



Priority services registers – a consultation on standards for water companies in England and Wales

Closing date: 8 January 2025

About Us

The Centre for Sustainable Energy (CSE) is a charity (charity 298740) supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience, and policy insights. Through our advice line, home visits and one to one support, we support around 15,000 people a year to reduce their bills and make their homes more energy efficient.

We deliver fuel poverty services for two of the electricity network operators and six local authorities. Through these services we support thousands of people of low incomes who often have multiple vulnerabilities and regularly speak on their behalf with energy and water companies. Last year we supported eight hundred vulnerable people a year in managing their water bills and achieved water bills savings for clients of £59k (£318 average annual savings per household). Our advice service¹ supported over 22,000 people in fuel poverty, saving our clients £11.5m on their energy bills.

Our response is informed by the experience of the thousands of vulnerable people we speak to and support every year.

1. Are there any other relevant sources of insight or feedback we should look to as we finalise our standards?

There are strong parallels between the water Priority Services Register (PSR) now proposed and the PSR already in operation in the energy sector, which is more mature, and lessons should be drawn from the operation of the energy PSR. Many vulnerable customers will be eligible for both the energy and water PSR's, be cross-referred between them, and the proposal for a joint PSR proposed through the Ofgem Consumer Vulnerability Strategy consultation² is likely to strengthen these links further. We bring our experience of supporting energy PSR customers to bear in our response.

¹ Centre for Sustainable Energy: Our Impact www.cse.org.uk/about-us/impact/

² www.ofgem.gov.uk/decision/consumer-vulnerability-strategy-2025

2. Are there any additional areas that you believe should be covered by our PSR standards?

No comment

3. Do you agree with our proposal to require all water and wastewater companies to have a PSR?

Yes. Our experience with the energy PSR is that vulnerable customers are not always aware that they have been placed on the PSR. This means that many of the vulnerable customers we support are unaware of the additional support and protections they are entitled to.

Customers should be clearly notified if they have been added to the PSR and be sent details of the services and benefits available to them, via post or email (based on their stated preference). If their details are shared with other organisations, customers should know which organisations know about their vulnerable circumstances, and what the benefits are of being on each of their PSRs.

4. Do you agree with our proposal to require all water and wastewater companies to refer to their PSR as a 'priority services register' or 'PSR'?

Yes. Continuity of naming across each PSR has benefit to all. The phrase priority services register or acronym PSR are not clear or universally known phrases or acronyms, an explanation should be given when first mentioned.

5. Do you agree with our overall approach to setting our expectations in this area, through non-exhaustive lists of needs and services we expect PSRs to cover?

Having uniformity among the list of needs and services PSRs are expected to cover would be very helpful for advice organisations as it would allow advisors to give all clients more accurate information about the eligibility for water PSRs and what support they can expect to receive. We support clients across Wessex Water, Bristol Water, Southern Water, Thames Water and South-West Water and it is likely that other support organisations like us similarly cover multiple water company's areas.

6. Do you agree with the list of needs we have set out? Are there other needs we should include?

We generally support the range of needs set out. However, it should be clear that eligibility can be based on the circumstances of any person in the household, for example disabled children not just children under five, not just the bill payer. Often the wording of a PSR sounds like it is referring to one person, whereas in fact it refers to anyone within the household.

We sometimes speak to people who have carers, friends or family coming to their home regularly which leads to increased water usage. If this could be included in criteria that would be helpful.

We suggest that digital exclusion should be added to the needs list for consumers in vulnerable situations who cannot afford a smartphone or the internet or who are uncomfortable using such means of communication. We acknowledge that at present many water company communications are paper based. However, looking to the future engagement is likely be increasingly online. The standards for PSR should anticipate this change.

7. Do you agree with the list of services we have set out? Are there other services we should include?

Yes, we support the services listed. As previously stated, it would be better if all companies signed up to the same support. This would improve consistency of support and would make it easier for our advisors who support vulnerable people to encourage them to be signed up to the PSR. In addition to having support being made consistent, we would also suggest that clients should receive a letter (or email) outlining the support available to them once they are signed up, including how to contact the water company in case of an emergency.

We particularly support the proposals for third party billing support and password facilities, which will help support organisations like CSE to easily make contact on a customer's behalf.

Additionally, if a non-digitally literate PSR customer wishes to tell their supplier about a change in their circumstances, they should be able to get through easily over the phone. However, we find that it can be a postcode lottery with some suppliers answering their phones quickly and offering personalised support and others leaving PSR customers waiting up to an hour to speak to them and not being proactive in understanding and meeting the client's needs. Vulnerable consumers signed up to the PSR should have preferential access to over the phone customer service advice.

We would like to see minimum standards for what suppliers offer their customers on PSR and for this to be communicated in an accessible way. As an example, PSR customers should have direct access to a specially trained team of customer service agents for support with their water use, billing, debt, etc.

8. Do you agree with our proposed requirement that all companies should strive towards having as comprehensive a picture as possible of PSR service requirements of individual customers in their area?

Yes. Water companies should be proactive in not only understanding the requirements of their PSR customers, but also the needs of people who should be on their PSR but are not, and how to engage with them so they get the support they need. This could include offering translator services. As well as understanding the needs of customers in their area, suppliers should also match this data with environmental risk information, e.g. flood plains so they have plans in place for those on the PSR if there is a flood.

9. Do you agree with our proposal to set an eligibility estimate, and require incumbent companies to grow their PSRs towards this each year?

Yes, we see a real difference in the speed that the energy PSR is growing compared to the water PSR and the support many DNOs offer their customers is more personalised and proactive than most water suppliers.

10. Do you agree with our proposed eligibility estimate, and the method we have used to calculate it?

CSE use a similar method for estimating PSR eligibility. We use multivariate Census 2021 tables to avoid double-counting households that meet multiple criteria for the PSR. Our method also focuses on households with at least one disabled person, households with at least one person of pensionable age, and households where no adults have English or Welsh as a main language.

Below are some key differences in our method compared to the one set out in the consultation document:

- We calculate eligibility at an LSOA level and then can aggregate to Local Authority or Licence Area level if needed.
- We also include households with children under five.
- Given the higher geographic granularity of our method and the inclusion of an extra variable, we do have to make a small number of assumptions based on nation-wide statistics.
- We only count disabled people whose “day-to-day activities are limited lot.”

Using our method, we estimate that 46% of households in England and Wales are eligible for the PSR, which is very close to Ofwat’s 52% estimate. We can produce an estimate for any specific LSOA in England and Wales. PSR eligibility ranges from 8% to 76% at an LSOA level according to our method.

You have mentioned in the consultation document that you are not proposing to set company-by-company eligibility estimates. Here is the method CSE/Ofgem use for the Distribution Network Operators (DNOs) in case this is something you want to propose in the future:

1. CSE estimate the number of households eligible for the PSR in each of the DNO licence areas (using the method mentioned above).
2. Ofgem set a PSR reach target which is the same for all DNOs (PSR reach % is the number of households on the PSR / estimate of number of households eligible for the PSR). Technically, they set various PSR reach ranges: 60-75% results in no penalty or reward, >75% results in reward, and below 60% results in penalty. More details on page 122 in <https://www.ofgem.gov.uk/sites/default/files/2022-11/RIIO-ED2%20Final%20Determinations%20Core%20Methodology.pdf>.
3. All DNOs send PSR data to CSE at the same time each year so that PSR reach can be consistently calculated and then reported to Ofgem (reporting is via the DNOs).

The key points here are that any calculation that compares PSR reach performance across companies needs to be conducted at the exact same time in the year (i.e. same PSR data extract date) and ideally by the same data processor for every company to ensure the calculation is the same.

11. Do you agree with our proposal to not expect new appointees to meet our eligibility estimate?

Yes, we agree that the expectation should be relaxed for new appointees with much smaller licence areas. However, as you mention, it is still possible to calculate PSR eligibility in smaller areas (especially using CSE's LSOA-level method) so a new appointee in a particular outlier area of England and Wales should still be able to calculate their PSR reach and work towards increasing it.

12. Do you agree with our proposal to retain our expectations on data checking from our 2020-25 common performance commitment?

No comment.

13. Do you agree with our proposed standards on PSR registration?

Yes, but it should be clear that these standards should be followed whether the customer has directly signed up with the water company for the PSR or when the customer's PSR details are passed to the water company from a different PSR, e.g. DNO or GDN. Registration forms should ask for communication preferences and welcome letters should be sent in the format the client indicates is their preference.

Where someone has been nominated on behalf of the client to correspond with the supplier both the client and nominated person should receive a welcome letter as default unless they have indicated they would like this done differently.

14. Do you agree with our proposals for implementation, monitoring, and reviewing our PSR standards?

No Comment.