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The Rt Hon Alistair Carmichael MP
Chair
Environment, Food and Rural Affairs Committee
House of Commons
London
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Sent via email

5 January 2026

Dear Mr Carmichael,

Thank you for your letter of 26th November requesting details of our current policies and internal guidance regarding debt recovery, and how we assess vulnerability prior to commencing such action. This letter provides a summary of our approach to debt recovery, followed by the specific information you have requested.

**Enforcement measures: internal policies and guidance**

Yorkshire Water adopts a risk-based approach to debt management, informed by industry-leading credit data sharing arrangements. We identify financially vulnerable customers using an affordability scorecard which combines data from Credit Reference Agencies and internal customer data.

In addition, we assess customer accounts to determine the most effective approach to debt management. Early arrears are managed proactively through a combination of reminders and text messages; around a quarter of arrears are resolved without the need for further action.

For accounts that remain in arrears after these preliminary steps, our debt management process is based on three further steps:

- First, we prioritise billing accuracy by ensuring customers receive correct bills, particularly those who are harder to engage due to limited contact details or information. This is achieved through regular meter readings and robust change-of-occupier processes.
- Secondly, we focus on providing vulnerability support through a range of targeted initiatives. These include providing lower bills for 169,000 customers, amounting to over £60 million annually; dedicated debt support for 17,000 customers, totalling £7 million per year; and income maximisation and access to external financial assistance for an additional 35,000 customers. We work in partnership with 25 organisations to deliver bill reductions, reaching 125,000 customers, and conduct approximately 30,000 hardship visits each year.

- Finally, we initiate enforcement activities for customers who we determine have the ability to pay but are choosing not to. In these cases, legal action is taken only where it is deemed necessary, with enforcement carefully managed to ensure it is fair and effective.

We recognise that there are a number of factors and circumstances that may contribute to a customer going into arrears. Our debt management strategy is reflective of this and provides a wide variety of bill and debt support measures that are designed to identify vulnerable customers and limit the number of customers in debt. We take enforcement action as a last resort, and limit this to those who we believe have the ability to pay but chose not to.

**Vulnerability measures and assessment**

We are committed to providing support for vulnerable customers. We anticipated and planned for an increase in financial pressure on customers in AMP8 by significantly increasing the level of support available over the five-year period. We offer a wide range of bill and debt support schemes, which are designed to limit the number of customers getting into arrears and help those in arrears manage their debt.

In this investment period, we have increased the level of help to customers to the value of over £375m worth of water bill support (vs £115m in AMP7). This will provide over 535,000 customers with help, through income maximisation and/or support paying their water bill. Customers supported this approach in our PR24 research and agreed to increasing the level of cross-subsidy for our social tariff from £6 per customer per year to £24. Shareholders also continue to fund the social tariff, in addition to £6m per year for our debt schemes, by providing £12.5m for this in AMP8 (25% increase from AMP7).

Our primary mechanism for supporting customers is our company social tariff. From FY26, we have transformed the tariff from a single bill reduction to a three-band tariff. The three bands are designed to support low-income households across the region with a capped annual charge aiming to provide a bill that is less than 5% of the bill to income ratio of that household. By 2030, we aim to increase the reach of our social tariff programme and wider help from 26% to 70% of eligible customers., and we are on track with this in the first year of this Asset management Period (2025-2030).

To ensure customers who need support are accessing the bill reductions available we are working with external organisations across our region, such as councils and charitable organisations, to share data and ensure vulnerable customers are aware of and can access appropriate support. In FY26 we forecast over 25,000 customers will access a water bill reduction via an external organisation and, where possible, these customers will be auto-enrolled to bill help without the need for directly applying.

**Guaranteed Standards Scheme**

One of the key ways we identify customers who may be experiencing affordability issues is by working with credit rating agencies. We share customer account performance data with credit rating agencies, enabling access to information from multiple sectors and providing a comprehensive view of overall financial circumstances. For more than 90% of customers, this is positive data that contributes towards credit reports. For customers who are behind with payments, data from agencies informs our litigation decisions, ensuring that any action taken is appropriate and targeted to the right customers.

New legislation for the Guaranteed Standards Scheme was introduced in October 2025, placing additional communication obligations on water companies. As currently drafted, these obligations are not practical due to the timely reporting requirements of credit rating agency data sharing and could ultimately lead to water companies ceasing data sharing. This could have an adverse impact on our ability to identify financially vulnerable customers and provide support. We have raised this issue with the appropriate organisations, highlighting the negative impact it may have on financially vulnerable customers.

**Requested Statistics Relating to Debt Recovery activity**

As requested, please find attached a table providing information relating to the to the specific questions outlined in your letter. Please note that according to our records, we do not use Suspended Committal Orders or Orders to Obtain Information.

The data we have provided for bailiff visits is a mixture of assured and unassured data, as requirements to formally report that information only came into effect in FY24. Since then, the data has followed the assurance process for our Annual Performance Report. As such, the information for prior years was not assured to the same standard. That is indicated in the attached spreadsheet.

The spreadsheet provides the requested data on the number of bailiff visits by year. The data shows there has been an increase in bailiff visits over the period. This reflects our decision to balance increased support for those who can't pay, with a more robust approach to debt management for those that we assess are in a position pay. That is why, along with growing the financial support available and the number of customers supported, we have made better use of data to ensure we take action against those who can pay but choose not to do so. We believe that is the right approach for our customer base as a whole.

For the related question about complaints to the Consumer Council for Water, we have also not been required to retain or report this information until recently. Therefore, we have submitted figures held by the Consumer Council for Water (CCW). No complaints were upheld by CCW.

Should you have any further questions about either our approach to debt enforcement or managing vulnerable customers, please do not hesitate to get in touch.

Yours sincerely

N. Shaw

**Nicola Shaw, CBE**

Chief Executive, Yorkshire Water

| | FY 24/25 | FY 23/24 | FY 22/23 | FY 21/22 | FY 20/21 | FY 19/20 | FY 18/19 | FY 17/18 | FY 16/17 | FY 15/16 | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Number of cases where enforcement agents (bailiffs) were sent to a home *** | 6124* | 6532* | 5361** | 2268** | 811** | 1125** | 605** | 647** | 405** | N/A | *Data contained in our Annual Performance Report (Number of high court judgement enforcements) / ** Non assured pre Annual Performance Review requirement |
| **Number of cases where bailiffs were sent to a home concerning debts of under £1000** | See notes | | | | | | | | | | We do not hold this information for previous years, however currently FY26 data indicated 45% of cases have a balance of less than £1000, and 55% a balance of over £1000. This data is representative of previous trends. |
| **How many Suspended Committal Orders (SCOs) have you sought against customers in total? Of these, how many owe less than £1000 in water and/or sewerage charges? Of these, how many have been granted?** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **How many of these cases relate to debtors who were known to be in receipt of means-tested benefits at the time of enforcement?** | See notes | | | | | | | | | | Unknown, as this is not a decision factor. Customer risk is segmented using data from credit reference agencies and internal behavioural insights. Each year, 3.66 million records are processed through an affordability scorecard, enabling the identification of over 300,000 financially vulnerable customers. |
| **How many complaints were made to the Consumer Council for Water in connection with your company's enforcement actions and failure to follow Ofwat's Paying Fair guidelines on recovering debt?** | 10 | 9 | 9 | 4 | 3 | 19 | 8 | N/A | N/A | N/A | Data from the Consumer Council for Water |
| **The associated costs to your organisation of applying for and pursuing Suspended Committal Orders against those with debts of less than £1000** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |