from Southern Water

Rt Hon Alistair Carmichael MP
Chair, Environment, Food and Rural Affairs Committee
House of Commons

By email: efracomm@parliament.uk

Date: 26 January 2026

Dear Chair,

Re: Debt collection practices

I write further to our exchange of letters of 26 November 2025 and 6 January 2026 in relation to Southern Water's debt collection policies. I understand from your Select Committee team that you have requested additional information about our debt collection enforcement as it relates to vulnerable customers. I am pleased to outline these further details below, and am sorry that our initial reply did not provide you with the information that you were looking for.

Southern Water remains fully committed to supporting customers who struggle to pay their bills, and we make every effort to support customers in times of hardship through regular engagement and communication. We offer a range of payment schemes and social tariffs programmes to ensure that vulnerable customers can continue to access services and keep bills affordable for those who need it. We also have specific policies in place in relation to more vulnerable customers, as outlined in my last letter.

An annual breakdown of the number of HCE agents instructed

Collecting a debt through litigation is a last resort for Southern Water, which we only bring forward after providing extensive opportunities to rectify the debt through other options. In turn, our engagement of High Court Enforcement agents is also the last option we consider.

The table below outlines the number of High Court Enforcement (HCE) agents instructed in each year between 2017 and the end of 2025. The table breaks down these enforcement instructions between those owing a balance less than or greater than £1,000, as well as a total for that year.

Year	Balance > £1,000	Balance < £1,000	Total
2017	6,794	-	6,794
2018	1,950	1	1,951
2019	11,265	4,442	15,707
2020	5,453	1,857	7,310
2021	973	503	1,476
2022	2,160	656	2,816
2023	4,500	1,243	5,743
2024	5,803	3,019	8,822
2025	3,041	1,399	4,440

An explanation of how Southern Water assesses customers for 'litigation suitability'

Southern Water will consider litigation where a disengaged and non-vulnerable customer in arrears has reached the end of the Debt Collection Agency (DCA) process. In deciding whether to bring litigation against customers in these circumstances, Southern Water deploy a scoring mechanism built by UK Search, which looks at a variety of factors including the customer's number of existing and satisfied County Court Judgements (CCJs), their residency status, their employment status, and the availability of contact details.

This decision-making process also includes checks against customers for debt balance and the age of that debt, the last payment date, the customer's age, evidence of a live dispute, and whether any previous litigation has resulted in payment being some of the considerations.

Southern Water would not knowingly commence litigation against any customer where a vulnerability had been identified through this or other records we hold. However, many customers reaching this assessment point will not have engaged with either us or the DCA at all, which means that we may not always be fully aware of an individual's circumstances.

Confirmation of how debts are enforced against those who are not pursued via litigation

You also asked for additional details about how Southern Water approaches the enforcement of debts against customers not deemed to be suitable for litigation via the process above. These customers continue on our early 'in-house' and DCA collections journey.

Southern Water's in-house collections journey is tailored based on a customer segmentation model that uses their individual previous payment behaviour to determine the placement of our collection communications, deploying letters and digital (e-mail and SMS) methods. Southern Water will also reach out to customers in this position over the phone to discuss the options for clearing their balance and consider their eligibility for any discounted tariffs.

Where our in-house efforts are unsuccessful, a customer's account will be passed to one of our external debt collection agencies. In the event that the DCAs are also unsuccessful in collecting the balance, either in full or through a payment plan, the customer will be considered for litigation by reference to the process described above.

Those customers not entering litigation remain in the DCA journey, receiving periodic communications until such time as the debt becomes eligible for write-off.

Any further details, including the names of third-party organisations used in debt collection and details of their role

Southern Water partners with a number of partners in this process, including debt collection agencies, agencies for reconnection visits, solicitors, and High Court Enforcement Companies. A full list of these organisations, including their contact details and roles in this process, is attached.

All the High Court companies have their own policies on vulnerability and fall in line with the Taking Control of Goods: National Standards and the Civil Enforcement Association (CIVEA) Code of Practice, who are now overseen by the Enforcement Conduct Board (ECB). The standards and guidance they must follow are set out on the ECB website.

Confirmation of whether enforcement action has been taken against customers known to be in receipt of means-tested benefits, whether/how you collect this information, and how it informs your approach to enforcement.

Customers in receipt of a means-tested benefit would not be excluded automatically from litigation on this factor alone, given that benefits such as Universal Credit are claimed by around 8.4 million people, including those in work. Unless a customer has made contact and a specific vulnerability is identified, Southern Water would not treat these customers differently.

However, in all cases, Southern Water always considers the income that people have available to repay the debt within a reasonable, affordable period. UK Search will pro-actively try and contact all customers prior to enforcement and where contact is made, full consideration of their circumstances will be given. If the income is from a means-tested benefit, that would be noted as part of the affordability checks carried out when agreeing a payment plan. If that plan is not adhered to, every effort will be made to contact the customer again to reset the plan, thus avoiding enforcement action.

Moreover, as mentioned above, litigation and/or enforcement is only considered where a customer is not engaging or not willing to make a reasonable offer to pay, which may mean that the DCA has not been successful in speaking to them recently or perhaps even at all, and may not be aware of their individual circumstances.

Customers known to be vulnerable would not be referred for enforcement, although it possible for vulnerability to be identified after enforcement action has commenced. For context, of the 55k customers referred for High Court enforcement, 2.7% have since been flagged as vulnerable. Where medium or long-term vulnerability is identified, the customer's account would normally be returned to UK Search's Vulnerability Team.

Continued engagement

Our policy to make every effort to support customers in times of hardship through regular engagement and communication. Collecting a debt through litigation would be a last resort, and only after providing extensive opportunities to rectify the debt through other options. In addition, all the third-party organisations we use in debt collection are trained to deal with vulnerable customers and can assess whether they may be eligible for one of our social tariffs.

I hope that this provides the Committee with the additional information you require. If you have any further questions, or would like any further information, please let us know directly.

Yours sincerely,

Lawrence Gosden
Chief Executive Officer