

Water Retailing to Vulnerable Customers

Good Practice Consumer Interaction Guidelines

Who are these guidelines for?

The *Good Practice Consumer Interaction Guidelines* are for water retailers in South Australia to assist in engaging with vulnerable consumers. They represent processes and engagement practices that water retailers in South Australia should aspire to and seek to implement when practical.

Who are vulnerable water customers?

Vulnerable water consumers are those consumers who struggle to pay their bill on time, on most occasions, or struggle to deal with other issues relevant to their water supply. This may include consumers who are: low-income earners and/or recipients of government benefits; consumers with a disability (and their carers); and consumers living in regional areas of South Australia.

What challenges do vulnerable water consumers face?

Beyond simply having difficulty paying their water bill, vulnerable consumers may face a number of other challenges in managing their water bills. These include:

- accessing information about the supports available to assist with bill payments
- difficulty in understanding the water bill (e.g. fixed and variable costs)
- not being able to identify supply charges (when included in a council rates notice) and so do not understand what they are paying for
- time-consuming process for tenants to access concessions, as well as the challenge of not being the water customer as they do not have a customer relationship with the water retailer
- personal barriers to seeking assistance, such as language barrier or lack of confidence.

Why should retailers address the needs of vulnerable consumers?

By supporting vulnerable consumers in their dealings with water retailers, better outcomes can be achieved for consumers, and ultimately water retailers. At the end of the day, supporting vulnerable consumers to pay their bills, means that those bills are more likely to be paid. Supporting vulnerable consumers will also help to build trusting relationships with your consumers.

Water retailers already have hardship policies in place to help support vulnerable consumers. These guidelines go further by providing guidance for water retailers to provide a better service for vulnerable customers. You may wish to use these guidelines to assist you in preparing for your licence renewal to demonstrate to the regulator your commitment to vulnerable consumers.

These guidelines are designed to assist water retailers in achieving their objectives, rather than to create onerous obligations on a water retailer.

What changes can water retailers make to reduce the challenges for vulnerable water consumers?

PROVIDE RELEVANT ASSISTANCE AND INFORMATION

Vulnerable consumers may not be aware of what support is available to them if they are having difficulty paying their bill. It is important that water retailers:

- provide information about assistance that are easily accessible to vulnerable consumers (consider multiple channels to provide this information)
- assist consumers who are unable to pay their bills, in a timely and relevant way.

ACCESSIBLE, RELEVANT INFORMATION – AT THE APPROPRIATE TIME

Retailers should provide a continuum of relevant information to consumers:

- **for new customers** – a welcome pack with at minimum the Customer Charter, the roles and responsibilities of the consumer and the retailer, what to do if you can't pay a bill and financial counselling information, concessions available and any other relevant information.
- **with each invoice** – payment options and relevant billing information, call centre numbers and other assistance
- **with each reminder notice** – relevant alternative payment options and telephone numbers and website information for financial counselling (including the relevant 1800 number) and hardship policy and assistance
- **with each subsequent communication** – relevant hardship information and financial counselling information in a more prominent media, and call centre information which takes the customer through to hardship assistance programs.
- **on application of water restriction devices to consumers who are in default of payment** – on a visit to the property seek to engage with the consumer and offer financial counselling and other hardship assistance.

Making information accessible

Think about how and where information is presented.

Is it easy to find? Do you need to look for it to find it or is it one of the first things you see?

Sometimes people in financial crisis may not open their bills if they know they can't pay. Think about providing information on the outside of the envelope.

ENGAGEMENT PROCESS

Some vulnerable consumers do not have access to the internet or the skills to find information online and some do not open their reminder notices if they feel they can't pay. As a result, consumers are not accessing the valuable information water retailers have available for them. Water retailers need to re-think how they provide information to consumers.

At a minimum retailers should ensure that customer services staff have adequate training so that they can identify when someone might be in financial hardship when discussing bill payments on the phone. This may enable retailers to better target their customers suitable for their hardship programs, or refer customers on to other services where they can access financial counselling support.

Training for customer service staff

The training should include:

- what the hardship policy is and how it is applied
- how to identify potential hardship customers through asking the right questions
- how to communicate sensitively with customers who may be in hardship
- financial counselling services available and how and when to refer customers to these services
- how and when to refer customers to the hardship program.

The engagement process with a consumer should change with circumstances. The provision of a bill by a retailer that remains unpaid should be followed up with alternative communications media that break through the barrier imposed by a bill reminder envelope.

Alternative communication

Alternative communication approaches should be considered that seek to engage with a vulnerable consumer through:

- the use of plain envelopes for reminder notices
- envelopes with financial counselling assistance information on the outside of the envelope
- reminder emails and SMS messaging
- telephone follow up with a view to asking if the customer needs assistance with alternative payment options.

OFFER CALL CENTRE CALL BACK

Some vulnerable consumers use pre-paid phones as their main telephone communication. Long wait times to access customer service via a call centre have significant cost implications for these consumers. This may mean that consumers:

- are unable to wait on the phone to discuss their bills and the assistance that is available to them
- are placed under greater financial pressure, due to increases in call costs
- do not attempt to call customer support lines for assistance.

Offering a “call back” service in times of high demand, may increase access to telephone support for vulnerable consumers.

BE PROACTIVE

IDENTIFY POTENTIAL HARDSHIP CONSUMERS

Knowing which consumers may be at risk of financial hardship provides water retailers with an opportunity to act early and maximise the chance of receipt of regular bill payments.

Information available to retailers such as property information, concession status and customer payment history are useful indicators of which consumers may be at risk of financial stress. It may be useful for retailers to use this information to provide potentially vulnerable consumers with information that identifies support services such as financial counselling, hardship programs and information on payment terms as preventive ways to avoid consumers falling behind on payment.

Current systems may not enable ready and easy analysis of this information. Retailers should, therefore, work towards:

- Developing financial sub systems that identify payment histories and seek to be proactive to the consumers’ potential needs within the constraints of privacy and equity.

- Enabling first point call centre operators to identify consumers who have previously been in receipt of hardship assistance on their water bills during customer contact.
- Building the capacity of staff to analyse data in ways that identify consumer behaviours as indicators of hardship.

Training for customer service staff

Training staff to look at a customer's data when they call will help retailers more proactively identify potential hardship consumers.

The training to identify hardship customers should include:

- how to use a customer's payment history , such as timing of payments, and size of payments
- using previous call history (why and how often has the customer called)
- property information (value of house, the Socio-Economic Index for Areas based on postcode)
- concession status.

IDENTIFY UNUSUALLY HIGH BILLS

Unusually high bills present a significant problem to consumers who are already struggling to pay their bills. Many vulnerable consumers are unsure of who they can contact and what avenues are available to them to find the cause of the high bill and manage the payment.

Retailers should work towards the development of systems that identify when a customer's bills is unusually high in comparison to historical usage, and initiate a customer engagement program that offers assistance commensurate to the consumer's needs. This process should provide consumers who are presented with an unusually high bill with assistance early in the process.

As an additional service, the water retailers could perform water efficiency audits on premises to assist those with unusually large bills manage their consumption.

IDENTIFY CONCESSIONS

Identifying consumers who may be eligible for government concessions can save time for the water retailer, as well as work towards building a trusting relationship with the consumer.

Water retailers should use information from their customer management system about the potential of a customer to access a State Government concession. Water retailers should also ensure that any bill that they provide to a consumer that may be eligible for a concession should have information about how to apply and how to access available concessions.

PURSUE RELATIONSHIPS WITH COMMUNITY ORGANISATIONS

Better outcomes can be achieved for retailers and consumers where there is a good relationship between the retailer and the organisations who work with vulnerable consumers and advocate on their behalf. A good relationship with these organisations can lead to more efficient and effective resolution of water issues for vulnerable consumers.

Retailers could consider:

- holding a dedicated forum with local community organisations
- directly contacting the community organisations
- providing written information to community organisations outlining the support and assistance available to vulnerable consumers.

CONSIDER VULNERABLE CUSTOMERS WHEN DEVELOPING TARIFFS

Vulnerable customers sometimes attempt to manage their bills through reducing the volumes of services they consume. Where there is a high fixed charge, the savings can be immaterial. When setting tariff policies, water retailers should consider how their tariffs might impact on the vulnerable customer group, and over time, consider ways that tariffs might be developed that better respond to their needs.

HAVE SYSTEMS IN PLACE TO ENCOURGE SELF-HELP

SELF-HELP INFORMATION

Some consumers can manage their financial affairs with minimal assistance and some additional information from the water retailer. The submission of a quarterly or annual bill presents a significant financial problem to a vulnerable consumer. The ability to pay off the bill with regular instalments is of great assistance.

To support this process, retailers should consider financial systems that allow customer access to view bills and amounts outstanding online so that some engagement can be initiated by the consumer. As systems develop, consultation with consumers should seek to identify what information and access can be provided in an efficient manner that would allow greater access and easier management of more frequent payments of the balances outstanding.

REDUCE THE IMPOST OF A QUARTERLY BILL

A quarterly bill is huge impost on some vulnerable consumers. Many consumers find the size of a quarterly bill daunting and are unable to pay the amount in full at the time it is due.

Water retailers should consider systems that allow for bill smoothing. This may include more frequent invoicing of charges, or the ability of allowing more frequent bill payment with a mechanism that would allow the consumer to understand whether the size and frequency of the payment is clearing the debt. Over time, and with the establishment of more sophisticated customer management systems and invoicing/receipting systems, retailers should consider how they can provide information on monthly or fortnightly payment regimes that clear the debt, and that respond to changes in customer volumes. Further bills would then show progress on clearance of the debt and whether the customer is on track for the foreseeable future.

PROVIDE SUPPORT FOR TENANTS

PROVIDE INFORMATION TO TENANTS

The current contractual relationship for water provision exists between the property owner and water retailer. There is no contractual relationship between tenant and retailer even though the financial liability for water services are increasingly being passed on to the tenant. It may assist tenants deal with their financial relationships if they were to have access to water services billing information from a retailer with the property owner's consent.

To facilitate this, water retailers could move towards adaptive technology that would allow relevant access to information if the landlord allowed. This could be billing information, water usage and other information that would allow a tenant to manage the financial affairs of water services liabilities that are passed on to them.

PROVIDE ACCESS TO HARDSHIP SUPPORT FOR TENANTS

Water retailers provide hardship assistance for water consumers who have difficulty paying the water bill. As there is no contractual relationship between a tenant and the water retailer, there is no access to hardship assistance from the retailer if the tenant is responsible for the water bills under their tenancy agreement. Whilst it is recognised that this would be difficult to accommodate in the short term, water retailers should consider processes whereby they may allow access to hardship assistance should the relationship constraints change between tenant/landlord/water retailer.

Checklist

Use this checklist to help you keep track of the processes and systems you have put in place to help vulnerable consumers.

Do you:

- Provide vulnerable consumers with sufficient information on supports and assistance, and at appropriate times?
- Have information available that is easy to find, and available through a variety of channels?
- Offer information on hardship programs and financial counselling when making visits to the property of consumers who are in arrears?
- Offer a call centre call back service?
- Proactively identify potential hardship customers?
- Identify when a bill is unusually high?
- Utilise multiple communication channels
- Proactively identify consumers who may be eligible for concessions?
- Provide information to consumers that allows them to self-manage their bills?
- Work with community organisations to support vulnerable consumers?
- Take into account a consumer's ability to pay when setting a water pricing policy, such as for fixed versus variable costs?
- Utilise bill smoothing to manage costs for vulnerable consumers?
- Have process and systems in place to provide information to tenant consumers?
- Provide access to the hardship program to tenants?