous improvement.



Ofwat view



2.1 Background

Ofwat has undertaken research to understand customer experiences when interacting with us, particularly when issues arise that require support or resolution. Billing interactions remain one of the most common reasons for customers contacting their water company and therefore form a critical part of the overall customer experience.

To gain deeper insight into customers' experiences of billing journeys, Ofwat commissioned research in 2024 with customers who had recently contacted us about a billing issue. The research explored the types of issues customers experience, the impact those issues have on them, and how effectively we respond to and resolve those concerns.

The research was undertaken in two stages:

| Stage 1 | Stage 2 |
|-------------|-------------|
| Winter 2024 | Spring 2025 |

Customers from Portsmouth Water participated in Stage 1 of Ofwat's billing journeys research. In total, 51 customers completed the survey, with 9 customers participating in the qualitative online community and 1 taking part in a depth interview.

Whilst the results are not statistically significant it provides valuable insight and triangulation to Portsmouth Water's own research and insights.

2.2 Ofwat expectations of water companies

Ofwat has made clear that the purpose of this research is not only to improve understanding of customer experiences, but also to ensure that water companies learn from the findings and take steps to improve billing journeys where necessary.

It expects water companies to review the research findings carefully and consider how their current processes and customer journeys compare with the experiences identified in the study. Where opportunities for improvement are identified, companies are expected to develop and implement actions to strengthen the customer experience.

Ofwat has asked water companies to publish, by 1 April 2026, its plans to develop billing journey action plans which set out:

- how the company has considered the findings of the research
- what improvements have already been implemented that address the issues identified
- what additional actions the company intends to take to further improve the customer experience.

2.3 Regulatory context

Ofwat's expectations in this area are closely linked to the customer-focused licence condition, which requires water companies to place customers at the centre of their decision making and continuously improve the services they provide. Under this framework, companies are expected to:

- learn from customer experiences and feedback
- identify areas where customers may experience harm
- take proactive steps to improve services and prevent those harms from occurring in the future.

Our response and plan

Portsmouth Water welcomes the opportunity to review the findings from Ofwat’s billing journeys research and to consider how the insights can help further strengthen the customer experience.

Portsmouth Water is one of the most consistent performers amongst the water companies in delivering a positive customer experience. We have never fallen out of upper quartile performance, and have twice been ranked first amongst our peers. We are also high performing in Consumer Council for Water (CCW) complaints measures.

The company has reviewed the research findings alongside:

- existing Portsmouth Water customer insight
- research and feedback from CCW
- our vulnerability strategy and affordability approach
- operational performance and complaints data.

This document therefore sets out Portsmouth Water’s response to the key themes identified through Ofwat’s research. It explains:



We are pleased that overall, across our customer base we remain a higher performer than the industry. We have continued to focus on improvements in our customer journeys and technology, and this is helping to maintain the strong performance which is validated in

this research. There are always more improvements to make and this plan is reflective of only part of our wider improvements we are making as an organisation.

3.1 General findings and areas for improvement

Water companies should review their response to enquiries where satisfaction is weaker to identify opportunities to strengthen customer support and address any barriers to resolution. Satisfaction is weaker for these issues for both communication and action, showing there are opportunities to improve both customer-facing communications and processes behind the scenes to lead to more positive resolutions.

Water companies are managing some issues better than others, based on evidence of significant differences in satisfaction with action, communication and resolution, depending on the type of issue raised. Customers are more satisfied with the response to issues related to payment methods and general requests for support. They are less satisfied with the response to issues related to debt repayment or non-payment, perceived mistakes in billing, and issues related to metering.

Key Finding 1

Over a third of Portsmouth Water respondents say they saw high or very high impacts.

Payment method problems are the most reported billing issue for Portsmouth Water participants. However, more participants describe their issue as having a 'low impact', compared with other water companies on average at this stage. When it comes to impacts, Portsmouth Water is one of the best performers of the companies included in Stage 1 of the research.

Key Finding 2

Customers often have fewer interactions with Portsmouth Water and feel their issue is understood.

A higher-than-average proportion of Portsmouth Water customers agree that the company understood their billing issue and reason for contacting them. However, they would like clearer communications with the steps Portsmouth Water are going to take to resolve the issue, including updates.



Key Finding 3

Customers are generally satisfied with Portsmouth Water's action.

A higher number of Portsmouth Water participants report receiving a satisfactory outcome for their billing issue, compared with the average of companies at Stage 1 – with relatively few escalating the issue to CCW. Qualitative participants would like to see Portsmouth Water being more proactive with resolving their issues including what action has been taken and the outcome as this is a key frustration felt by customers.

Our review of this has identified the following:

- a) With high bills on analogue meters, we may be spending too much time attempting to engage with customers
- b) We need to ensure our customer journeys work for both our analogue and smart meter customers
- c) We need to use our technology even more to support these processes.



| Activity being addressed | Improvements | When it will be completed |
|---|--|---------------------------|
| Holding bills – Customers do not want their bills held for investigation for too long as it hides potential problems such as high usage or leaks. | <ul style="list-style-type: none"> In early 2026 we heightened the priority of this work to ensure that any investigation work is undertaken early allowing any high bills to be sent earlier | Completed |
| | <ul style="list-style-type: none"> Create a specialist leak team as part of a newly established Demand Reduction Function in our Customer Service Directorate | Completed |
| | <ul style="list-style-type: none"> Implementation of automated leakage alarms and notifications for Smart Meter customers | June 2026 |
| | <ul style="list-style-type: none"> Complete a full review of the CRM and billing processes (integrity checks) | September 2026 |
| | <ul style="list-style-type: none"> Development of support available to customers to identify location of internal leaks and partnerships to help with fixing internal leaks | December 2026 |
| | <ul style="list-style-type: none"> Develop our digital journeys to support billing events, including where bills are held. | April 2027 |
| Opportunities to improve customer-facing communications | <ul style="list-style-type: none"> Enhance our communications team structure and roles to support the new business needs around digital | Completed |
| | <ul style="list-style-type: none"> Implement improved communications relating to leaks prior to bills for customers with smart meters | September 2026 |
| | <ul style="list-style-type: none"> Implement improved communications relating to high consumption for customers with smart meters prior to bills (through our lowest bill promise communications) | April 2026 |
| | <ul style="list-style-type: none"> Enhancement of our digital journeys to provide customers with clear actions. | April 2027 |
| Payment Methods | <ul style="list-style-type: none"> Improve payment frequency offerings such as four weekly payments | Completed |
| | <ul style="list-style-type: none"> Develop payment channels to reflect new methods such as Apple Pay and Open Banking. | April 2027 |

3.2 General identification of impacts on customers in vulnerable circumstances

Water companies should take a proactive approach to avoid billing issues arising in the first place. They should ensure they deliver reasonable adjustments requested by customers in vulnerable circumstances, such as those with cognitive or learning disabilities. When issues do arise, they could reduce their impact through early detection.

Whilst this is a general water company issue identified through this research, it was not specifically a challenge for Portsmouth Water. We continue to deliver improvements in this important area through our vulnerability strategy, which sets out a high-level roadmap over the next four years and we have outlined below a number of relevant action points:

| Activity being addressed | Improvements | When it will be completed |
|---|---|---------------------------|
| Deliver reasonable adjustments requested by vulnerable customers | <ul style="list-style-type: none"> Work with local stakeholders to maintain a view on how our services can be improved – delivered through our Independent Challenge Group Subgroup | Ongoing |
| | <ul style="list-style-type: none"> Continued research with our vulnerability stakeholders to understand any friction in our customer journeys | Ongoing |
| | <ul style="list-style-type: none"> Support vulnerable customers who are experiencing leaks with free leak repair and general support | April 2026 |
| | <ul style="list-style-type: none"> Implementation of ISO:22458 Consumer Vulnerability Standard | March 2027 |
| | <ul style="list-style-type: none"> Digital portal and app achieving WCAG 2.2 'AA' Accreditation. | March 2027 |
| Reduce impacts through early detection in processes | <ul style="list-style-type: none"> Recruitment of a Vulnerability Lead who will work with the organisation to embed new vulnerability processes and approaches | July 2026 |
| | <ul style="list-style-type: none"> Embed vulnerability activity into our Smart Metering customer journeys. | Ongoing |
| Take an inclusive approach to customer enquiries and presume on first contact that the customer may be vulnerable | <ul style="list-style-type: none"> Deliver further training and support to our teams to enable us to provide improved customer support and understanding around life transition and mental health conditions | Ongoing |
| | <ul style="list-style-type: none"> Improved identification of vulnerable customers across all customer-facing departments | October 2026 |
| | <ul style="list-style-type: none"> Improvements in our credit management processes including improving vulnerability identification. | October 2026 |

3.3 General findings and areas for improvement across the customer Journey

The research across all water companies identified some improvements that could be made around transparency in communications when companies respond to customer issues and explain their complaints processes.

In general our customers require fewer interactions with us to fix issues and they feel their issues are understood. However, they would like for us to be clearer in our responses.

| Activity being addressed | Improvements | When it will be completed |
|---|--|---------------------------|
| Ensure communications are quick and proactive with a speedy initial response | <ul style="list-style-type: none"> We have already reorganised our Customer Service teams to work alongside our enhanced CRM technology and operational model to maximise benefits | Completed |
| | <ul style="list-style-type: none"> Trial of a voice AI agent, which is reducing wait times and enabling our teams to focus on handling more complex queries | Completed |
| | <ul style="list-style-type: none"> Implementation of voice AI agent as a permanent contact channel for customers | December 2026 |
| | <ul style="list-style-type: none"> Improvements in our Customer Service forecasting and scheduling capabilities | Completed |
| | <ul style="list-style-type: none"> Consider how implementation of our enhanced smart meter data, AI and CRM platform enables us to be more proactive in identifying customer problems or dissatisfaction enabling a quicker response. | June 2027 |
| Provide clear communications and regular updates | <ul style="list-style-type: none"> Full review of existing customer communication wording and redrafting to include next steps and time frames | December 2026 |
| | <ul style="list-style-type: none"> Plan for how digital platforms can enable regular updates. | March 2027 |
| Ensure customers are aware of their rights if they wish to make a complaint | <ul style="list-style-type: none"> Refresher training to be delivered to teams on how customers can complain, linked with how we can deliver first time resolution where possible | December 2026 |
| | <ul style="list-style-type: none"> Review of all signposting to our complaints procedure | June 2026 |
| Keep customers clearly up to date with status and stage of the complaints process | <ul style="list-style-type: none"> Ensure future website development enables customers to understand their rights through information being easily accessible and clear communication. | April 2027 |
| | <ul style="list-style-type: none"> Implement a Complaints and Improvement Manager to support better management of our complaints at all stages ensuring consistency of approach. | Completed |

Continuing to deliver excellent customer outcomes

Portsmouth Water remains committed to delivering a consistently high standard of service for our customers and to maintaining our position as one of the leading performers in the sector for customer experience. In recent years the company has achieved strong results across a range of customer measures, including Ofwat's Customer Measure of Experience (C-MeX) and independent assessments of complaints handling. These results reflect the dedication of our colleagues and the strong focus placed across the organisation on understanding and responding to customer needs.

While these results demonstrate strong performance, we recognise that maintaining high standards requires continuous improvement. Customer expectations continue to evolve, and the company remains committed to learning from all available evidence, including sector-wide research such as Ofwat's billing journeys study and insights from the Consumer Council for Water and other stakeholders.

The findings from this research provide valuable insights into how billing journeys can be improved across the sector. Portsmouth Water welcomes these insights and will continue to use them, alongside our own customer insight and operational experience, to inform the further development of our services. Through the actions outlined in this document, we will continue to strengthen the clarity of billing communications, enhance proactive customer support and ensure that customers receive timely and effective assistance when issues arise.

In doing so, Portsmouth Water is committed to meeting the expectations of the customer-focused licence condition by placing customers at the centre of decision making and ensuring that the services we provide continue to evolve in response to customer feedback and emerging evidence. By combining strong existing performance with a continued focus on improvement and learning from industry best practice, Portsmouth Water aims to ensure that our customers continue to receive the high levels of service they expect and deserve.



