



# Making better use of data to identify customers in vulnerable situations

A follow-up report  
November 2018



Making a positive difference  
for energy consumers



## **Ofgem, Ofwat and the UK Regulators' Network**

are committed to ensuring all customers, including those in vulnerable situations, are getting the support they need. Harnessing the power of data has the potential to improve the customer experience for customers in vulnerable situations and help ensure their needs are met.

In October 2017 Ofgem, Ofwat and the UK Regulators' Network (UKRN) published [Making better use of data: identifying customers in vulnerable situations](#). In this report, we (Ofgem, Ofwat and UKRN) review the progress made in the last year by water and energy companies in the ways in which they use data to provide non-financial support to customers who are in vulnerable situations.

## **We have assessed the progress which water and energy companies have made against the two expectations set out in our initial report:**

1. Water and energy companies should explore cross-sector non-financial vulnerability data sharing.
2. They should continue to work together and collaborate with third parties to support and identify customers in vulnerable situations.

## **We have considered the learnings from a pilot project**

, led by a Joint Working Group (JWG) established by Water UK and the Energy Networks Association, in which water and energy companies in the North West of England gained explicit consent from their mutual customers to share their priority services register data. We have also considered the challenges in moving this initiative towards a national roll out in 2020.

The pilot shows that there has been **significant progress towards cross-sector data sharing**, but continued focus will be needed for a successful roll out in 2020. Key challenges include the requirement for effective training of front line staff, technical issues in matching data sets, and data accuracy. Evidence shows that **human interaction is key** in gaining customer consent to share data and it will be essential that staff across all companies are given sufficient training to be able to articulate the benefits of data sharing and maintain enthusiasm ahead of national roll out.

There is evidence of ongoing **collaboration between water and energy companies**. However, there is still considerable scope for companies to go further in working

collaboratively and across sectors, including working more with trusted charities and local partners and considering and adopting best practice from other sectors.

We encourage water and energy companies to address the challenges and next steps identified in this report to continue to support their customers in vulnerable situations. Water UK and Energy Networks Association, on behalf of their members, will set out in response to this report how they intend to monitor the cross-sector data sharing initiative and communicate this to their stakeholders, including Ofgem, Ofwat and UKRN.

**Regulators will continue to explore** what further help is needed for customers in vulnerable situations and how collaborating on utilising data can support them. UKRN encourages regulators to consider extending data sharing to other sectors, where similar support is available for PSR customers, and how PSR sign-up processes could be coordinated and simplified across sectors.



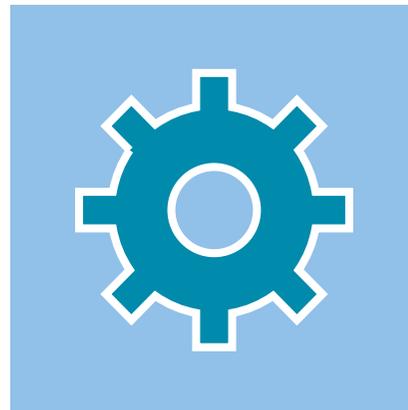
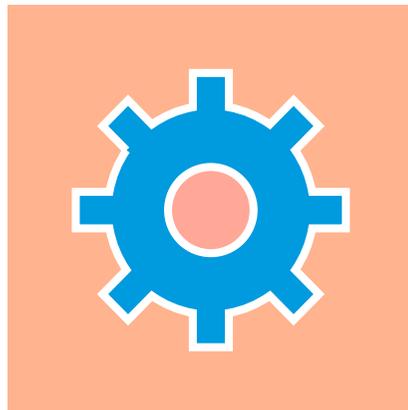
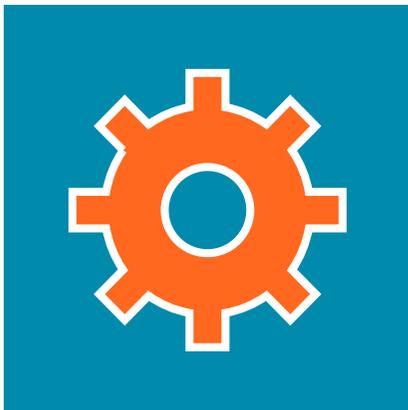
# Introduction

Making better use of data to identify customers in vulnerable situations

This report builds on the joint Ofgem, Ofwat and UK Regulators' Network (UKRN) 2017 report, [Making better use of data: identifying customers in vulnerable situations](#), [Ofwat's Vulnerability focus report \(2016\)](#) and [Unlocking the value in customer data report \(2017\)](#) and [Ofgem's Vulnerable consumers in the energy market 2018](#), which set companies the challenge of using data to develop an in-depth understanding of their customer base so they can offer tailored support.

This report has been produced by Ofwat and Ofgem, through the UK Regulators Network (UKRN). It reflects the commitment of these organisations to meeting the needs of customers in vulnerable situations. It also responds to calls from The National Audit Office (NAO) in their 2017 report, [Vulnerable consumers in regulated industries](#), and the Department for Business, Energy and Industrial Strategy's (BEIS) 2018 [Modernising consumer markets; green paper](#), for regulators to collectively encourage and facilitate data-sharing to better identify and support customers in vulnerable situations.

We look forward to seeing companies take forward the findings in this report and make better use of data to improve support for customers in vulnerable situations



Our 2017 report showed that the non-financial support offered to customers who are signed up to Priority Services Registers (PSRs), is similar across energy and water, for instance, large print bills, consistent supply for medical reasons or support to read a meter due to mobility restrictions. If a customer is on a PSR in one sector, they would benefit from being on a PSR in the other.

In our last report, we challenged companies to explore the **benefits of sharing non-financial priority services data**. Sharing data can remove the requirement for customers to register for priority services with multiple companies and repeat the same, potentially stressful, conversation and ensure they receive seamless support. Making better use of data can help companies to understand their customers and to identify those who may be in vulnerable situations.

Companies can use data to **better understand their customer demographics**, allowing them to target support where it is most needed or to inform emergency planning during an incident. Collaboration between utility companies

and with third parties can lead to quicker identification of vulnerability. Well-trained, empathetic staff can use data to ensure they recognise the signs of vulnerability and can react appropriately to customer needs.

In this report, we provide an update on how companies are delivering against these expectations.

Companies are now required to take into account the **General Data Protection Regulation (GDPR)**, which came into force in the UK on 25 May 2018. This gives customers more control than ever over their own data and also introduced a right for individuals to request companies delete any personal data they hold on them. However, this 'right to be forgotten' is not absolute and only applies in certain circumstances. The regulations put more emphasis on the need for companies to gain explicit customer consent to share data as well as increasing general customer focus on the storage, processing and transfer of their personal data.

## Our last report set out two expectations:

1. **Water and energy companies should explore cross-sector non-financial vulnerability data sharing.**
2. **They should continue to work together and collaborate with third parties to support and identify customers in vulnerable situations.**

# Summary of the key findings in this report<sup>1</sup>

Making better use of data to identify customers in vulnerable situations

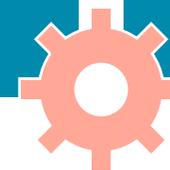
## Areas of progress

A pilot scheme between United Utilities and Electricity North West has proved successful, with non-financial data sharing implemented permanently at those companies.

Plans to implement data sharing arrangements between the energy and water sectors by April 2020 are currently on track, however companies should take forward the key lessons learned from the pilot and this report to ensure timely delivery.

Some companies have increased vulnerability training for their staff, which has built trust and led to increased consent for data sharing.

Companies are working with a diverse range of third party organisations, including food banks, charities, local councils and hospitals.



<sup>1</sup>On 3 September 2018 water companies submitted their business plans for 2020-2025 to Ofwat. Ofwat is currently assessing these plans. Nothing in this report should be interpreted as an assessment by Ofwat of the content of these business plans (either implicitly or explicitly).

## Opportunities for further development

The human touch is crucial for securing consent for data sharing. Ensuring staff are well-trained, empathetic, understand processes, and are confident in explaining benefits to customers will be an effective way to secure consent to data-sharing for customers in vulnerable situations.



Small, localised projects are important and provide help to customers, but we would like to see more evidence of cross-sector initiatives.



The process of matching data across different companies can be resource-intensive and complex. In the pilot, differences in naming conventions and high levels of duplications required significant manual reconciliation. Developing a means of efficiently addressing this issue will expedite data sharing.



Data-sharing can bring important benefits but only if data is accurate. While the transient nature of vulnerability poses challenges in keeping Priority Service Registers (PSRs) up to date, companies should address this by finding impactful ways to communicate with their customers.



Water and energy companies should identify lessons learned in other sectors that have made innovative use of data to identify vulnerability.

<sup>1</sup>On 3 September 2018 water companies submitted their business plans for 2020-2025 to Ofwat. Ofwat is currently assessing these plans. Nothing in this report should be interpreted as an assessment by Ofwat of the content of these business plans (either implicitly or explicitly).

# How companies have been delivering against our expectations

Making better use of data to identify customers in vulnerable situations

This chapter provides an update on how water and energy companies are delivering against the two expectations we set out in our last report.

## Expectation one: Water and energy companies should explore cross-sector non-financial vulnerability data sharing

Over a 14-week period between February and April 2018, United Utilities and Electricity North West conducted a two-way data sharing pilot, in which they gained explicit consent from their mutual customers to share their PSR data.

The pilot is a great demonstration of what cross-sector utility companies can achieve by working together. Electricity North West and United Utilities have met regularly to share best practice, discuss challenges and how they have been overcome and feedback on the customer experience. These lessons will be taken forward and learned from as national data sharing is rolled out across England and Wales.

The pilot extended data sharing arrangements already available in energy to water. The energy sector's needs codes are being extended into the water sector to standardise data flowing between the two sectors. The JVG found that with a few tweaks and exceptions, 80%-90% of existing energy needs codes were relevant in water, validating the idea of sharing data between the two sectors in order to support the same customers.

Data was shared manually and securely between the two companies using Excel spreadsheets. Data of 2000 customers was shared, 80 per cent of which were new PSR registrations for United Utilities. United Utilities registered an average of 180 customers to the PSR per month from the data shared. Due to the pilot's success, the two companies have decided to continue data sharing as part of their business as usual operations. In addition to the non-financial benefits of registering on a PSR, the data sharing pilot is also helping to identify customers eligible to receive social tariffs.



**Customer trust** is crucial – sharing sensitive information means maintaining data securely is paramount. With the pilot taking place in the run up to GDPR implementation, it revealed that customers are now more aware of and cautious about data sharing issues. This was addressed through carefully considered scripts and training.

**Data matching** was the most time consuming aspect of the pilot. 70% of data shared was matched without issue. There was a strong match on address data but there were a number of exceptions relating to individual names due to a lack of standardised naming conventions and a difference in payment responsibility. Due to the need to obtain explicit consent, these customers needed to be contacted in order to verify them.

Significant **training** was required to enable employees to **articulate the benefits of being on the PSR in another sector**. Agents found they were spending more time than expected on calls to customers, but once they became confident in explaining the benefits and were given sufficient time, they were much more successful in gaining consent to share data. This conveys the importance of human interaction in providing support for customers in vulnerable situations.

**A balance between automation and the human touch will be required.** For data sharing to take place nationally, a level of automation via IT systems will be required. However, the pilot demonstrated that interactions with empathetic staff were key to gain customer consent to share data. Training is therefore essential to ensure staff can recognise vulnerability, explain the benefit of data sharing to their customers and how their data will be used. This helps to build customer confidence, a key principle of effective data sharing.

**A one-stop shop approach is beneficial for customers.** Customers in vulnerable situations should expect a seamless, stress-free experience from their utility company and should not have to have the same, potentially stressful, conversation regarding their vulnerable circumstance on repeated occasions. The pilot demonstrated that a one-stop shop approach can work. Customers were able to sign up to multiple PSRs through a single conversation. Standardising data naming conventions could further limit the need for multiple conversations. This would also help when it comes to collaborating with third party organisations.

# Opportunities for greater collaboration

Making better use of data to identify customers in vulnerable situations

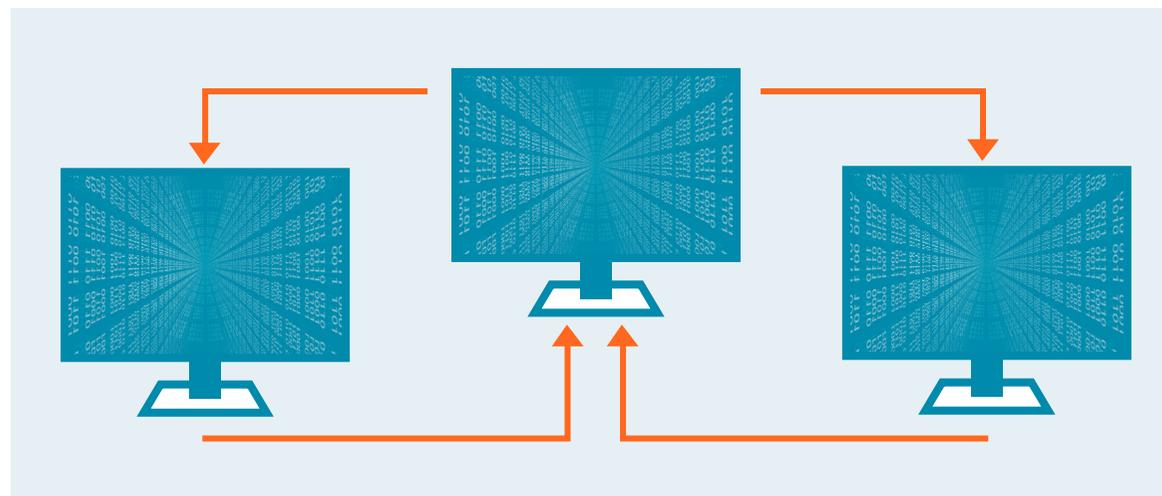
The pilot shows that there has been significant **progress towards cross-sector data sharing**, but continued progress will be needed to be ready for a successful roll out in 2020.

It will be essential that staff across all companies are given sufficient training to be able to articulate the benefits of data sharing and maintain enthusiasm ahead of national roll out.

There will always be exceptions regarding data matching as data sharing becomes an automated process. The Safeguarding Customers Working Group (SCWG), which brings together GDNs, DNOs, suppliers and non-industry relevant bodies, are already having discussions with water companies and data experts looking at the ways in which energy and water companies could most effectively match names and addresses.

The JWG are making good progress towards getting the necessary IT and legal arrangements in place to roll out national data sharing, which is expected to be delivered by extending some of the existing IT infrastructure (provided by Electralink and others) into the water sector.

The JWG is now planning a 'gateway systems pilot' subject to a cost review, as a proof of concept of the automated solution, involving three water companies (Anglian Water, Thames Water and United Utilities) and the corresponding Distribution Network Operators (UKPN and Electricity NorthWest), with lessons to be shared with all companies. We look forward to engaging with them on how any lessons learnt from the pilot can support national implementation of non-financial data sharing by April 2020.

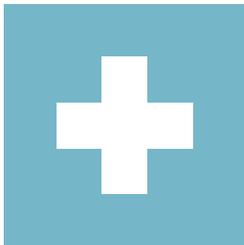


# Improving data accuracy to identify customers in vulnerable situations

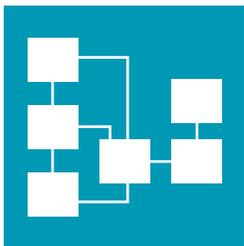
Making better use of data to identify customers in vulnerable situations

## Expectation two: Water and energy companies should continue to work together and collaborate with third parties to support and identify customers in vulnerable situations

To get into a position where they can collaborate and share data, companies must ensure their data sets are accurate and of high quality.



**Several water companies are working with their local hospitals** to ensure their customers who are dependent on dialysis are added to PSR's and can be quickly identified during a supply interruption. For example, Yorkshire Water are using their partnership with Leeds Teaching Hospitals NHS Trust to cleanse their data regularly so they are made aware when customers stop receiving dialysis treatment. If that process proves reliable, Yorkshire plan to engage with other NHS Trusts (primary and secondary care) to further improve their understanding of their customer base.



**Some companies are using data mapping tools** alongside multiple external sources of information to identify Priority Services customers according to age, long-term health data, disability and language and mobility. This will help companies to improve their data sets, better understand their customers, target support to those in most need and increase intelligence they can share with their partners.



**Some water companies told us that the implementation of GDPR** prompted them to perform data cleanses while other companies reported taking regular steps to keep their data up to date.

# High-quality data will enable companies to design inclusive services for all

Making better use of data to identify customers in vulnerable situations

Several water and energy companies are training their staff, from call centre staff to upskilling their staff in the field who have regular face-to-face interactions with customers, to provide them with the confidence and skills to identify signs of vulnerability. This includes improving staff awareness of a wide range of health conditions such as dementia, mental health issues and Parkinson's disease, recognising key words or circumstances where a customer may have forgotten or entered the wrong password on their online account multiple times.

Industry training will lead to better PSR data, a wider sectoral understanding of vulnerability and more inclusive services. This aligns with the recent [BEIS Consumer Green Paper](#), which suggested regulators work together to explore the benefits of introducing a set of minimum standards that consumers with mental ill health, cognitive impairments and dementia should expect to receive across sectors. This will require companies to embed a culture of inclusivity in their policies and practices from the top to the bottom.

Companies need accurate high quality data in order to develop an in-depth understanding of their customer base and provide vital services that are inclusive and accessible to all

## Collaborative working is ongoing

Water and energy companies have continued to collaborate with a range of third party partners, including charities, emergency services, food banks, job centres, housing associations and hospitals



### Scottish and Southern Electricity Networks (SSEN)

have built relationships with nurseries and playgroups, contributing to a **971% increase** in PSR sign-ups for families with children under five in the Thames Valley area.

**Anglian Water** are working with district councils in Lincolnshire to signpost their PSR support to applicants who have registered for Assisted Bin Collections to **target customers likely to have limited mobility** and who might need priority support during a supply interruption.

Customer service call centre staff at **Yorkshire Water** are trained to recognise **indicators of potential mental health issues** and, where appropriate, signpost customers to mental health organisations such as Samaritans.

**Wessex Water** have expanded on their referral initiative with SSEN to produce a joint leaflet promoting PSR support services, which was originally distributed in Wiltshire, expanding into Dorset. The companies have expanded their reach by teaming up with third parties, such as **health partners** and **emergency services**, who distribute leaflets on their behalf.

We have seen some companies using a **wide variety of communication methods** to reach customers. These include use of local authorities, local radio, community groups, and health and disability magazines distributed by NHS Trusts.

# We think company collaboration can go further...

Making better use of data to identify customers in vulnerable situations

It is encouraging to see evidence of ongoing collaboration between water and energy companies. However, we think that there is still considerable scope for companies to go further

## More opportunities to work with trusted partners

Recent research from [Which?](#) has shown that trust and familiarity underpin customer attitudes and behaviours regarding data collection and sharing. Our 2017 report said that customers are most likely to be willing to share their data and engage with trusted organisations such as local community groups, GPs and health visitors. Some, but not all companies, are building relationships with such trusted parties. We see scope for companies to go further and build widespread relationships with those who are well placed to identify vulnerabilities within communities and recommend how companies can reach those customers.

## Potential opportunities for cross-sector collaboration

Companies are working individually with a wide selection of third party organisations. While small, localised projects are important and provide help to customers, we would like to see more examples of energy and water company collaborations. Electricity North West and United Utilities are working together with local pharmacies to jointly promote their PSR services on pharmacy bags in areas of high vulnerability. This covers **250 pharmacies** across the North West of England, with a reach of over **400,000 customers**. This is an example of how an initiative to increase PSR uptake can widen in scope and reach when companies work together. We would like to see more engagement between vulnerability leads from energy and water companies to compare notes and share best practice.

Signposting is the easiest way for water and energy companies to work together to promote each other's vulnerability support. However, our engagement with companies has shown that signposting is not in place between all water and energy companies and where it is, it is not always two-way. In some cases, this is limited

to signposting on company websites, however given many customers in vulnerable situations will not feel comfortable using the internet or may not have access to it, this is likely to be of limited use. We found that during phone calls for new registrations, water companies were not always verbally signposting the PSR support available from energy companies to customers. Companies should take advantage of all methods of communication available to them.

Furthermore, in their responses to our request for information, companies rarely referred to customer feedback, customer research or external auditing or partnership reviews to help improve services. We also encourage water and energy companies to look to best practice in other sectors where companies have worked with charities and local community groups to support customers in vulnerable situations.

## Best practice in other sectors – Uber Access

Since 2017, Uber has offered free rides to wheelchair users to get to and from polling stations in UK elections. The initiative is supported by their partnership with Whizz-Kidz, a charity that works to improve the lives of disabled children and young people, to help wheelchair users cast their votes. Rides to and from polling stations between 7am and 10pm during elections are free up to £10 on the uberACCESS option which uses fully wheelchair accessible vehicles and currently operates in London, Manchester, Birmingham, Newcastle, Leeds and Liverpool.

# Addressing issues caused by inaccurate data

Making better use of data to identify customers in vulnerable situations

In the water sector, inaccurate data was an issue during the freeze-thaw incident that occurred in early March 2018. Some companies performed well. However, other companies confirmed to Ofwat and to local partners that they were unable to guarantee the accuracy of their data, which impeded their ability to identify their customers in vulnerable situations, including those who most required emergency support.

Some companies did not share data with partners, such as the local authority resilience partnerships and emergency services to launch a multi-agency response. Research from The Consumer Council for Water (CCW) reported that many customers in vulnerable situations did not receive the support they needed or expected.

**CCW indicated that in seven of the worst affected areas, 40% of customers impacted received no communication from their water company<sup>2</sup>.**

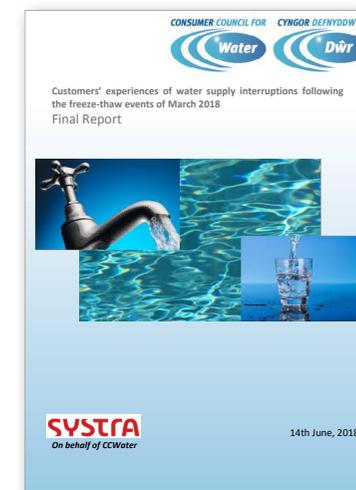
Some companies did not appear to have accurate or up-to-date priority services data and therefore they were unable to offer tailored support either during or after the incident.

Ofwat's 'Out in the Cold' report also highlighted significant failings.

**For instance, nearly a third of customers on Thames Water's priority services register were not directly reached during the period<sup>3</sup>.**

During the incident, one local authority reported that some water companies were unable to guarantee the quality of their data.

Keeping PSR data up to date is a challenge due to the transient nature of vulnerability, the size of the data set and legal requirements to gain customer consent to amend or share data. However, as data sharing is rolled out between the water and energy sectors, numbers on PSR's should increase. Energy and water companies need to find impactful ways to communicate with their customers and act now to ensure their data is accurate and reduce potential problems when national data sharing is implemented between water and energy companies.



<sup>2</sup>Customers' experiences of water supply interruptions following the freeze-thaw events of March 2018 p.18

<sup>3</sup>Out in the Cold p.28

Encouraging companies to make better use of data, including through sharing customer data where appropriate, to support customers in vulnerable situations remains a priority area for regulators. We are therefore encouraged that the data sharing pilot project in the north west of England, led by the JWG, will be rolled out across England and Wales.

## Next steps for water and energy companies

### We encourage companies to build on their progress through:

- Ensuring that as well as developing effective processes for sharing data, companies are using the data they hold to effectively understand and support customers in vulnerable situations, both day to day and in emergency situations.
- Working to develop effective cross sector data formats to reduce the need for manual duplication, including through the work of the JWG to establish a set of standardised vulnerability 'needs codes', already adopted by energy companies, into the water sector to ensure shared data can be easily recognised and processed.
- Consider how to share best practice in training and supporting staff to identify and support customers in vulnerable situations.
- Being more ambitious about proactively identifying customers in vulnerable situations, including by working with local authorities, voluntary organisations and others.

### Water UK and Energy Networks Association, on behalf of their members, will set out in response to this report how they intend to:

- monitor the cross-sector data sharing initiative; and
- communicate this to their stakeholders (including Ofgem, Ofwat and UKRN).

### It is for companies to agree amongst themselves how best to do this. However, they could, for example, consider establishing certain benchmarks which companies can then report against, such as:

- achieving certain implementation gateways towards full roll out;
- the volume of customer data shared; and
- the acceptance rate of customers agreeing to their data being shared.

## Next steps for regulators

- The UKRN, together with regulators, will highlight any best practice demonstrated by water and energy companies in supporting customers in vulnerable situations, as part of ongoing work towards meeting the aspirations of the Government's [Modernising consumer markets: green paper](#).
- The UKRN, together with regulators will explore what further support is needed to help vulnerable consumers.
- The UKRN in October 2018 created an action group for regulators to explore how collaborating on utilising data can support vulnerable consumers.
- The UKRN encourages regulators to consider extending data sharing to other sectors, where similar support is available for PSR customers, and how PSR sign-up processes could be coordinated and simplified across-sectors.

# Appendix: The evidence base we have used in this report

Making better use of data to  
identify customers in vulnerable situations

We have drawn from  
a number of sources of  
evidence to inform this report

## **Information from water, electricity and gas companies:**

In April 2018 we wrote to all water companies and energy network companies, and asked them to demonstrate how they are continuing to work together to upscale and expand on existing cross-sector work to identify customers in vulnerable situations and how they are exploring cross-sector data sharing. We also sought the view of Energy UK, whose members cover over 95% of energy customers.

We received 15 responses from water companies and 12 from energy companies, including 5 distribution network operators (DNOs), 4 gas distribution networks (GDNs) and 3 suppliers via Energy UK.

## **Reports following the freeze-thaw weather event:**

In June 2018 Ofwat published [Out In The Cold](#), report which explored the response of water companies to the freeze-thaw weather event in March 2018, which left thousands of customers without a water supply. At the same time, the Consumer Council for Water (CCW) published [Customers' experiences of water supply interruptions following the freeze-thaw events of March 2018](#), and we have also taken account of its findings in this report.

## **Meetings with consumer and citizen organisations:**

We have engaged with organisations working with energy and water users to better understand customer perspectives around the benefits of data sharing. A roundtable event, chaired by Sharon Darcy, Director at Sustainability First, was held with interested third party organisations in September 2018 to discuss and consider progress and the continued challenges.

## **Quarterly updates from the Joint Working Group:**

A Joint Working Group (JWG) has been established by Water UK and the Energy Network Association, with participation from both sectors, to implement national non-financial vulnerability data sharing arrangements between the two sectors by 2020. The JWG has provided quarterly progress updates to Ofwat, Ofgem and UKRN on progress. As part of that work, a data sharing pilot has taken place in the north west of England between United Utilities (water) and Electricity North West (electricity).

Which? The Digital Revolution: Consumers and their data, Policy Research Report, March 2018.



<sup>4</sup>In this context, national non-financial vulnerability data sharing refers to data sharing across companies based in England and Wales, as per Ofwat's regulatory remit.

