



Making better use of data: identifying customers in vulnerable situations

A report for water and energy companies
October 2017



Making a positive difference
for energy consumers



Summary

Making better use of data:
identifying customers in vulnerable situations

We are living in an increasingly technologically driven, data rich and digital world. Across different sectors, we see companies using intelligence and insight to better serve customers through more tailored customer experiences and personalised products and services. This presents an opportunity for companies in regulated sectors to use data to better identify and improve the experience of customers who are in vulnerable circumstances.

The drivers of customer vulnerability are many and varied – they can be static or transient and affect anyone at any point in time. While as a society our understanding of vulnerability is developing, identifying customers in vulnerable circumstances can be challenging. To respond to this challenge, companies need to use all tools at their disposal. This is especially important in the water and energy sectors which provide essential services on which all households depend.

In this report, Ofwat and Ofgem, through the UK Regulators Network (UKRN), have explored the potential for companies to work more collaboratively across the

water and energy sectors to make better use of non-financial data to identify and support customers who may be vulnerable.

We shine a light on the various ways that companies across the two sectors are already working together to better identify customers, but we think cross-sector data sharing has the potential to improve the effectiveness, and the efficiency of these approaches.

Water and energy companies offer non-financial support services through Special Assistance Registers, or SARs, and Priority Services Registers, or PSRs, respectively. If a customer needs non-financial support from their water company, for example, a large print bill or support to read a meter due to mobility restrictions, it is very likely they will need the same support from their energy company and vice versa.

The similarities in support offered between the two schemes present a useful starting point to explore the sharing of vulnerability data across the two sectors and to



ensure customers receive the support they are entitled to. We present principles for effective sharing of non-financial vulnerability data, based on building customer confidence and effective company collaboration.

We set out expectations for companies to take this work forward and deliver better outcomes for customers through better use of data, and state how we as regulators will contribute to and monitor developments.

Expectations: How we want water and energy companies to move forward

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This report represents an important step on the journey towards an improved experience for customers in vulnerable circumstances. We are setting out our expectations for the water and energy sectors to make better use of data, including how we think data sharing can help to achieve this. While we are not being prescriptive about the practical implementation of data sharing, we want companies to work together to move towards this.

In the energy sector, the Energy Networks Association worked with network operators, suppliers and other parties such as charitable bodies to establish the [Safeguarding Customers Working Group](#) (SCWG). The group works collaboratively towards improving outcomes for consumers in vulnerable circumstances, including leading the reform of vulnerability data recording and sharing arrangements across the sector. We are encouraged to see that a co-ordinated approach between water and energy companies towards delivering cross-sector vulnerability data sharing has already commenced, building on the foundations laid by the SCWG. A joint working group has been established by Water UK and the Energy Network Association with participation from both water companies and members of the Safeguarding Customers Working Group. Both Ofwat and Ofgem strongly support this voluntary initiative and will contribute to and encourage the group as it makes progress.

To ensure transparency and timely progress of their work plan, the **working group will report quarterly to Ofwat and Ofgem jointly as part of UKRN**, with the first report in January 2018. We understand that as part of this work, two of the companies (United Utilities and Electricity North-West) will be launching a pilot vulnerability data-sharing programme in their region, with the aim of sharing live data by January 2018. Ofwat and Ofgem can see real benefits in this piloting approach, and we will track outcomes through the quarterly reporting.

Separately **in spring 2018, Ofwat and Ofgem will ask individual companies to demonstrate how** they are continuing to work together to upscale and expand on the existing **cross-sector work to identify customers in vulnerable circumstances**. Examples are set out in Section 3 of this report.

To help retain momentum and highlight any further actions needed, **Ofgem and Ofwat, through the UKRN, will produce a follow-up paper updating on progress across the two sectors in autumn 2018**.

As part of the UKRN vulnerability network we will continue to share learnings in this area and consider the potential for greater collaboration across sectors.

We want this report to pave the way for greater future collaboration, not only between water and energy companies but also in other sectors where companies can learn from each other's work. Equally, while this report focuses only on non-financial vulnerability data sharing between the water and energy sectors, there may be future potential for this work to go further and be expanded to include financial vulnerability data sharing. To that end, we will be engaging with other regulators within the UKRN membership to help identify lessons they can take away from our existing body of work.

We are encouraged to see that a co-ordinated approach between water and energy companies towards delivering cross-sector vulnerability data sharing has already commenced

This report is split into three sections. We have also supplemented this report with [three appendices](#) which provide more information on our research and engagement.

Section 1

Context and background

This section sets out our expectations for how customers in vulnerable circumstances can be better served by companies who are working collaboratively and making better use of data. We highlight the increasing focus on collaborative working and the better use of data across the policy and regulatory landscape, and the evolution of the legal framework around data access and protection which is of particular relevance in this context.

Section 2

Facilitating the effective sharing of non-financial vulnerability data

In this section, we present a set of principles to facilitate non-financial vulnerability data sharing based around building customer confidence and effective company collaboration.

Section 3

Highlighting how companies are already working collaboratively to identify customers in vulnerable circumstances

The final section of this report highlights how collaborative data-based initiatives are already being pursued by some water and energy companies and other organisations. We include this section to promote learning for all companies with an expectation that these will develop and be adopted more widely where beneficial for customers.

The UK Regulators Network

The UK Regulators Network (UKRN) is a member organisation formed of 12 of the UK's sectoral regulators. The UKRN was established in 2014 to provide the structure for regulators to consider common challenges and opportunities with relevance across the financial, communications, utilities, transport and legal sectors. Since its formation, we have developed strong links with each other and encouraged a culture of collaboration and learning, which combines our strengths and assists us in delivering our statutory duties to the benefit of consumers and the economy. For more information please visit www.ukrn.org.uk. Contributors to this document have included Ofwat and Ofgem. The FCA, Ofcom, and the Utility Regulator have been involved as observers.

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Section 1: Context and background

Vulnerability support through a customer lens

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Customers in vulnerable circumstances should expect a seamless, stress-free experience from their utility company. Well-trained staff, who are knowledgeable, empathetic and able to react appropriately, will ensure that customer interactions are of high quality, that their needs are swiftly and efficiently met and that support is effective and tailored to the customer's needs. This will help limit the need for customers to have the same, potentially stressful, conversation regarding their vulnerable circumstance on repeated occasions.

Customers in vulnerable situations should be able to easily access the support available to them and customers should benefit from progress and innovation in how they are supported.

Vulnerability is an issue we are challenging companies to do more to address. We think there is scope for water and energy to work more closely together, pooling their knowledge and insight, to better support customers. We envision a future where greater cross sector collaboration and better use of customer data can improve the experience of customers who may be vulnerable through more targeted identification, better quality interactions and more varied ways in how customers are supported.

We think there is scope for water and energy to work more closely together, pooling their knowledge and insight, to better support customers

What are free, non-financial support services?

- **Bills and other literature** in accessible formats such as large print or braille.
- **Advance warning of supply interruptions** and planned power cuts so customers can plan ahead if they have specific medical needs.
- **Priority support in an emergency**, for example, priority bottled water or alternative heating and cooking facilities in the event of supply interruption.
- **Doorstep identification schemes** for engineers that need to visit a customer's property for a meter read, for example, to help protect against bogus callers.
- **Moving a customer's meter** if it is difficult to reach and read.
- **Nominee scheme** which allows customers to ask their supplier **to send communications** such as account statements or bills **to a nominated person a family member or carer**.

The scale of vulnerability in the UK

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Vulnerability is an issue that shows no sign of abating. In their industry review of water company [Special Assistance Schemes](#), the Consumer Council for Water (CCWater) highlighted the **current scale of vulnerability** in the UK, and therefore the challenge facing companies.

There are almost **two million** people in the UK living with **sight loss**¹

There are more than **11 million** people in the UK with some form of **hearing loss**, one in six of the population²

10% of the population is **dyslexic**; 4% severely so³

1 in 4 people in England will experience a mental health problem in any given year⁴

There are more than **13.3 million disabled** people in the UK⁵

Companies who want to build customer confidence must recognise the importance of action in this area and must also consider **future vulnerability trends**. Improving support for vulnerable customers today will put them in a better place to help the potentially increased number of vulnerable customers tomorrow.

There are now an estimated **2.5 million** people living with **cancer** in the UK, rising to 4 million by 2030⁶

By 2030, it is estimated that there will be approximately **two million more** adults in the UK with **mental health** problems than there were in 2013⁷

Ageing population – by 2040, nearly **one in four** people in the UK (24.2%) will be aged 65 or over⁸

If current trends continue and no action is taken, the number of people with **dementia** in the UK is forecast to increase to **1,142,677 by 2025** and 2,092,945 by 2051, an increase of 40% over the next 12 years and of 156% over the next 38 years⁹

There are **6.5 million** people in the UK with **caring** responsibilities. This is estimated to reach 9 million by 2037¹⁰

1. Royal National Institute of Blind People (RNIB)
2. Age UK
3. British Dyslexia Association (BDA)
4. Mind

5. Department for Work and Pensions, UK Government
6. Macmillan
7. Mental Health Network NHS Confederation
8. ONS

9. Alzheimer's Society
10. Carers UK

* Please see appendices for references

Working together to identify and support vulnerable customers: The current landscape

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As companies and other organisations develop and deepen their understanding of vulnerability issues, one common thread keeps arising – the need for greater collaboration, to better support customers. We are seeing the foundations for this being laid through actions by Government and regulators.

The Digital Economy Act 2017 enables the Government to share data with water and energy companies, and vice versa, to identify customers entitled to financial support with their bills.

Ofwat has set companies the challenge of [using data](#) more collaboratively to identify and support customers in vulnerable circumstances, building on the principles of effective use of data and partnership working set out in our [Vulnerability focus report](#). This will form part of assessment of companies' business plans during the [2019 price review](#).

Ofgem challenged energy companies to make better use of vulnerability data as part of its reform of Priority Services Register arrangements in 2014, and energy companies are updating vulnerability data recording and sharing arrangements to improve data consistency and increase sharing within the sector. Ofgem also introduced a [vulnerability principle](#) into the supply license conditions in August 2017, placing obligations on suppliers to have specific arrangements in place in all of their dealings with customers in vulnerable circumstances.

The **UKRN** has published and promoted via consumer organisations and media coverage, its customer-facing essential services [accessibility leaflet](#) highlighting the free range of non-financial support services customers can access across regulated sectors. The **UKRN Vulnerability Network** has been established to facilitate collaboration and information sharing between regulators on vulnerability issues.

The **National Audit Office's** April 2017 report '[Vulnerable consumers in regulated industries](#)' called for regulators, Government departments and companies to work more closely together to improve outcomes for vulnerable customers, with a specific focus on better data usage. The NAO recommended we collectively explore options to:

“enhance data-sharing that would allow better identification of, and support for, customers in long-term or permanent vulnerable circumstances. In particular, continue to explore proposals for firms to securely share information about customers who need specialist support”.

Northern Ireland's Utility Regulator is currently [consulting](#) on requiring the NI Water company and electricity network operator to share non-financial vulnerability data. Using the 'tell them once principle', this should allow customers eligible to register for NI electricity networks care register, at the point of registration, to also be included on the NI water care register. The Utility Regulator has also made a wider set of proposals which include a common naming convention for care, setting up an annual industry forum to monitor progress and encouraging the companies to work with community and voluntary organisations.

Data access and protection: An evolving picture

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We are publishing this report against the backdrop of a rapidly evolving landscape and legal framework for the governance of data access and protection in the UK.

The concept of 'big data', the rollout of smart metering in both the energy and water sectors, the evolution of the midata programme, and the emergence of machine learning, blockchain and AI technology are just some of the ground-breaking developments that are transforming the data landscape.

Meanwhile the [General Data Protection Regulation](#) (GDPR) will take effect in May 2018, replacing the [Data Protection Act 1998](#) (DPA) and bringing data protection in line with the digital age we now live in. The introduction of the GDPR presents an opportunity for customers to take a greater share in the benefits of more effective and

transparent data usage. For example, enhanced data portability requirements are intended to provide customers with greater control over their data and facilitate easy access to new markets and services. The new rules will also provide customers with enhanced protections.

The Information Commissioner is helping companies transition to these new arrangements by providing [guidance](#), including setting out an expectation that companies will use the period of time leading up to GDPR go-live to review their data management processes.

In the context of making any wider necessary changes to prepare for GDPR, we expect companies to take the opportunity to explore how they can support their customers in vulnerable circumstances through making better use of data, including data sharing.

Data protection in the context of our report

We consider that being more innovative with data will lead to water and energy companies being able to better identify and serve customers in vulnerable circumstances. Consequently, the focus of this report is on highlighting opportunities for companies to pursue and make progress in this space.

The Information Commissioner's Office (ICO) is the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals. The DPA 1998, and from May 2018 GDPR, will set out the boundaries within which an individual's personal information may be used. This report is set within the context of the importance of compliance with data protection law, and all other legal restrictions which apply to the disclosure of information by water and/or energy companies. Data protection can cause companies to be cautious, rightly so, but DPA does not prevent innovation such as data sharing, to take place. Rather, it helps companies to put the processes in place to assess and minimise risks. This remains the sole responsibility of each individual company.



Summary of our engagement

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Summary of our engagement

We have taken an open and consultative approach with a range of different stakeholders over the course of our research. Further information on our research and engagement is set out in the [appendices](#) supplementing this report.

Our desk research on **customer attitudes towards data-sharing** found that customers:

- value transparency over how their data is used
- want to see the positive benefits for them where their data is shared
- want control and choice over how their data is shared.

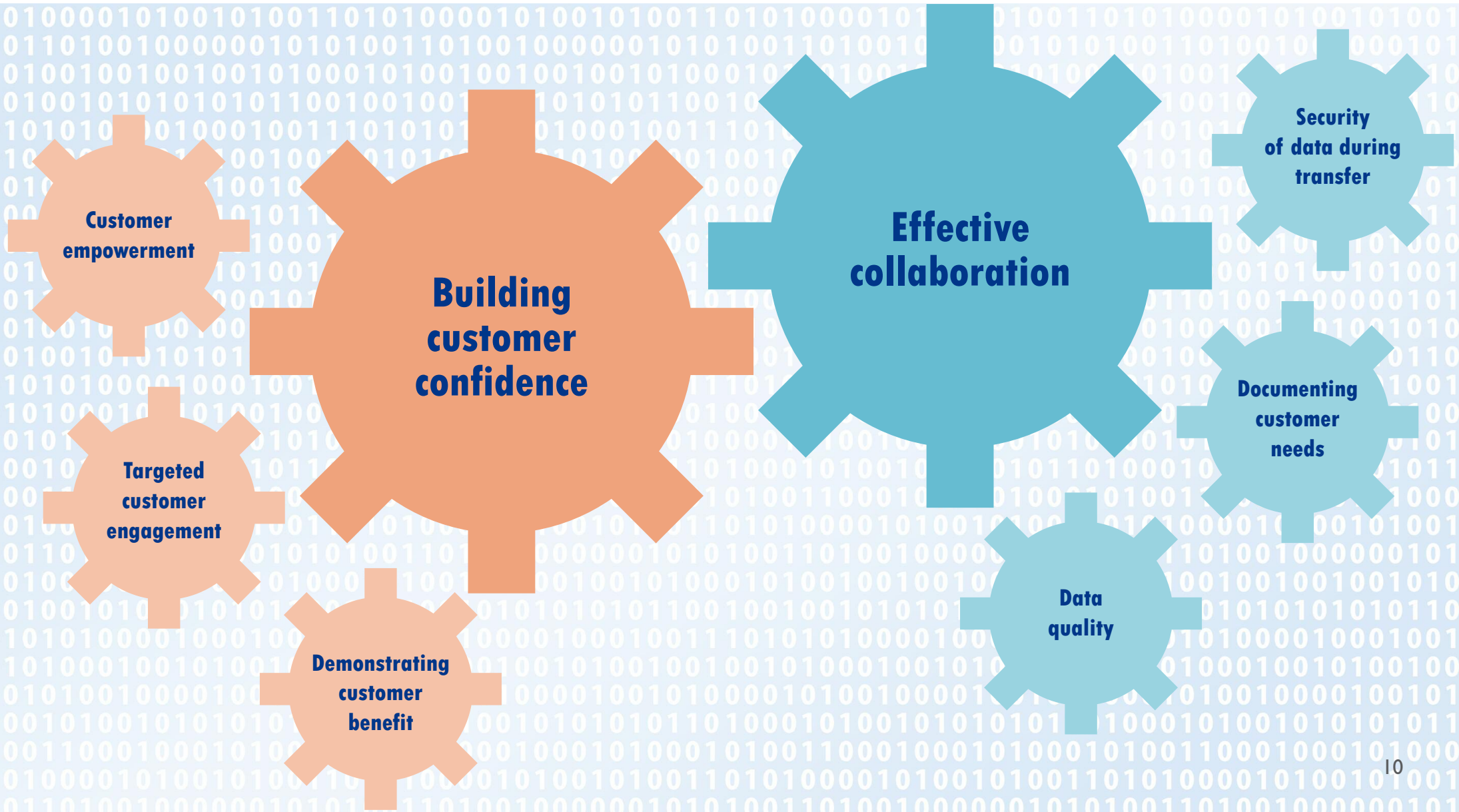
Our **engagement with water and energy companies** and their representatives highlighted a variety of different vulnerability data initiatives being pursued through joint working, although most are small in scale and localised.

We engaged with **regulators and other stakeholders** such as the ICO who offered insight on how some of the challenges associated with data-based initiatives can be addressed.

We engaged with **consumer bodies and customer experts** – their views largely echoed the findings of our desk research. They also identified that water and energy companies working collaboratively with third sector organisations could open up opportunities for the companies to access their local and regional networks.

Section 2: Principles for effectively sharing non-financial vulnerability data

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Building customer confidence

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Better use of data, in particular data sharing, can potentially enhance the way customers are supported by their energy and water providers. It can enable companies to identify more customers who are entitled to support and as a result, ensure those customers receive the right support, when they need it – including during emergencies.

By pooling the customer information they currently hold, companies will develop a more complete data set than they would be able to individually. This will lead to better insight regarding customers' needs, more consistent, improved customer service and tailored support across different sectors.

In turn, customers must have confidence in their service providers regarding how customer data is collected, stored and used. While the use of data can bring customers substantial benefits, it is important that this is pursued in a way that does not cause customer detriment. Companies should put customers firmly at the heart of any customer data initiatives.

We have identified three key themes that can help build customer confidence in the data sharing process.

Addressing consumer detriment

In their recent [consumer detriment report](#), the Citizens Advice estimated that in 2015 consumers were losing out to at least £23 billion and wasting 1.2 billion hours as a result of poor customer service, across a range of sectors. Of the consumers surveyed and facing detriment, 70% were left feeling frustrated, 53% angry and 48% stressed¹¹. While the report highlights this is a big challenge, it also notes that there are sizeable opportunities to address consumer detriment.

11. Citizens Advice
* Please see appendices for references

Three key themes that can help build customer confidence in the data sharing process

1. Customer empowerment

Customers should be empowered through the transparency of processes, have access to their data and be able to exert personal preferences in how their data is used.

2. Targeted customer engagement

Customers should experience positive engagement in a timely, accurate and consistent manner. Companies should seek input from 'trusted partners', such as consumer bodies and charities, where they are best placed to advise or take engagement forward.

3. Demonstrating customer benefit

Customers should receive value from their data being shared, through a more tailored service or a better understanding of their needs. Customers that understand how they benefit from data sharing will have more confidence in the process.

Building customer confidence: Customer empowerment

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Customer empowerment is particularly important for customers in vulnerable circumstances where companies often hold sensitive personal data, for example mental or physical health conditions.

Customers are more empowered when there is transparency, and they have access to and control over the data held on them by companies. These three factors not only help to build trust among the entire customer base, but are in line with the requirements set out in the GDPR in relation to personal data usage.

Transparency

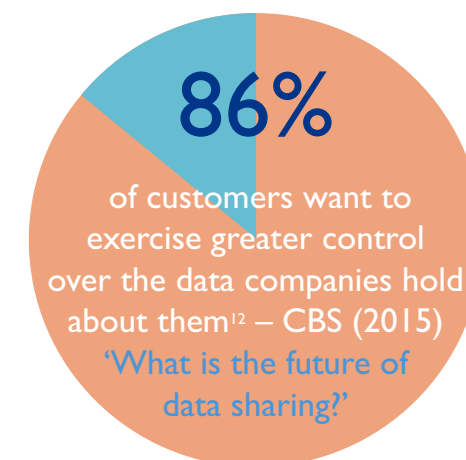
Customers should always understand how their data is used, why it is being collected and with whom it is being shared. Companies that are transparent with their customers are more likely to benefit from customer trust and better engagement in return, which will help to facilitate the data sharing process.

Access

Data held on customers should be presented in a clear, understandable and accessible way. This helps customers to be confident and hold companies to account with regards to data quality and accuracy.

Control

Customers should be able to update their personal information, amend sharing preferences and delete information they no longer want processed. Some customers may not wish to exercise the ability to control how their data is processed. For others, control is an essential factor that determines their choices and empowers them to make informed decisions about how their data is used and shared.



Companies that are transparent with their customers are more likely to benefit from customer trust and better engagement

¹². Columbia Business School
*Please see appendices for references

Building customer confidence: Targeted customer engagement

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Good customer engagement can help ensure customers are confident in the messages and communication they receive. Our research highlighted the importance of consistent messages and terminology when interacting with customers who are in vulnerable circumstances.

'Who is asking' is important. Customers are more willing to engage with well-known and 'trusted' organisations. It is important to ensure engagement occurs at the right time and with a correctly trained adviser.

Greater consistency

Consistency at the point of interaction can help build customer confidence and develop a data sharing process. Consistent messaging, branding and awareness campaigns will increase customer understanding and awareness of data sharing mechanisms. For instance, almost all water companies have started to adopt the terminology 'Priority

British Standards Institution

Organisations can work towards British Standards Institution (BSI) accreditation, specifically BS 18477. Achieving this status signals that policies and business processes are in place to ensure inclusive services are available to customers that are accessible to all, regardless of their personal circumstances.

Services Register (PSR)' used in the energy sector to help customers recognise the services available to them.

Working with partners

Partnership working with specialist organisations who support certain demographics, for example Age UK, Scope, Money and Mental Health and Stepchange who have all engaged with us on this work, can offer insight to help companies approach their engagement in the most appropriate way. In some instances, these partners can act as an 'agent' for companies, and the point of contact for customers. Understanding how and when to work with partners helps improve the reach of companies to customers in vulnerable circumstances and ultimately will help to identify more customers who are eligible for support.

Timely interactions

Getting communication and identification of a customer's need right the first time is very important. This will limit the number of times a customer has to disclose a vulnerability. Customers will benefit if a culture of vulnerability consideration is embedded within the policies and processes of their water and energy company. Companies should ensure that their customer-facing staff, at all levels, are trained to understand and effectively

communicate with all customers, using communication methods suitable for individual customers, listening, understanding and acting upon specific needs.

Case study: Wellington Healthy Homes

As part of a joint initiative called [Wellington Healthy Homes](#), Wessex Water and Western Power Distribution (WPD) have been working with Wellington Medical Centre, the Centre for Sustainable Energy (CSE) and Taunton Deane Borough Council to reach and support vulnerable households suffering the health impacts of a cold home. Customers were selected by matching health data from the medical practice and household energy performance data from CSE. Wessex Water has promoted the scheme to its existing PSR customers in that local area, offering face-to-face or telephone advice and support such as energy crisis packs, energy saving, water saving and benefits advice. This initiative has allowed both Wessex Water and WPD to target information to key individuals without needing to go through data sharing requirements.

Source: Wessex Water

Building customer confidence: Demonstrating customer benefit

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In order to build confidence, customers should understand the tangible benefits of data sharing, for instance receiving tailored services that can save them time, money and stress, and that generate wider societal benefits.

Tailored service

Companies that understand their customer base will be better placed to tailor their services to their customers' needs. Harnessing the power of shared vulnerability data can give companies the invaluable insight they need to provide additional support or build in accessibility by design. This can help drive efficiencies in their service delivery and increase customer satisfaction.

Personal Finance Research Centre

The Personal Finance Research Centre, based at the University of Bristol, are exploring how greater data sharing between financial firms could benefit customers, especially those in vulnerable situations. In a [guest blog](#) for the Money and Mental Health Policy Institute, Jamie Evans has identified that data sharing has the potential to save customers time and stress, removing the need for several time-consuming conversations with multiple creditors that could potentially be upsetting.

Saving time, money and stress

Data sharing can enable customers to receive the support they need in a streamlined, seamless way. Currently, most customers have to contact companies in different sectors, and in some cases different companies within the same sector, separately to register for additional support. This is time-consuming and can be a stressful experience for customers who have to divulge sensitive personal information multiple times. This can be especially challenging where the issues faced by customers are less widely understood, for example, where customers are facing certain mental health challenges. In these instances companies' efforts to introduce a cultural change within their organisations towards embedding vulnerability considerations within their policies and processes has a key role to play.

Wider societal benefits

Data sharing can provide companies with a deeper insight into their customer base. This can help companies to identify behaviours and traits that might suggest a customer is in, or is about to move into, a vulnerable situation (for example based on age), or to innovate in the way customers are supported. Early identification and proactive support will reduce the chance of a vulnerable circumstance leading to adverse outcomes and pressures on central service

provision. For example, customers known to have mobility issues can be prioritised in advance for help during severe flooding. Sharing non-financial data about these customers with the emergency services will help them to plan effectively and use their resources efficiently, leading to better customer outcomes and reduced cost.

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Case study: Southern Water pilot with the Consumer Council for Water (CCW), Sussex University and Brighton and Hove City Council

Southern Water is working with Brighton and Hove City Council, CCW and Sussex University to gain a deeper insight into their customer base. Southern Water, following gained permission, shares the details of high consumption households with Brighton and Hove City Council, who cross-reference this data against their own social housing occupancy database, contact the customer and offer sign up for additional vulnerability support from Southern Water. CCW is financially supporting this initiative and will disseminate the results. Sussex University is providing an independent overview to ensure that the results have external scrutiny.

Source: Southern Water

We have been pleased to see some energy and water companies already working together on various initiatives to make better use of data to identify and support customers in vulnerable circumstances. We discuss these in more detail in section three.

We recognise that getting companies into the position where effective data sharing can take place is a journey. To help companies move forward towards greater cross-sector data sharing, we have identified three areas where we think more immediate company collaboration would be helpful.

1. Data quality

Companies should only share data that is good quality, up-to-date and accurate. This will enable them to better identify and support customers in vulnerable circumstances.

2. Documenting customers' needs

A more consistent approach to documenting customer needs is a key enabler of efficient data sharing and will help build customer confidence.

3. Security of data during transfer

By working together, companies can share learnings and best practice around good data security culture, better protecting themselves from cyber-attacks and data breaches that can erode reputation and customer confidence.

Case studies: SSE inter-company data collaboration

SSE offers both energy supply and telecoms services. The company enables staff operating in different arms of the business to record vulnerability information, with the agreement of the customer, which can then be utilised by each business arm. Vulnerability is prevalent in all sectors, not just water and energy. If a customer requires additional support they are also likely to need the same support from other utility companies. SSE's approach increases vulnerability identification and improves efficiency for both the consumer and the company.

Source: SSE

Project Inspire

Sustainability First's Project Inspire is an initiative which has brought together companies, regulators and consumer groups to identify and share case studies and ideas about how innovation and better use of data can support customers in vulnerable situations. In April 2017, approaches that are currently taking place were judged by an independent panel of consumer experts in front of an audience of companies, consumer groups and regulators, with the most innovative initiatives receiving awards. The following case studies featured in this report received awards as part of Project Inspire.

- Western Power Distribution's 'Who's On Our Wires Horizon Scan' social indication mapping (p19) won the 'Energy for All' Gold Award 2017 in the identifying vulnerability category.
- In the same category, Western Power Distribution's data cleanse (p15) was also joint winner of the Silver 'Energy for All' Award 2017.

Source: Sustainability First

Effective company collaboration: Data quality

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Data must be of a high quality before it can be shared. Sharing data that is accurate and up-to-date will allow recipient companies to identify the greatest number of customers eligible for support and accurately identify their specific needs. The shared data must be justified and proportionate and fulfil the purpose for which it was collected.

We recognise that the varied and transient nature of vulnerability presents a challenge for companies to keep their data up-to-date. In some cases, companies can end up over-recording information required to serve that customer. In others, inaccurate information may lead to distressing conversations, for example in an instance where a bereavement has not been recorded.

'Tell us once'

In situations of bereavement, the Government's 'Tell Us Once' service allows individuals to report a death to most Government organisations in one action, negating the need for customers to repeat the same sensitive and stressful information more than once. This is a service the water and energy sectors should be providing for their customers.

This is a challenge that companies should seek to tackle through multiple routes, particularly as poor data quality can act as a barrier to innovation. Companies can work collectively to develop and agree data quality standards that should be met prior to any data exchange. Customers should be empowered to keep their own records up-to-date by having access to and control over their own data. Companies should use all customer contact, from call centre staff to front-end engineers who make home visits, as a means to update information.

Data sharing itself can lead to improvements in data quality, as it will highlight any discrepancies in records held by different companies. Continued collaboration will be essential to ensure data quality is maintained.

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Case study: Western Power Distribution data cleanse

Western Power Distribution (WPD) contacted 691,499 Priority Service Register customers and updated 50.3% of their PSR records through its data cleanse programme in 2016-17. WPD has dedicated call handlers to proactively call customers to update their records and at the same time offer resilience advice. Having high-quality, up-to-date data enables them to proactively contact customers during power cuts, provide targeted information and welfare support, and offer onward referral to relevant additional services such as fuel poverty advice schemes. WPD surveyed customers who were offered these services and in 2016-17 recorded an average customer satisfaction score of 9.13 out of 10.

Source: Western Power Distribution

Effective company collaboration: A common approach to documenting customers' needs

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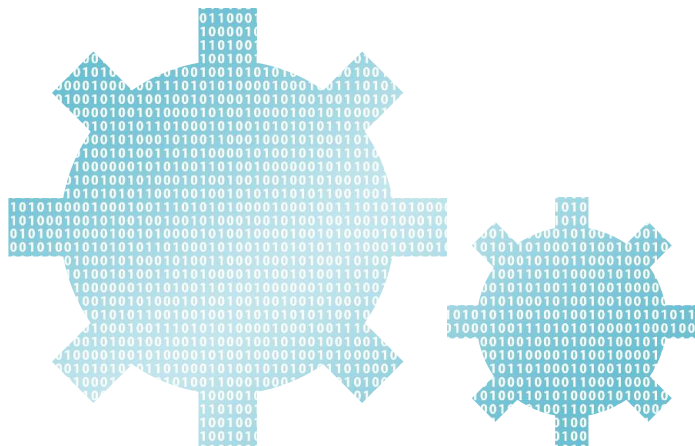
A consistent approach between companies in how they document the needs of different customers will help facilitate effective data sharing. Recipient companies will be able to easily recognise and process incoming data enabling them to identify a customer entitled to additional support, and ensuring they receive it in an efficient and seamless way.

At present, each energy and water company separately hold vulnerability registers. There are differences in how companies record information within those registers.

- Electricity companies are now using a uniform set of vulnerability 'needs codes' covering the different needs of their customer base.

- Gas companies are in the process of transitioning into using these codes.
- Each water company records vulnerability data based on its own understanding of the vulnerability needs of its customer base.

There are similarities in the non-financial support services offered across the two sectors which meet a similar set of customer needs. Companies should work together to identify how best to record information in a more consistent way as a means to enable data sharing.



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Case study: Safeguarding Customers Working Group

The Safeguarding Customers Working Group is an industry-led group focused on safeguarding issues for domestic energy customers. Part of its work programme has been to develop a set of standardised vulnerability 'needs codes', which all energy companies are in the process of adopting, so each company can easily recognise and process incoming data when it is shared.

To support this, the working group has collaborated with a range of charities, experts and associations to ensure that actions resulting from PSR data being kept and shared between gas and electricity companies are meaningful, respectful and comply with relevant privacy laws and data protection guidance to safeguard customers' data.

Effective company collaboration: Ensure the secure transfer of data

Making better use of data:
identifying customers in vulnerable situations

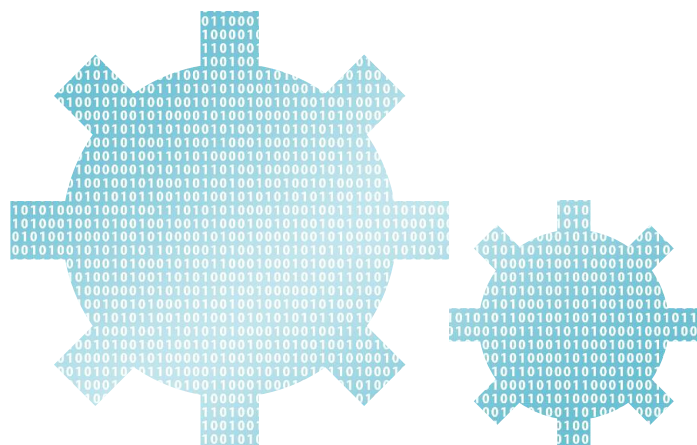
To facilitate data sharing, companies need to ensure data can be transferred safely and securely. While many customers willingly share more data now than ever before, concerns over data security remain prominent. In an increasingly data-rich, technologically dependent world, companies need to do more to manage these risks.

By working collectively, companies can share learnings and best practice around good data security culture and better protect themselves from cyber-attacks and data breaches that can erode customer confidence.

During our engagement and research, we identified a number of different options for the exchange of data

between companies. Some of these are explored in more detail in section 3.

We do not prescribe the method companies should use to transfer non-financial vulnerability data. Each approach needs careful consideration and the appropriate risk mitigation mechanisms to be put in place. We consider companies are best placed to decide the most appropriate method to take forward data sharing. We will monitor developments to ensure appropriate steps are taken and act where necessary to drive timely progress.



Case study: Electricity Central Online Enquiry Service

The [Electricity Central Online Enquiry Service \(ECOES\)](#) is a database managed by Genserv which allows energy companies to cross-reference customer information when a customer switches electricity provider. Genserv (on behalf of the Master Registration Agreement Services Company) oversee any modifications and requests for access to the database. They ensure that the information held is of a high standard, specifically certified as ISO/IEC 27001:2013. This is an information security standard, published by the International Organisation for Standardization (ISO), which sets out requirements for establishing, implementing, maintaining and continually improving information security management systems within organisations. It also includes requirements for the assessment and treatment of information security risks and is intended to be applicable to all organisations. Organisations that meet the standard are certified compliant by an independent and accredited certification body on successful completion of a formal compliance audit, which shows that their system is secure.

Source: Genserv

Section 3: Highlighting existing collaborative working

Making better use of data:
identifying customers in vulnerable situations

Our engagement with water and energy companies highlighted that there are many examples of existing collaborative working to better identify vulnerability and target support. While most of these initiatives are small in scale and tend to be localised, we are highlighting these innovative approaches to encourage less active companies to take more action.

While this report brings together initiatives being taken forward, we see a greater role for companies to take charge and proactively share the development of ideas, lessons and best practice across the sectors. We also want to see a greater focus on companies evaluating the impact of different initiatives as they move out of pilot stages and become more developed.

Using a wide range of data sets to better understand **customer demographics**

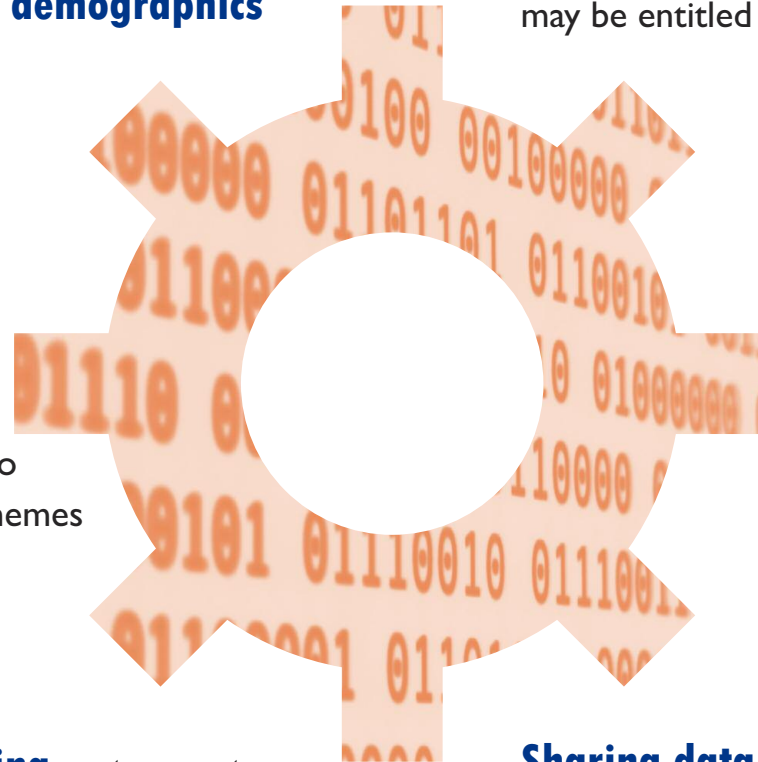
Using **referrals** as a way to flag to other companies the customers that may be entitled to support

Matching data between different data sets to verify customer eligibility to different support schemes

Developing ways to enable customers to sign up to **multiple** support schemes in one go

Signposting customers to support services offered by other companies

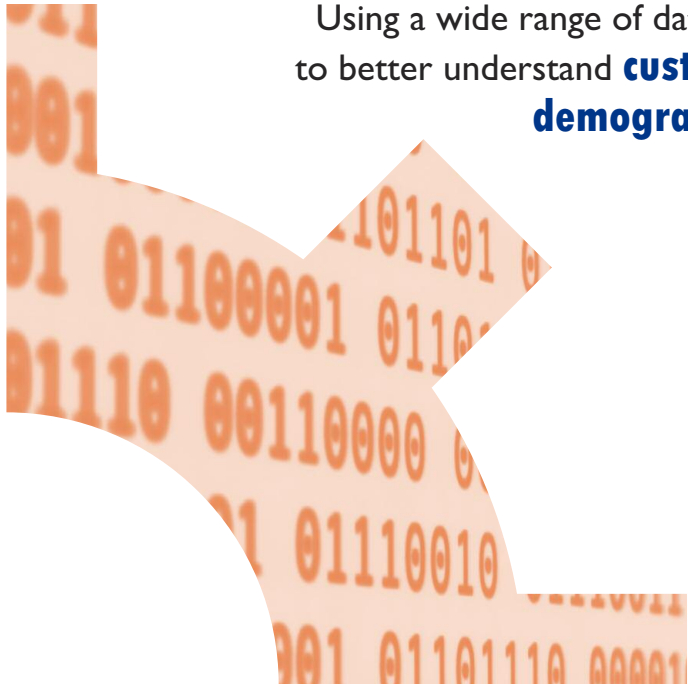
Sharing data to allow companies to identify and support customers through a seamless and stress-free customer experience



Understanding demographics

Making better use of data:
identifying customers in vulnerable situations

Companies can use their own, or other publically available data sets, to understand customer demographics, helping to identify geographical areas where there is a high density of vulnerability, target additional support accordingly or inform emergency planning during an incident. We see an opportunity here for energy and water companies to pool their separate knowledge on areas where there may be a higher density of vulnerability to further improve how they target their support.



Using a wide range of data sets
to better understand **customer
demographics**



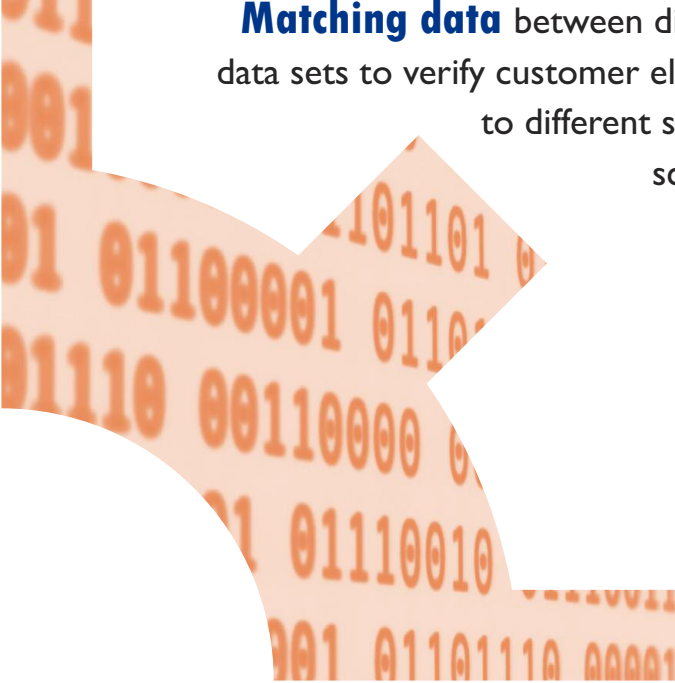
Case study:

Western Power Distribution Social Mapping

Western Power Distribution collaborated with the Centre for Sustainable Energy on its 'Who's On Our Wires Horizon Scan' [social indication mapping](#). This involved data analysis and mapping of customer vulnerability across their distribution network region. A range of different datasets were used and were sourced from Census, Office for National Statistics and Government departments. The analysis, maps and data forms a better understanding of the nature, scale and distribution of vulnerability across WPD's network. WPD uses the data in four key ways, to identify gaps in PSR coverage, fuel poor hotspots, substations in high vulnerability areas and communities in need of resilience support. By being able to better identify areas with the highest concentration of consumer vulnerability, WPD can play an essential role in supporting customers during power cuts and effectively target outreach projects to areas of greatest need, ensure they address the most prevalent issues and work with the most appropriate partner agencies. The range of outreach schemes established in 2016-17 supported 11,776 fuel poor customers, who saved over £3 million a year on their fuel bills as a result. WPD has made its methodology and analysis publically available to help other organisations in its region to better target their support.

Source: Western Power Distribution

In some circumstances, companies can provide another organisation, for example a Government department, with a subset of data they hold on customers. The third party can cross-reference this with their own data sets to verify and better identify customers who may be eligible for additional support.



Matching data between different data sets to verify customer eligibility to different support schemes



Case study: Certas Energy and the Cold Weather Priority Initiative

Certas Energy has been working in conjunction with the oil and Liquefied Petroleum Gas (LPG) sector to create the [Cold Weather Priority Initiative \(CWP\)](#) aimed at reducing winter deaths among off-grid customers. CWP supports customers who are aged 75 and above, and those who are chronically sick and/or disabled, by ensuring that fuel deliveries to their homes are prioritised especially in times of fuel shortage or extreme cold weather.

Certas submits their customers' data (addresses, postcodes, and account numbers) to Experian who compare it with their own data to verify eligibility to the scheme. Details for CWP eligible customers are extracted and returned to Certas who update their records accordingly. Those customers are then asked if they would like to join the scheme during their next contact with Certas. They launched the initiative in August 2017 to unanimously positive customer feedback, with an 80% response rate to an initial CWP letter sent to those eligible for the scheme. There are already around 5,000 CWP customers live on the system. The rest of the sector will implement CWP from October 2017.

Source: Certas Energy

Using the various channels of customer engagement, an energy company can raise a customer's awareness of additional support services available to them from their water company, and vice versa. The customer is then in control of contacting the other company to access their support services.

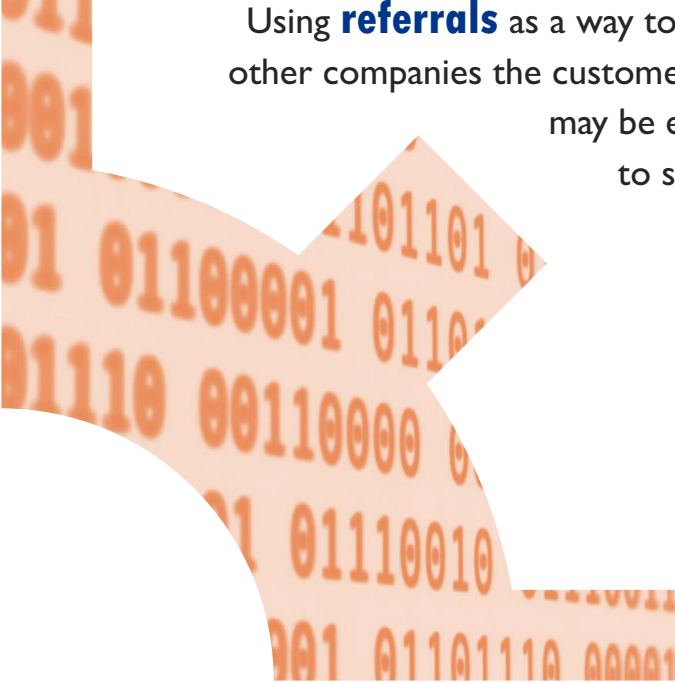
Signposting customers to support services offered by other companies

Case studies: Water and energy joint signposting initiatives

To raise awareness among customers of additional non-financial vulnerability support that is available across the two sectors, in 2016 water and energy companies announced a [joint initiative](#) using their websites, call centre scripts and other channels to roll out signposting. This was supported by Water UK, the Energy Networks Association and Energy UK.

One of the most proactive examples of sign-posting across the two sectors is the two-way PSR signposting on Western Power Distribution, Bristol Water, Wessex Water, South West Water and Dŵr Cymru's websites. Covering customers in the same region, the four water companies have information and a link to WPD's PSR services, enabling customers to join the WPD's register online. WPD has information and a link to all four water companies, in addition to Anglian Water, on its website.

Companies can use a referral scheme to allow customers to opt that their circumstances be flagged to another organisation who offer similar support services. Going further than signposting, a referral involves providing high level information about the customer to the recipient company that can go on to proactively contact the customer to understand their needs and be registered for the relevant support.



Using **referrals** as a way to flag to other companies the customers that may be entitled to support

Case studies:

Wessex Water and Southern Electricity Networks pilot

Wessex Water and Southern Electricity Networks (SSEN) are developing a referral pilot within the Dorset area. A leaflet has been agreed by both parties that will be given to customers by Wessex Water's external liaison officers while they are conducting home visits. The leaflet provides information about Wessex Water's Priority Services scheme and asks the customer to provide their name, address and contact details if they would like to be contacted to register. The leaflet also makes the customer aware of the electricity distributors Priority Services scheme and asks the customer if they would like Wessex Water to pass their contact details to SSEN who will then contact the customer directly.

Source: Wessex Water

Thames Water and UK Power Networks (UKPN)

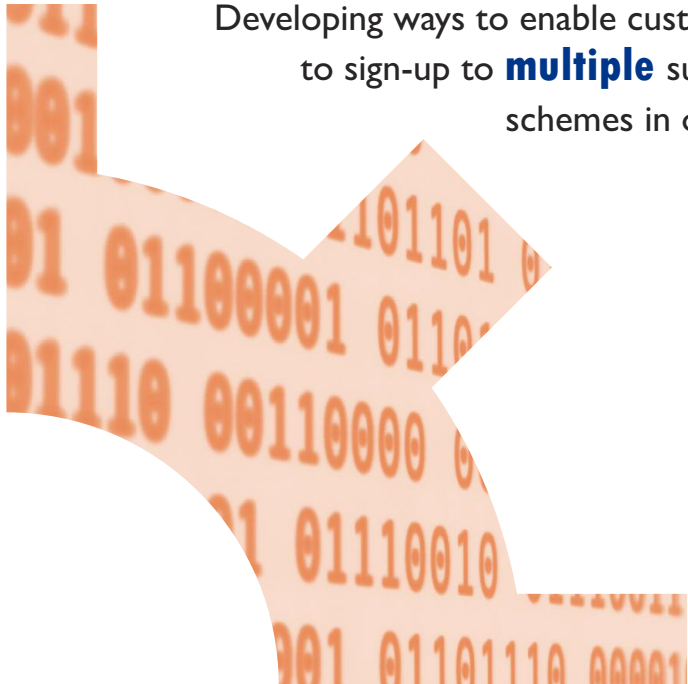
UK Power Networks (UKPN) and Thames Water have worked together to develop a co-branded PSR registration form, which is being rolled out as part of a two month pilot in the Enfield area. The forms are placed in community locations such as libraries and GP surgeries and have also been integrated as part of UKPN's engineer home visits and Thames' Smarter Home Visits. To opt in, customers return their form by freepost to UKPN, who share their details electronically with Thames through a secure portal. The pilot is already generating new PSR customers, with 126 returned forms since launching in mid-June, helping Thames and UKPN expand their capabilities for more customers going forward.

Source: Thames Water and UKPN

Multi-sign up tool

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identifying customers in vulnerable situations

A multi sign-up tool provides a single platform that enables customers' vulnerability needs to be registered and shared with multiple service providers via a single interaction. This can be undertaken by the customer themselves, or through a trusted third party.



Developing ways to enable customers to sign-up to **multiple** support schemes in one go



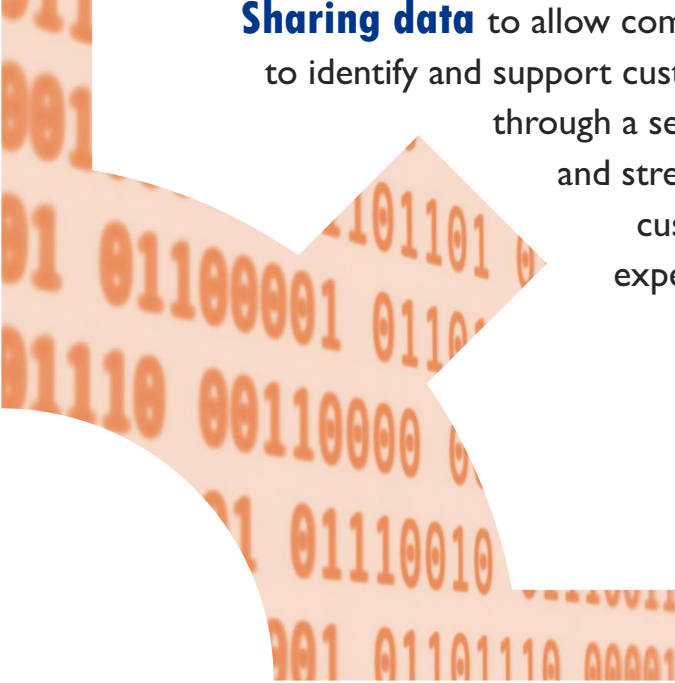
Case study: Vulnerability Registration Service

The [Vulnerability Registration Service](#) is a platform that allows customers to record their personal circumstances to protect themselves against debt or financial related problems. The tool enables customers to self-exclude themselves from credit and financial promotions or ask for their applications to be handled in light of their specific circumstances. Customers can either self-register or give their consent to a trusted third party to register them on their behalf. The tool is intended to prevent customers having the same, often stressful conversation with multiple organisations as it provides those organisations who use the service with a single reference point for their customers who may be vulnerable. Once circumstances have been recorded, the customer will receive communications reminding them that they are registered with the service after three months. This takes into account the transient nature of vulnerability and prompts them to update their records if needed. VRS was launched in March 2017 and they have already started exploring closed user groups with energy and water companies to allow users to share information about registered consumers' requiring non-financial support services (such as PSR information).

Source: Vulnerability Registration Service

Companies can develop ways to enable them to lawfully share detailed vulnerability data with one another. This can be one way, for example, when an energy (water) company shares vulnerability data with a water (energy) company, but does not receive any information back. Alternatively, this can be two way, where information shared is reciprocated by sharing data in response.

Having received detailed information, companies are in a position to identify and offer support straight away.



Sharing data to allow companies to identify and support customers through a seamless and stress-free customer experience



Case studies:

Wales & West Utilities (WWU) has developed a PSR app which their engineers use to collect vulnerability information about a consumer on a site visit. WWU have started to share the customer information they gather through the app with Welsh Water, so customers can be added to both companies' PSRs. WWU intends to contact the other water companies that overlap with its network area to put the same arrangements in place with them.

Northern Ireland's Utility Regulator recently [consulted](#) on requiring the NI water company and electricity network operator to share non-financial vulnerability data. This was in response to feedback the regulator received that levels of awareness and take up were low for such a priority service and was a priority issue. If implemented, it will use the 'tell us once' principle to allow customers eligible to register for NI electricity networks care register to also be included on the NI water care register at the point of registration.

In the energy sector, the **Data Transfer Service** transfers Priority Service data recorded via the 'needs codes' between companies. This service operates in a virtual private cloud environment providing a secure network. The service, operated by Electralink, enables the efficient sharing of data between market participants.

Throughout this report, we have set out our aspirations for companies to make better use of data and work collaboratively to support customers who might be vulnerable.

We have presented a set of principles, based around building consumer confidence and effective company collaboration, to facilitate non-financial vulnerability data sharing.

This report highlights how water and energy companies are already working together, and with other organisations, on data-based initiatives. Shining a light on these examples will enable other companies to learn from the positive work taking place elsewhere and encourage them to develop and adopt initiatives where there is clear benefit for customers.

As set out in the expectations earlier in this report, we are encouraged and support the water and energy sectors working together via a joint working group, established by

Water UK and the Energy Network Association. The working group will report quarterly to Ofwat and Ofgem, jointly as part of UKRN, on the progress of its work plan, including on the joint vulnerability data-sharing pilot between United Utilities and Electricity North-West.

To maintain collaborative working between the water and energy sectors to support customers in vulnerable circumstances, and to build on existing momentum.

- In spring 2018, Ofwat and Ofgem will ask individual companies to demonstrate how they are continuing to work together to upscale and expand on the existing cross-sector work, set out in section 3 of this report, to identify customers in vulnerable circumstances.
- In autumn 2018, Ofgem and Ofwat, through the UKRN, will produce a follow-up paper to report on company progress.
- As part of the UKRN vulnerability network we will continue to share learnings in this area and consider the potential for greater collaboration across sectors.

United Utilities and Electricity North West vulnerability pilot

To enable learning and immediate collaboration between the water and energy sectors, and to act as a 'proof of concept', a pilot of data sharing on customer vulnerability will be carried out in the North West of England from January 2018.

The pilot will involve United Utilities and Electricity North West, using a rapid learning approach to test approaches to data sharing over a 12-week period. Key learning points will be shared both during and after the pilot throughout the water and energy sectors. As well as improving understanding of required needs codes, data protocols and system implications, the pilot will also enable a better understanding of both cost and time constraints, to enable a more comprehensive deployment plan to be discussed and agreed by the water and energy sectors. The pilot will ensure it complies with all data protocols and rules and customers will be offered the option to consent or not with any data exchange.

