

Information notice

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Resolving complaints, disputes and company failures – Ofwat’s new casework strategy

This information notice summarises our new strategy for dealing with the range of different investigations and enforcement activity we carry out to resolve complaints, disputes and company failures. We call this ‘casework’.

Background

Our shared [vision for the water sector in England and Wales](#) is one where customers and wider society have trust and confidence in vital public water and wastewater services. We want the companies that provide these services to be accountable to their customers for delivering the services they need and want at a price they can afford.

As the economic regulator of the water sector in England and Wales, our role is to help it build trust and confidence with customers and wider society. This means:

- provoking, challenging and where appropriate leading the

sector, to ensure it has clarity on what customers and society expect;

- overseeing how the sector is performing;
- seeking assurance that water companies are acting efficiently, on the basis of good information, a good understanding of the responsibilities and relationships they have and that they are maintaining a mature relationship with us;
- being ready to step in if water companies fall short;
- using the right tools from our available toolkit to achieve the best results; and
- acting clearly and predictably.

One of the areas where we can make the biggest impact for customers, the environment and wider society now and for the future is on casework.

Our casework strategy

We aim to make sure that we play our part in giving customers, the environment and wider society

trust and confidence in the services they receive. So we will focus our resources for casework on:

- pursuing high impact cases that effectively target the most serious consumer harm and detriment, such as using our licence enforcement powers and our powers under the Competition Act 1998 and Enterprise Act 2002; and
- minimising as far as possible the resources we use on individual, smaller-value cases that can be resolved through other means.

We think that overall this could result in less consumer harm and detriment.

To support our strategy, we will focus on delivering six priorities. We summarise these below. Further information is available on [‘Resolving complaints, disputes and company failures – our strategy’](#) section of our website.

This is a formal document that alerts our stakeholders to a change in the way that we regulate the water sector in England and Wales.

Our casework priorities – summary



1. Being clear on our policies

The best outcome for customers is if complaints, disputes or company failures are resolved without us having to open a case. To encourage this, we will ensure that all our policies – such as how we approach particular types of work or specific issues – are clear to the companies we regulate and other stakeholders. And we will make sure our policies are efficient, effective and remain appropriate in the light of developments in the sector.

One of the biggest challenges facing the sector is the opening of

the market that will allow all non-household customers in England to choose their supplier of water and wastewater retail services. This is due to happen by April 2017.

We must make sure that monopoly companies understand their responsibilities under competition law to ensure that new businesses seeking to provide services ('new entrants') are able to compete fairly. Without this, customers' choices may be restricted and the benefits of competition lessened. So we will publish guidance for the water sector on competition law and, in particular, the challenges of

the new non-household retail market by the end of March 2016.

2. Effectively identifying risks and opportunities

To deliver the most beneficial outcomes to customers we will identify the areas that present the greatest risks and opportunities. We will use a variety of information to focus on those cases that we believe can deliver the most change for customers.

3. Deciding whether settling cases or investigating them will deliver the best results

Where we decide to open a case, we will use a risk-based approach to determine whether it is in the best interests of customers, the environment and wider society for us to:

- make an official agreement with parties to resolve a complaint, dispute or company failure ('settlement'); or
- continue an investigation and make a decision on a case.

Historically, settlement is not an approach we have pursued in a structured way – although we have reached settlements for individual cases. So to provide transparency to stakeholders, we will publish guidance on our approach to settlement by the end of 2015.

4. Improving our processes and procedures

In order to deliver the maximum value to customers we must:

- focus on the cases that can deliver the biggest overall benefits to customers, the environment and wider society;
- reach timely and effective decisions; and
- minimise the overall resources we use on individual cases.

So we will constantly review our processes and procedures to ensure that we are able to sort, choose, deal with and conclude cases as efficiently and effectively as possible.

To ensure that our stakeholders can have confidence in our processes and procedures, we will publish guidance by the end of 2015 on our service standards for cases, including indicative timeframes for the types of cases which we most usually handle. This guidance will also set out the roles and our expectations for water companies and other parties.

As part of our review of our processes and procedures, we are working on transferring some of our non-strategic cases to a third party for adjudication. This is subject to our cost-benefit analysis and the commencement of the relevant parts of the Water Act 2014. The introduction of cost-effective adjudication will allow us to focus on strategic cases to the benefit of customers.

5. Communicating clearly and effectively

Opening a case and then either investigating or settling it can

deliver benefits to customers. But communicating clearly and effectively about what we are doing – and making sure it is understood – can also deliver wider benefits to customers. To do this, we will maintain a constant dialogue with water companies and other stakeholders. As a starting point we will be publishing a regular casework bulletin to provide updates on our work to all stakeholders.

6. Resolving issues before they become cases

We will carry out work to try and resolve issues before they become cases. This includes challenging the sector to choose to act in the best interests of customers, rather than requiring them to do so through regulatory action.

Next steps

We published the first of our 'On the Case' casework bulletins to provide updates on our work to all stakeholders in June 2015. We will publish further bulletins every three months.

We will continue our work on introducing cost-effective adjudication for Ofwat's non-strategic cases. And by the end of 2015, we will also publish guidance on:

- our approach to settlement; and
- the casework programme's service standards and the roles and expectations for both applicants and the water and sewerage companies.

Also, by the end of March 2016, we will publish guidance for the water sector on competition law and, in particular, the challenges of the new non-household retail market.

Enquiries

If you have any questions about this information notice, please send them to casemanagementoffice@ofwat.gsi.gov.uk.

More information

[Resolving complaints, disputes and company failures – our strategy web page](#)

[Ofwat's strategy and approach to regulation](#)

[Deciding whether to investigate](#)

[Cases we handle](#)

[Process and timetable for the cases we handle](#)

[How we decide different types of cases](#)

[Open cases](#)

[Closed cases](#)

[Submitting a complaint or dispute](#)

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Phone: 0121 644 7500

Fax: 0121 644 7533

Website: www.ofwat.gov.uk

Email: mailbox@ofwat.gsi.gov.uk

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Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a leading economic regulator, trusted and respected, challenging ourselves and others to build trust and confidence in water.

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