

AMP 8

**A business transformation opportunity
for water utilities in the UK**

Parttwo: Improving Customer Service

AMP 8: A business transformation opportunity.

AMP 8 presents UK water companies with a significant challenge. Customers are being asked to fund the largest investment programme in the sector's history while expecting better service, greater transparency and stronger environmental performance. At the same time, Ofwat's final determinations require utilities to deliver improved outcomes under tighter financial constraints.

Success will depend on more than infrastructure investment. It will require a step change in how water companies engage with customers, manage vulnerable households and influence customer's consumption behaviours.

Digital technologies provide an opportunity to improve customer satisfaction whilst reducing cost-to-serve. Organisations that modernise customer operations can:

- ✓ Reduce avoidable customer contacts
- ✓ Improve support for vulnerable customers
- ✓ Encourage smarter water consumption
- ✓ Lower operating costs
- ✓ Reduce regulatory risk

This paper explores three areas where modern customer platforms, analytics and automation can deliver measurable benefits during AMP 8.

Reducing avoidable customer contacts.

Customer contact volumes are often driven by avoidable issues such as inaccurate bills, poor communication during service interruptions and a lack of timely information.

Reducing contact demand lowers operating costs while improving customer satisfaction.

Deploying smart metering improves billing accuracy

Smart meters replace estimated billing with actual consumption data, helping utilities deliver more accurate bills, detect leaks earlier and reduce disputes.

Key Benefits include:

- ✓ Fewer billing complaints
- ✓ Improved customer trust
- ✓ Better visibility of consumption
- ✓ Reduced bill shock
- ✓ Greater tariff flexibility

Modern billing platforms such as MECOMS 365 can process large volumes of smart meter data while validating readings to ensure accuracy and reliability.

Proactive customer engagement

Rather than waiting for customers to complain, utilities can use customer feedback, service history and behavioural data to identify emerging issues and intervene earlier.

Proactive engagement helps organisations:

- ✓ Identify customer dissatisfaction sooner
- ✓ Resolve issues before complaints occur
- ✓ Reduce unnecessary contact
- ✓ Improve first-contact resolution



The result is a more efficient and customer-focused service model.

Automating event communications

Planned maintenance and unplanned service interruptions generate significant contact centre demand.

Automated communications can:

- ✓ Notify affected customers immediately
- ✓ Provide regular service updates
- ✓ Direct customers to self-service channels
- ✓ Reduce inbound call volumes



Customers receive better information, while contact centres can focus on more complex enquiries resulting in:

- ✓ Reduced avoidable customer contacts
- ✓ Improved customer satisfaction
- ✓ Lower contact centre costs
- ✓ Fewer complaints



Better supporting vulnerable customers.

Increasing customer bills also increases the importance of identifying and supporting vulnerable customers effectively.

Regulators expect utilities to demonstrate consistent and proactive support for customers experiencing financial, medical or personal vulnerabilities.

Creating a single view of vulnerability

Many organisations still hold vulnerability information across multiple systems whereas a unified customer record system allows utilities to:

- ✓ Capture vulnerability consistently
- ✓ Share information across teams
- ✓ Avoid customers repeating sensitive information
- ✓ Deliver more personalised support



Earlier identification of vulnerable customers

Many vulnerable customers never formally declare their circumstances and combining behavioural indicators, payment patterns, service history and customer interactions enables earlier intervention and more effective support.

Embedding vulnerability into business processes

When vulnerability information is available and trusted, organisations can automatically adapt their processes.

Examples include:

- ✓ Priority communications during service interruptions
- ✓ Flexible payment arrangements
- ✓ Welfare checks during major incidents
- ✓ Protection from inappropriate debt collection activity

This leads to positive business impacts:

- ✓ Better customer outcomes
- ✓ Stronger regulatory compliance
- ✓ Reduced customer distress
- ✓ Improved public trust



Encouraging smarter water consumption.

Water companies must reduce demand while helping customers manage increasing household costs.

Smart metering and advanced analytics create an opportunity to influence customer behaviour more effectively.

Turning consumption data into insight

Modern analytics platforms such as Microsoft Power BI can combine consumption data with customer information to identify:

- ✓ Excessive water usage
- ✓ Potential leaks
- ✓ High-risk consumption patterns
- ✓ Customers most likely to benefit from intervention

Delivering personalised engagement

Rather than generic communications, utilities can target customers with messages based on their individual circumstances.

Examples include:

- ✓ Leak detection alerts
- ✓ Advice during drought conditions
- ✓ Notifications of unusual consumption patterns
- ✓ Water efficiency recommendations

This improves engagement while supporting both customer and environmental objectives.

Measuring outcomes

Targeted campaigns enable organisations to measure:

- ✓ Water savings
- ✓ Consumption reductions
- ✓ Leak resolution rates
- ✓ Customer engagement levels



This supports continuous improvement initiatives and provides a greater return on investment along with business improvements:

- ✓ Reduced demand for water
- ✓ Lower customer bills
- ✓ Improved sustainability performance
- ✓ Better customer engagement



Conclusion.

AMP 8 provides a unique opportunity to improve both operational performance and customer outcomes.

The organisations that succeed will be those that move beyond traditional customer service models and use data, automation and modern customer platforms such as MECOMS 365 to create more proactive, efficient and customer-centric operations.

By focusing on reducing avoidable contacts, supporting vulnerable customers more effectively and encouraging smarter water consumption, water companies can improve customer satisfaction while controlling costs and meeting their AMP 8 objectives.