

## Utility Week

PAN-UTILITY

### **Bureaucracy 'halves debt collection'**

POORLY INTEGRATED systems and processes mean that UK utilities fail to collect about half the debt owed to them, according to new research.

Of water companies' total of £580.7 million of overdue debt, on average 47.1 per cent would not be collected because of poor customer service and collection systems, said a study by Customer Value Group (CVG). The electricity sector fared even worse: CVG said it failed to collect 57 per cent of its debt.

CVG chief executive Dickie Bielenberg blamed poor debt collection by UK utilities on "a huge amount of bureaucracy", as well as factors such as insufficient investment and utilities' failures to integrate different systems. Many customer systems could not handle multiple topics such as changes of addresses and payment queries, said Bielenberg. He added that takeover interest by private equity firms was forcing utilities to improve cashflow and clear debt.