

## **Consultation Response**

Ref 3718

# Response to Ofwat consultation on the Guaranteed Standards Scheme

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### Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, we help more than seven million older people each year by providing advice and support. We also research and campaign on the issues that matter most to older people. Our work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

### About this consultation

**Initial comments: Older people at risk during supply interruptions** Older age should not automatically be equated with vulnerability. Many older people are capable and selfe

all (99%) 16-34 year olds do so, this falls to eight in ten (78%) of people aged 65-74 and 44 per cent of those 75+.<sup>8</sup> As well as being excluded from this source of information, these customers are unable to communicate with their company during a disruption by email,

Better provision of emergency water supplies to those most reliant on it and least able to access it themselves.

Better communication with customers, including more up-to-date and useful information, and through a range of online and offline channels.

More consideration of other circumstances when people in vulnerable positions may need extra support, for example localised flooding following on from a burst pipe, that may seem relatively minor but could have serious implications if, say, a sheltered housing development is flooded.

### Responses to questions: Arrangements for when supply is not restored

1. Adjusting the levels of compensation for supply not being restored under the GSS arrangements.

### a) Should the levels of compensation for supply not being restored under the GSS arrangements be maintained or increased?

Levels of compensation should be increased; the current levels of compensation are inadequate. For example, a two-day interruption for an older person with mobility problems and incontinence would likely cause severe problems and distress. Compensation of £40 is completely inadequate; that person may need to spend significant sums on transport, water supplies, phone calls and possibly even accommodation. In addition, they should be adequately compensated for the distress and inconvenience caused.

We have no view on what specific level payments should be set at. Further, more than the standard level of payments, we are especially concerned (as explained below) that

payments increase exponentially with the length of the disruption, and vulnerable customers, who are more at risk, receive higher payments, or full recompense of extra costs such as alternative accommodation.

### b) Could an increase in the minimum level result in companies paying less compensation to customers than they currently do by encouraging them to not exceed a higher minimum? If so, how could this be addressed?

We have no strong view. We think the minimum level should be increased to a decent and more appropriate level and companies should continue to have the option to pay higher amounts. Rather than focus on the amount of compensation, Ofwat could introduce an outcome-based approach, such as ensuring that vulnerable consumers are not left financially out of pocket.

### 2. Payment thresholds and exemptions for supply not being restored.

### *b)* Should compensation increase by a larger amount the longer disruption lasts (i.e. exponential)?

current GSS arrangements are not reflective of the impact on customers of being without water f

lasts.

For example, disruption lasting into a second day or beyond could mean a customer has to source safe drinking water on multiple occasions, which may be extremely difficult due to mobility problems. That person may need to take multiple taxi trips. They may also need to make multiple lengthy phone calls, which can be costly. In addition, customers may feel growing levels of anxiety and distress.

CCW research backs this up, with the proportion of households badly affected rising from 18 per cent in a 1-day disruption to 44 per cent in a 3-day or longer disruption.<sup>12</sup> Further, we note that long disruptions were common during the Beast from the East; a fifth (18%) of customers reported supply interruptions lasting longer than 24-48 hours. A further third of customers (35%) reported interruptions longer than 48 hours.<sup>13</sup> Some people were without water for up to a week.

In addition, increasing compensation in this way would create a stronger incentive for companies to act quickly and minimise disruption.

### 3. Other areas to consider relating to compensation for supply not being restored.

# *b)* Are there any other changes to the arrangements we should consider relating to payments for supply not being restored to ensure that customers receive fair, fast and free from hassle compensation?

We welcome the fact that payments are made automatically without the customer having to take action. This hassle-free mechanism prevents the situation where people miss out because of difficulties making claims such as a lack of internet access, health conditions or disabilities. However, consumers should also have the right to put in a claim for extra reimbursement if applicable.

A small risk is that some customers may worry when they see unexpected money deposited into account. According to CCW research:

<sup>1</sup> Buckley BS, Lapitan MCM (2009) Prevalence of urinary and faecal incontinence and nocturnal enuresis and attitudes to treatment and help-seeking amongst a community-based representative sample of adults in the United Kingdom. International Journal of Clinical Practice; 63 (4): 568 573
<sup>2</sup> The estimate is for the UK, based on Great Britain data from the General Lifestyle Survey 2011, Office for National Statistics, 2013
<sup>3</sup> https://www.ccwater.org.uk/wp-