

Case study: Anglian Water

Proactively managing arrears for
the UK's largest water provider



anglianwater

Experian has made us more agile, flexible and effective in our debt recovery strategy." Said Martyn Oakley, Customer Services Director at Anglian Water.

"We can now understand our customers in arrears including identifying customers who might be in difficulties and ensure that our contact with them is both personalised and appropriate."

"Experian provided excellent support in implementing and configuring the system for our needs, and has helped us to be more targeted in managing, collecting and reducing customer debt."

Anglian Water

Anglian Water is the largest water company in England and Wales, covering more than 18% of the country. It provides waste and wastewater services to more than five million domestic and commercial customers in the east of England and Hartlepool. The company's aspiration is to become a frontier company within the water industry.

Challenge

With increasing indebtedness and unemployment, levels of delinquency have been rising.

In the financial year 2007-08 water companies wrote off 1.6% of its revenue as bad debt, over £100 million (source: OFWAT). In the same year, household revenue which had been outstanding for more than three months had risen by 11% from the previous year to over £1 billion.

This is in an industry where customers have no choice of supply and utilities do not have the ability to disconnect services. Therefore the majority of delinquent accounts are still open, running and accruing further debt as the utility tries to recover the outstanding balance.

Water companies spent more than £70 million on debt collection activities in 2007 and with the economic crisis affecting households, this figure is expected to rise.

Anglian Water is committed to supporting its customers by ensuring those who have the ability to pay, do, and supporting those who are experiencing hardship.

The company was managing debt collection through its billing system. With a desire to make its collections system more effective and efficient, the company recognised that a dedicated collections system could bring significant benefits to the operation.

Decision Analytics answer

Following a market review, Anglian Water chose Experian's Tallyman collections management system.

The system has enabled the company to take a pro-active approach to collections, with a far more targeted approach to every customer in order to maximise recovery and minimise write-off, as well as providing the excellent customer service it is committed to.

Results

- **Cost to collect reduced** with the most effective actions prioritised and automated activities.
- **Reduced average debt** by the recovery of more balance from each customer.
- **Reduced bad debt and losses** and increased working capital with higher recoveries.
- **Recovery rates increased** with an increased focus on the actions that will produce results.
- **Number of cases handled increased** with the same resourcing levels.
- **Improved staff productivity** with collectors highly focused on the most effective activities.
- **Continually monitoring and improving the performance** of the arrears book and collections processes.

Pro-active collections

Water companies have to work hard to ensure customers pay their bills.

Experian's Tallyman system enables Anglian Water to gain insight into delinquent customers through risk scoring and then segment them into distinct groups.

Tallyman has reduced the cost to collect by automating many of the standard collections processes. It consolidates all credit related communications, including phone calls, emails, texts and letters between the organisation and its customers into a single database.

By acting quickly on delinquency and ensuring the strategy delivery is seamless across the organisation, the customer starts to interact with Anglian Water early in the delinquency cycle.

This increases the likelihood of restoring the customer's account to good order and enables the organisation to support customers who are experiencing difficulties.

Integration

The Tallyman system has been fully integrated with Anglian Water's existing systems, including the billing system. Details of customers who have missed payments are seamlessly transferred to Tallyman.

Interfacing with other external sources including credit bureaux and telephone search agencies helps to enrich and correct customer contact details.

Once strategies have been assigned, cases can be easily passed to debt collection agencies, trace agents and Anglian's doorstep collections team.

Agile implementation for a quick return on investment

Anglian Water opted for a rapid implementation of Tallyman to enable them to gain early benefits. Deployed in less than 6 months, business users were then able to extend the system and apply changes to the live system quickly and easily, in order to provide the optimum debt management solution for Anglian Water.

Results

Delivered on time and on budget, the early benefits seen by Anglian include:

- Automation of the collections process, leaving staff to work on value-added activities.
- Focused strategies so collections staff are concentrated on higher-value customers and persistent late payers with a good chance of recovery.
- Accurate, current view of overall debt position.
- Improved reporting for continual evaluation and improvement of performance.
- Performance monitoring of teams and individuals.