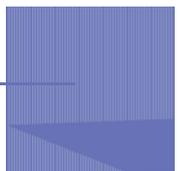




# Living with Water Poverty

Report of Research Findings



# Living with Water Poverty

## Report of Research Findings

---

16 June 2009/ Job No. 577/ Version 4

Prepared for:

The Consumer Council for Water



# Contents

---

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>INTRODUCTION</b>                    | <b>1</b>  |
| 1.1      | Background                             | 1         |
| 1.2      | Aims and Objectives                    | 1         |
| 1.3      | Methodology and Sample                 | 2         |
| 1.4      | Interview Content                      | 5         |
| 1.5      | Structure of the Report                | 7         |
| <b>2</b> | <b>EXECUTIVE SUMMARY</b>               | <b>8</b>  |
| 2.1      | Introduction                           | 8         |
| 2.2      | Key Findings                           | 8         |
| 2.3      | Conclusions and Recommendations        | 12        |
| <b>3</b> | <b>SUGGESTED TYPOLOGY OF CUSTOMERS</b> | <b>17</b> |
| 3.1      | Typologies                             | 17        |
| 3.2      | Influence of other variables           | 23        |
| 3.3      | A Static or Dynamic Typology?          | 23        |
| <b>4</b> | <b>MANAGING FINANCES</b>               | <b>25</b> |
| 4.1      | Income                                 | 25        |
| 4.2      | Outgoings                              | 26        |
| 4.3      | Main Categories of Expenditure         | 27        |
| 4.4      | Energy and Water Poverty               | 29        |
| <b>5</b> | <b>PRIORITIES IN SPENDING</b>          | <b>32</b> |
| 5.1      | Differences in Priority                | 32        |
| 5.2      | Priority Given to Water                | 38        |
| <b>6</b> | <b>AFFORDABILITY</b>                   | <b>41</b> |

|           |  |           |
|-----------|--|-----------|
| 6.1       | Differences in Affordability                         | 41        |
| 6.2       | Definitions of Affordability                         | 44        |
| 6.3       | Perceived Affordability of Water                     | 48        |
| <b>7</b>  | <b>COPING STRATEGIES</b>                             | <b>52</b> |
| 7.1       | Strategies by Respondent Type                        | 52        |
| 7.2       | The Dilemmas Associated with Cutting Back            | 58        |
| 7.3       | Coping Strategies Relating to Water Usage            | 61        |
| <b>8</b>  | <b>GETTING INTO DEBT</b>                             | <b>65</b> |
| 8.1       | Where Debt Builds Up                                 | 65        |
| 8.2       | The Emotional Impact of Debt                         | 67        |
| 8.3       | Getting into Debt with Water                         | 69        |
| 8.4       | Feelings about the Water Bill                        | 74        |
| 8.5       | The Effect of Threats from the Water Company         | 78        |
| 8.6       | Living with Debt: Four Case Studies                  | 79        |
| <b>9</b>  | <b>SEEKING HELP</b>                                  | <b>83</b> |
| 9.1       | Seeking Help from Utilities and Water Companies      | 83        |
| 9.2       | Experience of Seeking Help                           | 87        |
| 9.3       | Type of Help Wanted                                  | 91        |
| <b>10</b> | <b>WATER METERS &amp; PAYMENT/ASSISTANCE SCHEMES</b> | <b>95</b> |
| 10.1      | Water Meters   | 95        |
| 10.2      | Payment: Frequency and Method                        | 105       |
| 10.3      | Payment/Assistance Schemes                           | 108       |
| 10.4      | WaterSure  | 111       |
| 10.5      | Water Direct   | 113       |

|  |            |
|--|------------|
| 10.6 Charitable Trust Funds  | 116        |
| 10.7 Restart   | 118        |
| 10.8 Communication of the Schemes  | 120        |
| <b>11 CONCLUSIONS AND RECOMMENDATIONS</b>  | <b>122</b> |
| 11.1 Introduction  | 122        |
| 11.2 Age and Vulnerability   | 122        |
| 11.3 Measures to Encourage Payment of Water Bills  | 122        |
| 11.4 Increasing Awareness of the Schemes   | 123        |
| 11.5 Extending / Clarifying the Eligibility Criteria for the Schemes and Reducing the Stigma of Receiving Help | 124        |
| 11.6 Improving Dealings with the Water Companies   | 124        |
| <b>12 APPENDICES</b>   | <b>126</b> |
| 12.1 Recruitment questionnaire   | 126        |
| 12.2 Discussion guide  | 146        |
| 12.3 Stimulus Material   | 152        |
| 12.4 Drawing for Figure Selection  | 155        |



# 1 Introduction

---

## 1.1 Background

- a) The Consumer Council for Water (CCWater) represents the interests of consumers in the water industry in England and Wales. CCWater uses the recognised Chartered Institute of Environmental Health (CIEH) definition of households living in water poverty if they spend more than 3% of their disposable income on their water and sewerage bills. CCWater wished to develop their understanding of what it is like for consumers to be living with water poverty. While a number of studies have been carried out exploring how consumers cope with fuel poverty, to date there has been little comparable research into the impacts of water poverty. While some of the lessons from the fuel poverty work can undoubtedly be applied to the water industry, a recent literature review referred to in the brief, identified a significant gap relating to ‘the use of coping strategies and the implications of these for consumer welfare’.<sup>1</sup>
- b) Against this background, CCWater wished to establish whether there was an adequate appreciation of the problems posed by water poverty, and to obtain an improved understanding of the welfare impacts of water poverty on vulnerable households. In this context, ‘vulnerable households’ include people towards whom CCWater has a particular duty, that is, those living on a low income, individuals of pensionable age, disabled people or those with a chronic illness, people living in rural areas, and BME residents for whom English is not their first language.

## 1.2 Aims and Objectives

- a) The overall aim of the research was to assist CCWater in building up a richer understanding of what it is like to live with water poverty and to provide evidence that can be used to take forward its affordability campaign.
- b) The specific business objectives set out in the brief were to:

---

<sup>1</sup> Gibbons and Singler (2008) *Cold Comfort: A review of coping strategies employed by households in fuel poverty*, Energywatch

- identify vulnerable consumers' views on the affordability of tap water
  - identify where affordability issues may force consumers to limit their use of water, or make trade-offs with other essentials
  - identify where further work may be required
  - provide greater legitimacy in representing consumers
  - and provide a stronger evidence base on which to make policy decisions.
- c) The research objectives were to explore how vulnerable, low income consumers live with poverty, how they cope with day to day living and manage their income with respect to their water and sewerage bills.
- d) Key topics to be addressed are summarised below:
- to explore the **priority** of water and perceptions of **affordability** especially with regard to utility and water bills
  - to explore the issue of **debt** and how consumers deal with and manage this
  - to determine the range of **coping strategies** employed by those living in water poverty and the effect of these at both a practical and emotional level
  - to assess people's **experiences of approaching their water company for information, advice and help with payment difficulties.**

### 1.3 Methodology and Sample

- a) The research took the form of a series of depth interviews with a cross-section of vulnerable, low income water customers living in England and Wales. Low income households containing children, older people and people with disabilities or long term illnesses were the particular focus of the sample.
- b) In total, 42 depth interviews were conducted, some with individuals and others with couples. All respondents either met the definition of living in water poverty (water bill  $\geq 3\%$  of disposable income) or were borderline (water bill represents

2.5-3.0% of income). All respondents were on below average disposable incomes (typically under £18k p.a.) and met one or more definitions of vulnerability.

- c) The sample was structured against a series of variables. Table 1 identifies these and provides numbers against each.

**Table 1: Sample Structure**

|                    | <b>Variable</b>                            | <b>Number of respondents</b>                 |
|--------------------|--|--|
| <b>Lifestage</b>   | Pre-family                                 | 6 singles<br>1 couple                        |
|                    | Family                                     | 9 single parents<br>10 couples               |
|                    | Post-family                                | 3 singles<br>5 couples                       |
|                    | Retired                                    | 4 singles<br>4 couples                       |
| <b>Ethnicity</b>   | Black                                      | 6  |
|                    | Asian                                      | 2 English speaking<br>3 non-English speaking |
|                    | White                                      | 31   |
| <b>Location</b>    | Urban                                      | 24   |
|                    | Rural                                      | 18   |
| <b>Meter usage</b> | Metered supply                             | 16   |
|                    | Unmetered supply                           | 26   |
| <b>Disability</b>  | Disabled or chronic health condition       | 19   |
|                    | Non-disabled / no chronic health condition | 23   |

- d) The respondents were recruited in a variety of locations that are supplied by a number of different water companies. Interviews were undertaken with customers of the following water / sewerage companies:

- Anglian Water
- Dwr Cymru (Welsh Water)

- Folkestone and Dover / Southern Water
  - Severn Trent Water
  - South Staffordshire Water
  - South West Water
  - Thames Water
  - United Utilities.
- e) Nineteen interviews included somebody with some form of disability or chronic illness and a number of respondents had multiple conditions. In the majority of cases, and particularly where mental health issues were involved, these only came to light during the course of the interview. The range of conditions included the following:
- mobility impairment generally, arthritis, spondylitis
  - cerebral palsy, multiple sclerosis
  - diabetes, heart condition, stroke
  - eczema, psoriasis
  - mental health issues generally, depression, personality disorder, paranoid schizophrenia, dementia
  - chronic alcoholism, addiction to painkillers.

### 1.3.1 A note on the sample and interpreting the findings

- a) Our sample does not represent the full range of vulnerable people and this should be factored into the overall picture. On one or two occasions, we were unable to complete the interview because some respondents, generally those who were older, found it very difficult to provide basic facts such as current income and outgoings or to discuss spending priorities. Moreover, some vulnerable people who had initially agreed to take part subsequently changed their mind, sometimes when the researcher arrived to conduct the interview or was en route. These individuals are not included within our sample.
- b) The findings are qualitative in nature and based on a relatively small number of interviews. While a detailed analysis of the data suggests that there are differences between certain sub-groups and types of respondent, we would

advise that the patterns we have identified are treated with caution – they are best considered hypotheses for further exploration and development. Any statements that refer to respondents who ‘can’t pay’ or ‘won’t pay’ relate to this particular segment of customers (who were recruited because of their water poor status) and not the wider customer base.

## 1.4 Interview Content

- a) Interviews typically lasted an hour (although they were often longer) and followed a discussion guide developed in consultation with CCWater. The full guide is provided in the appendices but we have summarised the main points covered below to give some context for the research findings.
- **Managing general finances** – once a respondent’s income had been clarified, there was a brief discussion around their financial situation including how they paid their bills, whether they had any savings and in the case of couples, who was responsible for paying their bills. A number of card sorts followed where respondents were presented with various outgoings (see section 4.3.1), asked to sort them in a number of ways (listed below) and to explain why they had sorted them as they had.
    - **Sort one (household spend)** – the outgoings were sorted firstly according to the amount spent on each; the main aim being to gain an idea of the relative size of the different bills
    - **Sort two (spending priorities)** – outgoings were then sorted according to spending priority, from most important to least important. This was followed by an exploration of any choices that had been made in terms of meeting the various costs
    - **Sort three (affordability)** – respondents then sorted the outgoings into three categories; affordable, less affordable or unaffordable and definitions and perceptions of affordability were explored – what makes a particular item affordable or not?
    - **Sort four (payment and arrears)** – in the final sort, respondents were asked to place the outgoings into three categories; bills they always paid,

bills where they sometimes ran up debts / struggled to pay and bills where they were always in debt / arrears. The reasons for any arrears were explored with respondents.

- **Emotional impact of struggling with bills / being in arrears** – the practical and emotional impacts of struggling with bills or being in arrears were explored. The main aim was to determine how respondents coped with making choices, any difficulties with payments and arrears, and how these situations made them feel. A projective technique (see appendix 12.4) was used to help initiate this discussion.
- **Seeking help and advice** – whether respondents had approached suppliers and/or sought any other help with paying their bills was explored. If they had not sought any help this was covered hypothetically, what would they do and what would they expect to happen? Finally, the ideal situation in terms of help and advice was explored – what would respondents like to happen if they need to seek help?
- **Managing water bills** – how the water bill was treated relative to other outgoings was explored with respondents throughout the interview. The emotional impact of paying for the water bill and how respondents felt about it was covered using the same projective technique. If respondents were in arrears and/or had sought help with their water bill, this was also discussed, along with what people thought water companies should do to help people if they were struggling or could not pay their bill.
- **Water meters** – respondents' unprompted views about water meters (regardless of whether they had one or not) were firstly explored. They were then shown some information about water meters (see appendix 12.3.1) and asked for their response.
- **Payment schemes** – outline information was shown about a series of ways in which customers might be helped with their water bills and responses to these were explored. These were options for payment method and frequency, WaterSure (Welsh Water Assist in Wales), Water Direct, Charitable Trust Funds and the Restart Scheme (see appendix 12.3.2 to 12.3.7).

## 1.5 Structure of the Report

- a) The next section of this report is an Executive Summary which provides an outline of the research approach, the key findings and our conclusions based upon our interpretation of these, together with our recommendations. The main body of the report sets out the detail of the findings. These are liberally illustrated by verbatim comments from respondents in the depth interviews.
- b) The appendices contain the recruitment questionnaire, topic guide and copies of the stimulus materials.

## 2 Executive Summary

---

### 2.1 Introduction

- a) The Consumer Council for Water (CCWater) represents the interests of consumers in the water industry in England and Wales and uses the recognised Chartered Institute of Environmental Health (CIEH) definition of households living in water poverty if they spend more than 3% of their disposable income on their water and sewerage bills. CCWater wishes to establish whether there is an adequate appreciation of the problems posed by water poverty, and to obtain an improved understanding of the welfare impacts of water poverty on vulnerable households. In this context, 'vulnerable households' include people towards whom CCWater has a particular duty, that is, those living on a low income, individuals of pensionable age, disabled people or those with a chronic illness, people living in rural areas, and BME residents for whom English is not their first language.

### 2.2 Key Findings

- a) The main findings in relation to each of the research objectives are outlined below. It is important to recognise that the findings are qualitative in nature and based on a relatively small number of interviews. In addition, we have drawn a purposive sample – people who are in, or close to, water poverty and who can be considered to be vulnerable. Our findings may not be applicable to the wider public.

#### **Explore the priority of water and perceptions of affordability especially with regard to utility and water bills**

- b) Water is viewed as a priority, something that is essential 'to live', along with food, a roof over one's head, electricity and gas. However, it is often the bill that respondents 'let slip' when they have to make very real choices about payment.
- c) In part, this may relate to how affordable water is perceived to be. It is often seen as less affordable or unaffordable compared to other outgoings, by dint of the size of the bill (especially if it arrives six monthly or annually and there is no arrangement to pay in instalments) and a perceived lack of control over the bill due to price rises, variable billing periods, the fact that the supply is metered (and

therefore the size of the bill is unpredictable), or increasing arrears despite regular payments. Perceptions of unfairness may also play a role – it may be known that water bills are lower in other regions, respondents may feel they are paying too much for their level of consumption or there is sometimes a lack of understanding of, or disputes about, the service provided by water companies.

- d) In circumstances where the level of income makes it difficult to cover all bills, decisions are required about which are paid and which are deferred. Some outgoings, such as food, can be squeezed but others are fixed. Where choices have to be made, respondents focus on those bills where non-payment could have immediate or rapid and dramatic consequences. In the most extreme cases, this might be before or following court action or the arrival of debt collectors, but it could also be where payment is a condition of a tenancy. Most common is the situation where non-payment may result in the loss of energy supply. Many of the respondents who are struggling to pay their water bills or are in arrears use pre-payment meters for electricity and/or gas, and if they do not regularly top these up, they will not have access to these fuels. In contrast, delayed or non-payment of water bills is not seen to have the same drastic consequences; the assumption that water debt is caused by customers knowing they can not be disconnected is not supported and most respondents in this situation do not know for certain whether they can be cut off (and it was evident that they had not thought a great deal about this), but when prompted, most assumed that their water could be disconnected though it might be a protracted process.
- e) We suggest that payment method is also a factor in whether water bills are paid. A number of respondents who are struggling to pay their water bills or are in arrears are in the position where they are making weekly payments using a payment book or card. These are used as a means to encourage regular weekly payment and not as a means of accessing water (as with gas and electric pre-payment). This can result in respondents ‘forgetting’ or ‘leaving’ their payment for a few weeks especially if they have to find money to pay other, more pressing bills or the book might be lost, while those with health conditions often find it difficult to make the regular trip into town to make the payment. In this way, bills that are allowed to slip may turn into unintended arrears.

## Explore the issue of debt and how consumers deal with and manage this including the impact on their wellbeing

- f) Out of fourteen items of household expenditure, the one for which respondents are most likely to be sometimes or always in debt, is water<sup>2</sup>. Despite this, respondents show a keenness to be able to budget and cover their bill payments and the idea that people adopt a ‘won’t pay’ attitude towards their water bill (and their bills in general) is not supported by the findings. Those who are in arrears with their water bill genuinely ‘can’t pay’ at the level of payment expected by their water company. Just two respondents in the sample fall into what could be described as a ‘can’t pay, won’t pay’ category and they rationalised the non-payment of their water bill as a protest against the companies involved<sup>3</sup>. No one fell into the ‘won’t pay’ category (that is, they could have afforded to meet their payments but were choosing not to).
- g) The problem for many of the respondents is that it is easy for arrears to build up so that they are no longer struggling to meet bills but unable to do so. There is a perception that help is only available once you are in debt rather than when you are trying to avoid falling into arrears. Most are not deliberately avoiding payment and there is a willingness to pay, however, this willingness is related to a perception that they should only be made to pay what they can realistically afford.
- h) A range of negative emotions are experienced by respondents as a result of struggling to meet outgoings or being in arrears, regardless of how well they are coping. These include powerlessness, feeling worn down, hopelessness, anger and guilt and are particularly acute for those who manage their finances chaotically and are constantly fire-fighting. Some of the better money managers tend to feel more in control and so experience less stress but even those who are ‘making ends meet’ find the thought of not being able to pay their bills uncomfortable and stressful.

---

<sup>2</sup> This is perhaps not surprising given the fact that the sample was recruited from among people on low incomes who were either in water poverty or very close to being so.

<sup>3</sup> At the time of the interview, the two respondents were clearly in a position where they could not afford to pay their water bills; however, the thing which differentiated them from everyone else was the fact that they both indicated that even if they could afford to pay their water bill, they would not do so. For this reason, we have classified them as ‘can’t pay, won’t pay’.

### **Determine the range of coping strategies employed by those living in water poverty and the effect of these at both a practical and emotional level**

- i) Respondents adopt various tactics to cope with financial shortfalls. Those 'making ends meet' make cut backs (often to items they consider 'little luxuries') and fall back on what they already have, those who are 'struggling' return to the basics, while those 'in arrears' regularly trade off the basics (including essential items such as food). Turning to alternative sources of money is common, for example savings, family members, and high interest loans. Taken together, there is an impact on families and individuals in terms of their emotional, and potentially in some cases, their physical wellbeing.
- j) Only those with a water meter are in a position to change their behaviour and various strategies are used to attempt to control water usage focused on the toilet, bath, washing machine and dishwasher as well as more generally around the house and garden. However, it is felt that these behaviours do not seem to make any noticeable difference to water bills and engaging in water reducing behaviours that seemingly have no impact on bills only serves to raise stress and anxiety levels.

### **Assess people's experiences of approaching their water company for information, advice and help with payment difficulties**

- k) While most of those who were 'making ends meet' had not needed to contact a supplier, all of those who were 'struggling' and a number of those 'in arrears' had done so. While some were pleased to have been offered a payment programme, experiences (particularly of gas and water suppliers) were often viewed negatively (they had been forced to pay for calls, kept 'hanging on' on the phone, been met with inflexibility and a lack of understanding etc.) and there was evidence that one poor experience would put respondents off contacting companies subsequently. Overall, there was a sense of frustration with water companies and a feeling that their lack of helpfulness and flexibility could turn people who are in arrears or struggling but willing to pay what they can, into people who cannot pay what is demanded of them.
- l) Some respondents are simply not comfortable about contacting their water (or other utility) company. They are often very aware of their poor money

management skills and lack of understanding of their bill and are reluctant to put themselves in a situation where they may be pressured to accept a solution that makes their situation worse. Awareness of schemes that might help them, such as WaterSure and Water Direct (as well as of Charitable Trust Funds and the Restart programme) is also very low so that they do not appreciate that there are ways in which they might be helped.

- m) Everyone supported reduced tariffs or more manageable ways of paying for water consumption (such as Water Direct or WaterSure) for those who had difficulty paying their water bill. However, there was broad agreement that other customers should not have to bear the cost of such schemes and the majority of respondents also considered it unreasonable that the government should meet the cost of the schemes as it was anticipated that ultimately this would come out of taxes and therefore be paid for by the public. In the context of a lack of understanding about water companies and what they do, and an assumption that they are making large profits, there was a general feeling that water companies should take responsibility for meeting the costs of such schemes.

## 2.3 Conclusions and Recommendations

### 2.3.1 Age and vulnerability

- a) It is often assumed that older people are an especially vulnerable group who need extra support but our findings suggest that in the case of bill management it is often younger people (singles and couples without children and especially lone parents), who are most likely to end up in debt. This probably reflects a combination of factors including less developed 'life skills' and pre-recession attitudes towards credit and borrowing, while, in contrast, older people typically have better honed life skills and a very debt averse attitude. This is not to suggest that older people may not need additional support but it does highlight the need to consider ways of helping younger people as well.
- b) It may also be assumed that some vulnerable customers can access support in budgeting from support workers but this research has shown that such support may not be as hands-on as some people would like and need.

### 2.3.2 Measures to encourage payment of water bills

- a) It is clear that payment of the water bill cannot be seen in isolation; it is one of many significant outgoings that have to be accommodated within a low and sometimes, inadequate income. We did not explore with respondents the impact of lowering the water bill, but if this is offered as a way of making the water bill more affordable, we suspect that a small reduction, however much welcomed, will have little effect; it needs to be an amount that will have an impact on the vulnerable customer's ability to manage all their outgoings.
- b) In terms of the effect of sanctions on payment of bills, we have noted above that threats of legal action or eviction may prompt payment but it should be pointed out that respondents themselves often do not have the money to pay; in these circumstances they tend to ask friends and family for help (in two cases, they had taken out very high interest loans from loan companies). We have also noted that what amounts to the immediate withdrawal of supply (in the case of failing to pay in advance for energy) can also prompt payment. The extreme measures of the loss or withdrawal of water supply cannot be applied however and while it might be expected that they could have an effect on payment based on experience with other utilities, this is not something that could be tested.
- c) The assumption that having a water meter gives people control over the amount of water they use and therefore their bill, is not supported by the experiences of most metered respondents in this research. Encouraging customers who are struggling to pay their bill or already in arrears to switch to a meter is likely to be counterproductive unless it can be guaranteed that this will lower their bill. The research has shown that current water efficiency practices are not seen as having a noticeable impact on the water bill and this suggests that there is limited scope to promote even greater water efficiency. People in metered properties are already engaging in the obvious water reducing behaviours; other behaviours such as buying water efficient appliances are unlikely to be feasible due to the cost implications.
- d) Where a meter is considered an appropriate solution (potentially for households with one or two people), communicating the trial period may help persuade customers to take on metered billing. However, if they do not receive a bill for the

first six months, they may still be reluctant to switch just in case they end up with higher charges. The research has also suggested that the potential impact of widespread metering would antagonise many people (particularly those with large families / living in households with a number of people). These people are likely to see significant rises in their water bill which in turn, could result in more people ending up in water poverty and not paying their water bill.

### 2.3.3 Increasing awareness of the schemes

- a) The lack of awareness of the schemes intended to help people struggling to pay their water bill needs to be addressed to ensure that people who would benefit are aware of them and easily able to access them. Information needs to be made clearer on water bills and there should be active promotion of, and targeted communication about, the schemes, in a way that people can understand their options. There may be a need for both a campaign by water companies directed to individual customers and a more generic campaign setting out the options in general terms. Intermediaries who are in a position to help the most vulnerable should also be made aware of the schemes. Water Direct has appeal for some people in arrears who are in receipt of benefits but concerns about control over how much is deducted from benefits need addressing. One respondent's experience of quickly finding herself in arrears again after coming off the scheme when she returned to work, suggests there may also be a problem with this end of the process.<sup>4</sup>

### 2.3.4 Extending / clarifying the eligibility criteria for the schemes and reducing the stigma of receiving help

- a) As they stand, the eligibility criteria for the schemes (particularly WaterSure) are rather narrow and were questioned by respondents who felt they might potentially benefit. In particular, eligibility needs to be clarified regarding whether schemes are available to people working in low income jobs as well as those receiving benefits. Given that single parent families with one or two children also struggle

---

<sup>4</sup> CC Water suggest that this may be because the local DWP office is slow to inform the water company that a claimant has returned to work or because it takes time for the water company's billing system to indicate that insufficient amounts are being paid or there are unpaid charges.

to pay their bill, perhaps the number of children needed to be eligible for WaterSure might also be considered.

- b) Some respondents are clearly uncomfortable with the idea of receiving ‘charity’ as it goes against the value they put on self-reliance and undermines their self-esteem. The term ‘Charitable Trust Fund’ is unacceptable to many and while most water companies avoid using the term ‘charitable’, we suggest that any reference to charity should be avoided in communicating about the schemes.

### 2.3.5 Improving dealings with the water companies

- a) In our view, almost without exception, people who found themselves in arrears were not adopting a ‘won’t pay’ attitude. Instead, they were desperately trying to meet their various financial commitments and what they wanted was a means of helping them keep their heads above water until such time that they could clear their outstanding debts; for this reason, we have classified them as having a ‘can’t pay’ attitude. The water companies need to recognise their predicament. Of course, they could take the option of ‘going in hard’ on such individuals but we suspect this will only exert more psychological pressure and this will prove unproductive as they are likely to be struggling in a number of financial areas, not just with their water bill. There is also the risk that such action could antagonise people, turning them from customers who ‘can’t pay’ to customers who ‘won’t pay’.
- b) Firstly, water companies need to make it easier for customers to contact them and come to some kind of payment arrangement. Secondly, water companies should consider putting in place processes and systems that flag up individuals who are struggling to pay as early as possible and offer them assistance before, rather than after, they have got into significant arrears. This assistance should aim to get them onto an agreed level of payment that is realistic in terms of what they can afford. Respondents report that when they currently contact their water company, they are typically dealt with by an operative who has little appreciation of their situation, who seems to lack any understanding of the options or schemes put in place to help, and who adopts an inflexible approach – pay the bill or else. Even where a lower, regular payment is suggested, the amount in question often seems to bear no relationship to the customer’s ability to pay. We would suggest

that where there are dedicated teams within the water companies, they should have contact with the customer earlier in the process so that their needs can be assessed empathetically and the appropriate help provided. Such teams would be empowered to provide customers in need with assistance in getting onto agreed payment plans or other suitable schemes.

- c) Although the role of CCWater was not explored in the interviews, respondents often expressed the need for one-to-one help with managing their finances and coming to various arrangements in terms of what they could afford to pay suppliers. It is likely that if customers know that help is available from an independent organisation whose principal aim is to offer impartial advice, this would be welcomed and appreciated. In order for this to work, there would need to be significant communication of their role on water bills and via other channels.

## 3 Suggested Typology of Customers

---

### 3.1 Typologies

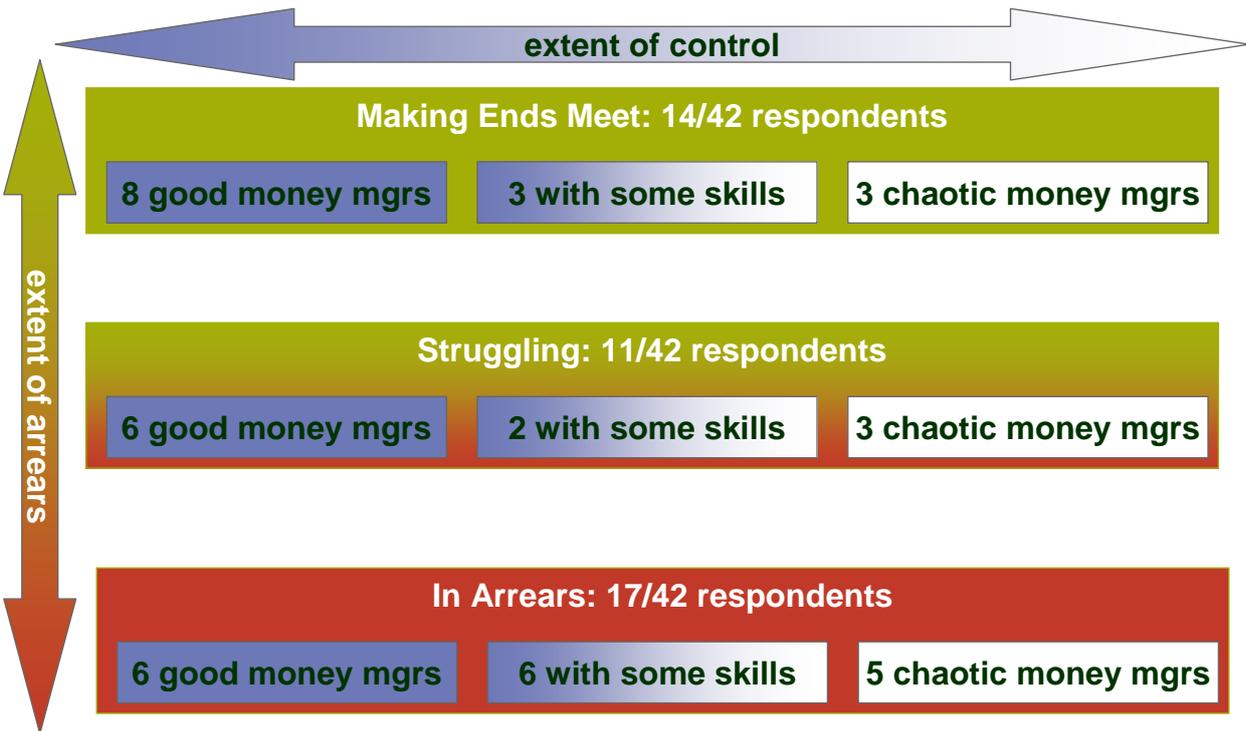
#### Key Findings

- Respondents in the sample were in varying situations and had different abilities in terms of meeting bill payments and managing their financial affairs
- A typology is proposed whereby respondents may be seen as ‘making ends meet’, ‘struggling to stay out of debt’ or ‘in arrears’. Within these groups, there were ‘good money managers’, those with ‘some money management’ skills and those who ‘lacked money management skills’ or were ‘chaotic’ in their money management.

- a) Although all respondents were on low incomes and facing broadly similar outgoings, it was clear that there was enormous variation in their personal situations, outlook and attitudes that affected how they dealt with the financial demands upon them. Discussions among the research team and further scrutiny of the interview findings leads us to propose a typology of customers based on two main dimensions; record of paying bills and ability to manage one’s financial affairs.
- b) We suggest the first of these, the record of meeting bill payments, divides into:
  - **making ends meet** - characterised by respondents who are not in debt and are able to meet all outgoings without going into arrears; generally, they are just about managing
  - **struggling to stay out of debt** - these respondents are able to meet payments most of the time, but there are times when payments slip or are missed; they are then at risk of falling into arrears
  - **in arrears** - those who are in debt on one or more of their outgoings (either with or without agreed payment plans); often they cannot pay all of their outgoings during a given week or month.

- c) Within each of these groups, respondents differ in terms of the extent to which they seem in control of, and able to manage their financial affairs. Across the sample, there are:
- **good money managers** - generally comfortable with, and competent in managing their finances, bill payments and/or payments towards arrears (no matter how little money they have) and, to a large degree, able to understand financial documentation and their bills
  - people with **some money management skills** - although not entirely comfortable with managing their finances, if they need to or are forced to by their situation, they can manage
  - people who **lack money management / have chaotic money management skills** - these respondents were avoiders who generally lacked confidence and/or the ability to manage their finances. When faced with debt, they either avoided dealing with the situation or had little idea what to do.
- d) Figure 1 (on the following page) provides a breakdown of how respondents are distributed according to this typology. 17 of the 42 households were 'in arrears', while 11 were 'struggling'. The remaining 14 were 'making ends meet'. Broadly speaking, those who were 'making ends meet' were relatively good money managers, while those who were in arrears lacked money management skills. However, this was not the case for all of those 'in arrears'; six in the sample seemed able to manage what little money they had, often by the frequent 'juggling' of their bill and arrears payments. Four of these were actively making progress to clear their arrears quickly, for example, making larger repayments on loans, clearing credit card arrears or smaller debts such as those incurred on catalogue purchases. For the other two respondents, 'money management skills' refers to their ability to satisfy creditors on a piecemeal basis, although they were unable to made significant progress towards paying off their arrears.

Figure 1: Overview of Typologies.



The characteristics of each of the main types of customer are described further below.

3.1.1 Making ends meet

- a) Those who were ‘making ends meet’ were more likely to be found among the older or later lifestages (nine were post-family or retired). A number had paid off their mortgage and therefore did not have significant housing costs. The highest proportion of good money managers were found in this group and this ability was often demonstrated by the arrangement of regular payments of set amounts, frequently by direct debit. Several expressed the view that these arrangements helped them to manage their finances and put them in the position where they knew what they had left to spend on other items such as food, clothes and leisure.
- b) Those who were making ends meet were very debt averse and sometimes disparaging of those who found themselves in arrears (generally assumed to be of the younger generation). A few described how they had been brought up only to buy what they could afford and not to ‘live beyond their means unlike younger

people today'. For some, the fact that they managed to pay their bills while on very low incomes gave them a sense of pride and satisfaction

*“So yeah, we are fairly old fashioned in the way we pay things, which I think is maybe admirable on our part, but maybe sometimes foolish, because people get away with murder.” (Post-Family, Garstang)*

*“It’s always been a family thing where you do without or you save up until you can afford it.” (Post-family, Colwyn Bay)*

*“It’s [getting into debt] not worth it to us, because you’ve got peace of mind. Although things are tricky at the moment, we know we don’t owe people, apart from the regular bills.” (Post-family, Colwyn Bay)*

- c) Although those who were making ends meet were no more or less likely to be from BME groups, Muslims are likely to be found in this segment due to attitudes to debt derived from their culture and faith

*“As Muslims, we don’t believe in paying interest and that is also a reason why we avoid any credit because the repayment will include interest.” (Family, BME, Disabled, Oldham)*

- d) The few among those ‘making ends meet’ who lacked money management skills or who were chaotic in their money management seemed to have avoided getting into debt more by luck than any deliberate action.

### 3.1.2 Struggling

- a) The highest proportion of families fell into this group with seven of the 11 households having at least one dependent child; one such household had a single parent. Although respondents’ ability to manage their financial affairs was more mixed within this group, most demonstrated good money management skills and seemed in control of their finances. Indeed, they often exhibited similar characteristics to those who were making ends meet, such as an aversion to debt

*“When you can’t pay bills, you’re on your own because there’s nobody there to help us. You know, we have to pay them and that’s it. Who do we go to? It’s not as if we can do more overtime at work.” (Family, Disabled, Penzance)*

- b) The reason that apparently good money managers found themselves struggling was because of their current circumstances; several had experienced a recent

change that had impacted on their financial situation, for example, job loss due to redundancy or illness

*“It’s not a good place to be, I’m not in my comfort zone at all, because I was used to working and living according to what I had to spend.” (Post-family, Disabled, Colwyn Bay)*

*“I feel frustrated, I feel we shouldn’t be in this position at this time of our lives. All our kids are more or less grown up...you don’t know when illness is coming.” (Family, Disabled, Penzance)*

- c) Such respondents’ willingness and ability to take control was shown in their behaviour – they used a variety of coping mechanisms, for example, reducing spending to the basics (see section 7) and were keen to seek out information and/or advice from suppliers (see section 9).
- d) In contrast, those who were struggling but less able to manage their finances often adopted a ‘head in the sand’ attitude, ignoring payment demands until non-payment was no longer a viable option. They might then turn to savings or a family member to help pay the bill. They were uncomfortable with contacting suppliers even if it might be to their advantage because of their lack of understanding and confidence in financial matters

*“I was pretty angry about it because I was all confused at the time really. It wasn’t my fault, I didn’t know anything about it, I should have wrote [a letter] and sent it to them, but like, it was always a big amount.” (Post-family, Disabled, Abergavenny)*

- e) Their reluctance was also based on a fear that any solution offered by a supplier might be to their disadvantage and in particular, they might end up paying even more.

### 3.1.3 In arrears

- a) Respondents who were ‘in arrears’ were more likely to be found among the younger lifestages, including single parents (seven) and pre-family adults (four). These predominantly single adult households contrasted with the mainly two adult households found among ‘struggling’ respondents. Perhaps unsurprisingly, a higher proportion of those with limited or no management skills fell into this group. However, around a third of those ‘in arrears’ demonstrated relatively good money management skills and seemed to be, to some extent, in control of the

little money they had. They were very used to living on a very low income and most had been doing so for quite some time. Some were on prepayment plans to clear arrears and were paying off regular fixed amounts each week or month, with the indication from a few that they were striving clear their arrears as quickly as possible.

*“It was a store card, but it went to court, so I'm paying the courts by a slip through the bank every month and... I've got a bank loan with another bank, so that I've got to put money [in] to go into that.” (Pre-family, Penzance)*

- b) Often they were accomplished at dealing with suppliers by juggling their bill payments, holding off one payment one week or month in order to pay another; then swapping priorities the following week or month. Those who adopted this method of managing their suppliers seemed more confident and less susceptible to the extreme emotional impacts felt by those who were less in control

*“I must admit I usually wait until I get the red letters through and then once they really start hassling me, then I will sacrifice my food money for bills.” (Pre-family, Dover)*

- c) Those who were less in control and lacked money management abilities were often ‘crying out for help’ due to the high levels of stress and anxiety they experienced. They sometimes talked about how past arrears had ‘caught up’ with them and if this had happened for a number of different outgoings, they had ended up in a situation where they were unable to pay even the minimum payment and/or final demand. This had then sometimes resulted in a County Court Judgement (CCJ)

*“I've got court cases filing against me at the minute for about two and half grand that I've overdrawn on my bank.” (Pre-family, Disabled, Penzance)*

- d) Their lack of ability to ‘juggle’ bill payments often resulted in them panicking which raised their stress levels even higher. A number explicitly stated that they wanted the constant stress of worrying about budgeting taken away from them, and for someone to help them work out a payment plan

*“They (suppliers) were all saying to me you've got to pay this back, you've got to pay that back and the way they were doing it at first, I had no money for cigarettes, hardly any money for shopping and I said ‘no, I can't do this’ and ended up in hospital.” (Post-family, Disabled, Dereham)*

## 3.2 Influence of other variables

### Key Findings

- Other variables used to structure the sample (water meters, urban or rural location, disability or long term illness, and ethnicity) did not appear to influence which group within the typology that a respondent fell into.
- a) The remaining variables used to structure the sample did not appear to be linked to the typology. Respondents with water meters were found across all groups as were those living in urban and rural locations. There was no indication that respondents with a disability or long term health condition were more likely to be found in a certain group and overall, BME respondents were not likely to be found in one group compared to another. However, as noted above, Muslim respondents were less likely to be in arrears for cultural and/or religious reasons.

## 3.3 A Static or Dynamic Typology?

### Key Findings

- Although money management skills are likely to remain relatively stable, the extent to which individuals might be 'making ends meet', 'struggling' or 'in arrears' can change over time - customers can move 'up and down' within the typology.
- a) People tend to be either good or poor money managers or somewhere in between but the extent to which individuals might be able to pay their bills, struggle to pay them or find themselves in arrears, appears likely to change over time. We cannot foresee how respondents' fortunes might change in the future but based on what they told us about the factors that might affect their ability to pay, we would estimate that only four households are likely to find their situation improving. This was as a result of, for example, successfully paying off long-standing arrears or completing a training course. Based on factors such as sources of help for paying bills they could not meet themselves, levels of rising debt, prognosis for their health and job prospects, we would estimate that the remaining households were roughly equally divided between those whose situation might remain static and those for whom it might deteriorate.

- b) The group in which we anticipate the greatest negative change is among those who are currently struggling to pay their bills. It seems likely that a small change in their circumstances or an unexpected further call on their finances might mean that the late payment of certain bills might turn into non-payment and arrears. The prospect of this happening seems even greater given the reluctance of some in this group to seek help with payment.

## 4 Managing Finances

---

### 4.1 Income

#### Key Findings

- The main income streams for respondents were benefits, tax credits and for a few, salaries (mainly for part-time work). Older respondents were drawing a pension and there was very limited evidence of savings.
- A number were in receipt of housing and council tax benefit, and often did not know how much this was as it was paid direct to their landlord, housing association etc.

- a) The main income streams mentioned by respondents were salaries (typically for low paid and often part-time jobs), various benefits and tax credits. Some, particularly those with long term health conditions and/or disabilities were reliant on benefits alone

*“It’s everything. In other words, if I didn’t have the benefits I wouldn’t have any money.” (Post-family, Disabled, Dereham)*

*“Well, it’s [benefits] been going up steadily over the last couple of years. I’ve been on the sick 19 years now and it’s gone up and up a little bit.” (Post-family, Disabled, Abergavenny)*

- b) Just a handful of respondents were in work and a small number were self-employed. The sort of jobs they had included painter/decorator, bricklayer, receptionist, warehouse worker, postman and security guard

*“Well it [my income] varies. I’m a postman but at the moment I only have a set 25 hour week contract, so it roughly works out between sort of £11,000 or £11,500 maybe.” (Post-family, Garstang)*

- c) Retired respondents mainly drew just a State Pension and might be in receipt of pension credit, however, a few also had small private pensions. Single parent families tended to rely both on benefits and child tax credits, although a couple worked part-time

*“I get a small pension from when my wife worked, she’s deceased now, but her pension is paid into TSB and that is used generally for paying the monthly bills.” (Retired, Abergavenny)*

- d) Some were in the situation where they had experienced a loss of income. The main reasons given for this were redundancy, maternity leave, ill health, fewer opportunities for the self-employed and in one case, an older child who had contributed heavily to bills had firstly lost her job and then moved out and stopped paying

*“It [our income] has changed, because I was working full-time and I’m now off sick with an erratic heartbeat that they’re investigating, and my husband’s on disability. So as it sits now, I get £78 a week, which is statutory sick pay, although we are trying to claim for things.”(Post-family, Disabled, Colwyn Bay)*

- e) Most had limited or no savings; where there were savings, these tended to be found among the older respondents. Individual Saving Accounts (ISAs) were mentioned by four people. Savings were mainly used as a vehicle to save for particular one-off items (such as a holiday) or as a buffer to help respondents keep their heads above water. The level of savings (and the current interest rates) meant that savings did not represent an income stream

*“No, we haven’t got any savings. We’ve got about £2,000 of premium bonds which we’re not touching unless the house is about to fall down.”(Post-family, Disabled, Colwyn Bay)*

- f) Those receiving housing and/or council tax benefit did not always know how much they received and/or how much rent or council tax they were paying. These sums are therefore not included in the income and outgoings calculations in the following sections.

## 4.2 Outgoings

### Key Findings

- The average income across the sample was £10,776 and the average expenditure was £9,890.
- For a third of respondents, their outgoings exceeded their income and even where income exceeded expenditure, the gap was very narrow, leaving little scope for manoeuvre should circumstances change.

### 4.3 Main Categories of Expenditure

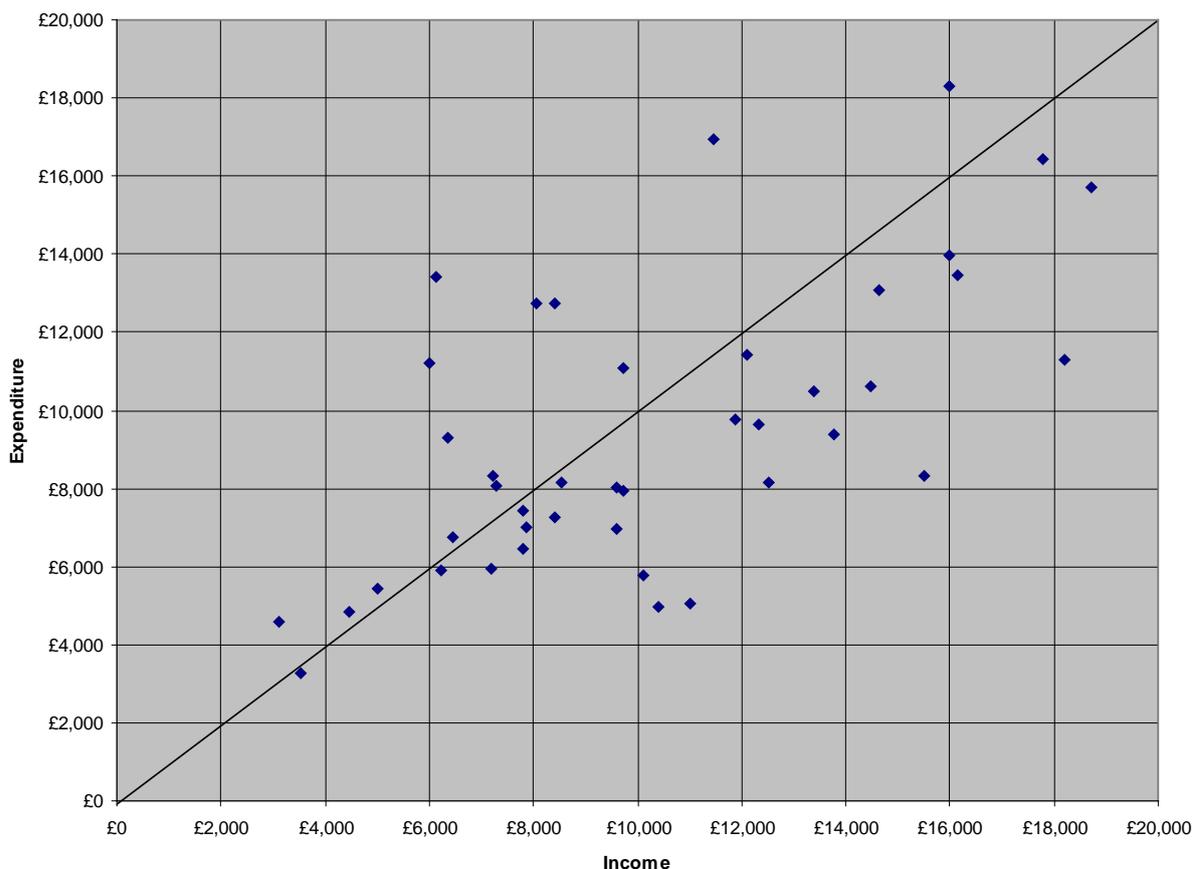
- a) Various categories of expenditure were explored with respondents using the card sorts (see section 1.5). The aim was firstly, to establish whether they spent money on each item and, if they did, how much they spent.
- b) The following outgoings were explored with respondents and they were also given the option of adding additional items if these applied:
- Food and household shopping (including takeaways)
  - Utilities – gas, electricity and water
  - Housing - rent/mortgage and council tax
  - Telephone (i.e. landline/mobile/other)
  - Insurance (i.e. household/other)
  - Private transport (including running costs, maintenance, car tax, insurance)
  - Public transport (bus, train etc)
  - Leisure (including going out to socialise, alcohol and cigarettes, TV rental and Sky subscriptions)
  - Clothing
  - TV licence
  - Credit card
  - Other, for example, loans.
- c) Not all types of outgoing applied to each respondent. Some owned their own house and had paid off the mortgage while others had their housing costs paid direct through benefits so they did not pay out for this item in the usual way. A number could not afford certain items, for example, private transport and insurance, and some avoided certain items, for example, credit cards. This might be because they had run up debts in the past on cards or because they knew they could not afford to spend money on credit in this way

*“It’s [household insurance] just another thing – it’s an extra expenditure isn’t it, like, say, £20 a month coming out of the bank... and although it’s only £20, it’s still money. You could, you know, use it to buy like, you know, sometimes it could be a week’s shopping or something.” (Single parent, BME, Birmingham)*

### 4.3.1 Income set against outgoings

- a) Figure 2 shows respondents' income plotted against their expenditure. For 14 households, their outgoings exceeded their income, while in 28 cases, income exceeded outgoings. Average income was £10,776 per annum while average outgoings amounted to £9,890 which leaves respondents with very little room for financial manoeuvre should their circumstances change.

**Figure 2: Income and Expenditure**



- b) If an unexpected or larger than average bill was received or there was a financial emergency, it would be likely to cause a number of respondents to fall into arrears almost immediately. Most respondents were well aware of this delicate balance and even those who were 'making ends meet' pointed out they were doing so with difficulty.

## 4.4 Energy and Water Poverty

### Key Findings

- Over half of respondents (24) were in water and energy poverty, 11 were water poor only and two were energy poor only. Just five were neither water nor energy poor, however, they were very near the borderline.
- On average, respondents were spending just under a fifth (18.8%) on their utility bills with an average spend of 4.6% on their water bill.
- Those who were 'making ends meet' were spending less of their income on water and energy bills, while those who were 'in arrears' were spending the same as the sample average. Those who were 'struggling' were on average spending more of their income on their water and energy bills.

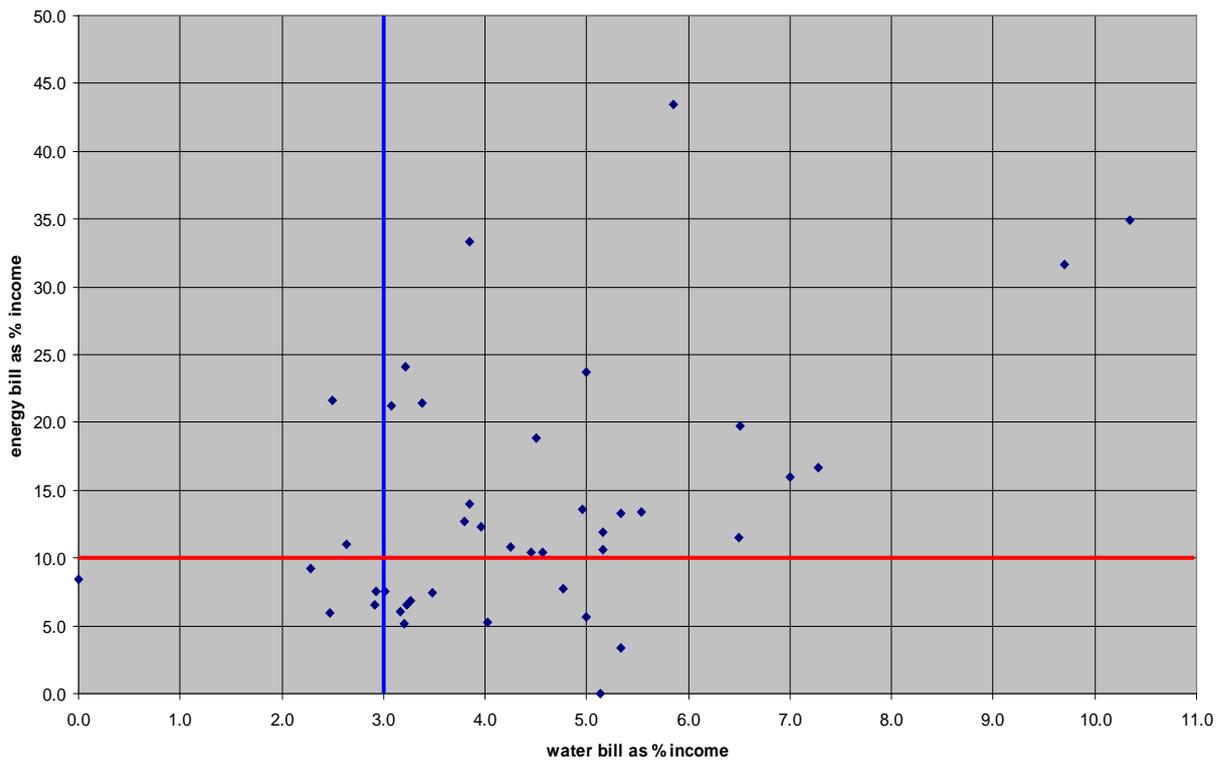
- a) Based on respondent estimates of their energy (electricity and gas) and water bills, it was possible to identify the extent to which they could be considered to be energy poor, water poor or both. Being energy poor or in 'energy poverty' is defined as spending 10% or more of disposable income on gas and electricity combined while water poverty is when 3% or more of disposable income is spent on water. Figure 3 shows where respondents fell in terms of their energy and water poverty levels.
- b) Over half (24) of the sample were both water and energy poor. On average, the water bill represented 4.6% of respondents' income, while the average spend on energy was 14.2%. On average, respondents were therefore spending just under a fifth of their income (18.8%) on their utility bills.
- c) If an individual was in water poverty, it did not necessarily mean they were also in energy poverty, 11 of the sample were 'water poor' but were not energy poor.<sup>5</sup> One respondent (who was energy poor) was unable to discover what her water bill was despite several attempts to get this information from her water company. This was a woman with various health problems who had contacted her water

---

<sup>5</sup> An estimate of energy spend could not be ascertained from one respondent who paid for their gas and electric as part of their rent payment and did not know the specific amounts.

company for a bill (that she claimed she had not received in November) and was told that she would have to wait until June for the next bill. The water company would only tell her how much her arrears were and the payments she needed to make, but not the actual amount of the bill, therefore we could not ascertain the size of her annual water bill.

**Figure 3: Extent of Energy and Water Poverty**



- d) Just five households were neither water nor energy poor; however, they were near the borderline and any increase in bills would be likely to push them into either water or energy poverty, or both.

#### 4.4.1 Energy and water poverty by respondent type

- a) Perhaps unsurprisingly, those who were 'making ends meet' were paying less of their income on water (on average 3.9%) and energy (12%), although they still met the criteria for being both water and energy poor. Conversely and perhaps unexpectedly, those who were 'in arrears' were spending no more or less than the average spend across the sample on both their water (4.7%) and their energy (14.1%).

- b) Those who were 'struggling' were spending the highest proportion of their income on water (5.0%) and energy (16.1%). It is difficult to say post hoc why this might be but it could be to do with the predominance of families in this group and therefore higher consumption. It was also the case that several of these respondents had seen a fall in their income (due to losing their job, for example) which might indicate that adjustments had not yet been made to the change in their circumstances – indeed, consumption might be higher if they were spending more time at home.

## 5 Priorities in Spending

---

### 5.1 Differences in Priority

#### Key Findings

- The highest priority items were those that were considered ‘essential to live’ (rent/housing, food, gas and electricity) and sometimes water.
- Some items were ranked as a high priority by some respondents and as a low priority by others. These included outgoings such as private transport (important if it was a means of getting to work) and the telephone (important if there was a need to keep in touch with elderly family members, for example).
- Items of low priority were those that respondents felt they could ‘do without’ including leisure, clothing and public transport.

- a) Once they had identified all the outgoings that applied to them, respondents were asked to place them in order, from the items they considered it most important to pay, to those they regarded as least important to pay. Figure 4 shows the average ranking (R=) given to each area of expenditure; a low score indicates a higher priority. The various items are colour coded according to their perceived average level of priority.

#### 5.1.1 High priority outgoings

- a) The highest priority areas of expenditure (the red items in the chart) tended to be those which respondents considered were essential to live; housing, food, energy and sometimes, water. Some respondents found it difficult to differentiate these in terms of their priority and might rank them equally

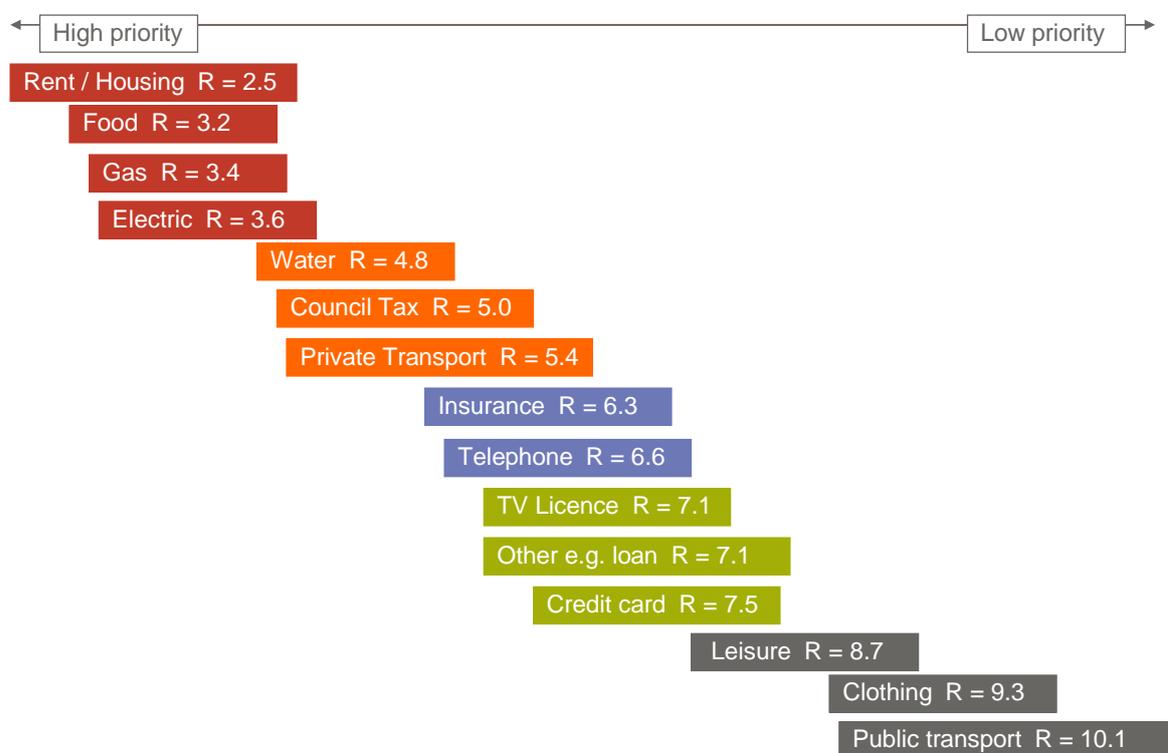
*“Yes, very important, that’s what I have to live on. I have to live in a house, I must have gas to heat myself, the electricity for the light, the food and then the water.” (Single parent, BME, Croydon)*

*“My mentality is that as long as there is a roof over our head and we’ve got water, gas, electric and food, nothing else matters.” (Single parent, Penzance)*

*“Because of the low income that we’re on at the moment, we’re having to prioritise, we’re having to put ourselves first, whatever we put off, we put*

*off to a later date... I think things that we need to survive day to day take priority so again, it goes back to groceries, heating, electric and the phone.” (Post-family, Dover)*

**Figure 4: Expenditure Priorities**



- b) Food and household shopping were important to most respondents, however it was often considered particularly important for people with certain health conditions such as diabetes and those with children

*“I spend quite a bit on food because I have stomach problems so I can only eat certain foods.” (Retired, Disabled, Penzance)*

- c) A number reasoned that gas and electricity were a priority because they used prepayment meters to pay their bills and if they did not pay in advance, they would not have access to the energy. Ensuring that they had a certain amount for gas and/or electricity each week was therefore essential.
- d) It is worth pointing out that a few who were ‘making ends meet’ ranked almost everything (apart from leisure and clothing) as a priority because, as it stood, they could manage to pay for all the essentials. Although they might have been making cut-backs, they had not yet been put in the situation where they had to make a choice between paying for gas or for water, for example

*“A lot of people say, ‘well, it’s not due till the 1st April, it’s not getting paid till the 1st April or until someone comes knocking at my door’, and people are quite happy to do that. Now we don’t think like that at all. As I say, we are old fashioned in that if a bill appears, you pay it.” (Post-family, Garstang)*

### 5.1.2 High to medium priority outgoings

- a) These are shown in orange on figure 4 and include the water bill, council tax and private transport costs (where applicable). Water was sometimes ranked at the same level as gas and electricity and certainly figured as an essential item for many respondents. However, if they were forced to make a decision between such items, water was often the bill that they let slip first because of the frequently more immediate and severe consequences of not paying for energy

*“Well, if it’s between water and the electric it’s because I have to pay the electric to get any electric.” (Retired, Disabled, Penzance)*

*“Well I suppose it is just you know, I don’t know with gas and electric, I suppose it is something you’ve got to think about every day, whereas water is just in the tap. If you run out of gas, or run out of electric, you ain’t being switched back on [until you pay more] - with water, it is constantly there.” (Single Parent, Abergavenny)*

- b) Payment of council tax was assigned a slightly lower priority in the same way as water and for similar reasons. Although some were fearful of the consequences of not paying their council tax (they might be threatened with eviction if payment was a condition of their tenancy, for example), given the need to make a choice, fuel payments would be made first

*“If I had to choose between my electric and gas to council tax, then I’m sorry, council tax would be gone.” (Single Parent, Penzance)*

- c) A further contributing factor for the slightly lower priority given to water and council tax was that these were bills that some people felt were larger than was reasonable and resented most.
- d) Not many respondents were in a position to run a car but if they did so, it tended to be because they saw it as essential (after the basics) to enable them to travel to work or, in the case of a few with mobility problems, in order to get around

*“My car and petrol are most important because I need my car to get to work. I need the work to earn money and pay for everything else, so this is the most important for me.” (Pre-family, BME, Oldham)*

*“My car [is a priority] because I couldn’t go to work otherwise.” (Single Parent, Disabled, Garstang)*

*“I don’t go far in it, just backwards and forwards to the doctors or hospital, no long journeys. The insurance is £25 per month, I would say £5 a week with petrol and obviously there’s tax.” (Post-family, Disabled, Abergavenny)*

### 5.1.3 Medium priority

- a) The telephone and insurance (if applicable) ranked somewhere in the middle in terms of priority (shown on figure 5 in blue). Insurance was considered a priority where it was a condition of their mortgage or tenancy

*“Insurance, if I could get away without insuring the property, I’d just trust to fate, but unfortunately the mortgage company won’t let me get away without insuring it.” (Post-family, Disabled, Colwyn Bay)*

- b) For a couple of older respondents it was considered important to insure items of financial or sentimental value

*“I’ve got to because all the stuff here is worth a hell of a lot of money and it was my wife’s.” (Retired, Abergavenny)*

- c) In terms of telephone costs, many respondents had a mobile phone while some (particularly those who were older) also had a landline telephone; some spoke of giving up their landline phone to rely solely on a mobile phone. Respondents commonly spoke of putting a minimum top up of around £5 on their phone as an item of expenditure.

- d) Some expressed a particular need for a landline telephone, for example:

- to keep in touch with elderly relatives, who in one or two cases lived some distance away

*“The telephone landline, as I say, we have a 93 year old mother who lives in Manchester, it’s a lifeline, it’s essential, we have to have that.” (Retired, Colwyn Bay)*

- to be able to keep in touch with relatives who lived abroad

*“Telephone, well yes it would be a little bit [important] because I ring my sister in Australia.” (Retired, Abergavenny)*

- as a means to ensure customers could contact them to make or change bookings in the case of one self-employed painter and decorator

*“The telephone, [is a priority] just because of people changing and booking appointments or just contacting people.” (Post-family, Colwyn Bay)*

- in the case of an emergency

*“This is important because we need it for emergencies. You need to be able to call help.” (Family, BME, London)*

#### 5.1.4 Medium to low priority

- a) Items of medium to low priority (show in green on figure 5) included the TV licence, other items of expenditure (for example loans) and payments towards any credit cards. The TV licence was a lower priority, not because respondents did not consider it important to pay, but because it was not an issue (the amount paid was small, particularly if they paid in small installments, as many did). Additionally, most were aware of the fine for non-payment of the TV licence and did not consider non-payment a risk worth taking

*“You’ve got to pay the TV licence otherwise you’ll get fined.” (Family, BME, Birmingham)*

- b) Credit cards and other loans had generally been taken on by the younger respondents in the sample. Although they did not want to miss payments, when a choice needed to be made (between a credit card payment and the gas or electricity, for example) payments were often missed – they then incurred late charges as well as additional interest

*“I used to have a lot of problems with my loan payments, I used to quite often miss them and then have to make that (up) over the next three weeks before my next one came out.” (Single Parent, Penzance)*

- c) There was, however, also an awareness that they would need to pay something towards their credit card arrears eventually, and most aimed to do this even if they were late in doing so.

### 5.1.5 Low priority

- a) Low priority items were those things that respondents felt they could 'go without' or on which they would only spend when they had some 'spare' money. These items were leisure, clothing and public transport (shown in grey on figure 5)

*"Cause they're not important at the end of the day, we can live without them." (Single Parent, Disabled, Garstang)*

*"It's not desperate. I like my pint of beer and I like to go and have a chat with the boys, but I needn't have it, I wouldn't have it." (Retired, Abergavenny)*

- b) For a few smokers, leisure spend (which included cigarette and tobacco) was often ranked as a higher priority. They felt that in their situation (where stress levels were often high), they needed to have a cigarette to 'keep calm'

*"I must have a fag because I feel as if it keeps me calm." (Post-family, Disabled, Dereham)*

- c) Overall, clothing was not considered a priority by most respondents although those with growing children sometimes noted that they needed continually to replace clothes for them. There was evidence that they relied heavily on gifts and other family members to help with this

*"Clothing, not really applicable, that's just something, for birthdays or something. If I have the cash I would go. I don't generally every month go shopping for clothes, my priorities are the bills." (Single Parent, Disabled, Garstang)*

- d) Public transport was generally a low priority although there were a few examples of respondents using public transport to get to work. There was very limited use of trains as they were considered to be too expensive, rural bus services were often not used (due more to the inconvenience of the timetable) and short urban bus journeys of one or two miles could easily be cut back on (respondents would walk instead). One or two with mobility problems relied on taxis for essential journeys

*"Well, I've tried to cut down. I go into town obviously on a Saturday, shopping and I go to town on a Wednesday, again shopping, so I'm spending about £12 a week on taxis." (Retired, Abergavenny)*

- e) One lady with a variety of health problems liked to visit her parents in a town some twenty miles away to which there was no public transport. She was paying £120 for the return journey by taxi roughly once a month but was having to forgo the visits while she tried to get on top of some bills with the help of a loan company.

## 5.2 Priority Given to Water

### Key Findings

- Although the water bill was sometimes ranked at the same level as the other utilities in the sorting task, its average rank was slightly lower. This was reflected in respondents' reasoning that the water bill was often the bill that they let slip when a real choice about what to pay had to be made.
- The assumption that water could be cut off was widespread (although it was not something that respondents had thought about a great deal) and most assumed that the water company could cut the household supply even if this might take a while and involve the company going through various procedures first.
- Those in arrears were generally not aware that water could not be cut off and this was not the reason for their non-payment. It was more the case that they had fallen into arrears for a variety of other reasons (see section 8).

- a) In terms of relative priority, water was often considered (along with the other utilities) as an essential resource 'to live'. However, when they were forced to make a choice in terms of payment, it was generally given a lower priority than both gas and electricity

*"You wouldn't be able to get a bath if you didn't have water, you wouldn't be able to get clean, you wouldn't be able to drink, you wouldn't be able to cook food if you didn't have water." (Single Parent, Disabled, Garstang)*

- b) Our views on why this situation arises is covered in more detail in section 8 but in summary, we suspect it is to do with the level of perceived threat of being cut-off. Priority is given to fuel because many respondents who have difficulty paying for water also have problems paying most of their bills. They are therefore often on pre-payment meters for their gas and electricity and non-payment of these

therefore results in no supply. While most assume that their water supply can eventually be cut off for non-payment, they do not see this as an immediate threat and if trade-offs need to be made, the water bill is one that might slip. They may assume that they will make up the payments later or will find the money somehow if they are threatened with action for non-payment.

- c) When asked whether they thought their water supply could be cut off it was evident that this was not something respondents had thought a great deal about. Some were initially unsure but most reasoned that eventually a water company would be able to cut off the water supply even if they had to go through certain procedures first. Reasons given for companies not being able to cut off the supply tended to be physical rather than legal

***“And do you know whether you can be cut off if you don’t pay?”***

*I don’t know.....I think so. I think they can cut it off, it depends. I think on this road it’s a bit funny, the mains, isn’t it? I don’t know. I think it would be very drastic, but they probably could, they have probably got ways.”*  
(Family, BME, Birmingham)

*“I would imagine it probably could be cut off, I’m not 100% sure because I live in a block of flats. I don’t know if there’s a tap for each building, well each flat or it’s a combined tap, I don’t know.”* (Pre-family, Dover)

*“It is high priority because if we don’t pay the bill, they will cut the supply. And even if they don’t do that, we still would have to pay the bill at some point – after one year or more and then it will become too much. That’s why paying the water bill is a priority for us.”* (Family, BME, Oldham)

- d) A few were aware or came to the conclusion that the water supply could not be cut off especially if the household was vulnerable in some way, or that they would need to take certain steps first that would make it a long process

*“I’m not sure whether they can actually cut somebody off who is disabled...I don’t think they are allowed to do that. I think they have to check.”* (Single Parent, Disabled, Dereham)

*“I think they’ve got a special code of practice that it is the last resort and I’m not sure if I’m right. I think because if there’s children in the house, that’s when they’ve got to get special permission or something.”* (Family, Disabled, Penzance)

- e) Some were aware from the experience of others that life could be made very difficult by the water companies, for example by being taken to court and possibly served with a CCJ

*“When I heard someone had got a CCJ for not paying their water, then I thought I’ll make sure I pay the water.” (Family, BME, Birmingham)*

- f) One couple talked about their own experience of being threatened with court for an unpaid bill of just under £30

*“If you’ve not paid a bill, if you’re, like I was two weeks late on a bill yeah, so it was twenty six pounds forty eight, yeah? I got a letter through the door a couple of days later, ‘oh if you don’t pay this within six days we’re taking you to court, the court charges are hundred and forty five pounds. If it’s not paid within six days the court proceedings will be going ahead.’ I thought what the f\*\*king hell is the point of that?” (Pre-family, Penzance)*

- g) One who paid for her water direct to the council (rather than the water company) was routinely threatened with eviction if she did not pay, which unsurprisingly, she found very stressful

*“The water is [paid] at the post office but if you just delay to pay by one week, the council sends you an eviction letter, just because you are failing to pay for one week for water.*

***Has that happened to you?***

*Yes, it has happened about two or three times and I have had to call them, just because of the water bill they send you an eviction letter.” (Single Parent, BME, Disabled, Croydon)*

- h) Those who were already in arrears with water were rarely aware that their water could not be cut off and had fallen into arrears for other reasons, for example, they had missed a number of weekly payments, lost a payment book or been unable to pay a large bill (see section 8). When talking about the relative priority of water, some respondents also expressed the suspicion that they were paying too much for water and for a few, this sense of unfairness almost seemed to help rationalise the lower priority they gave to their water bill.

## 6 Affordability

---

### 6.1 Differences in Affordability

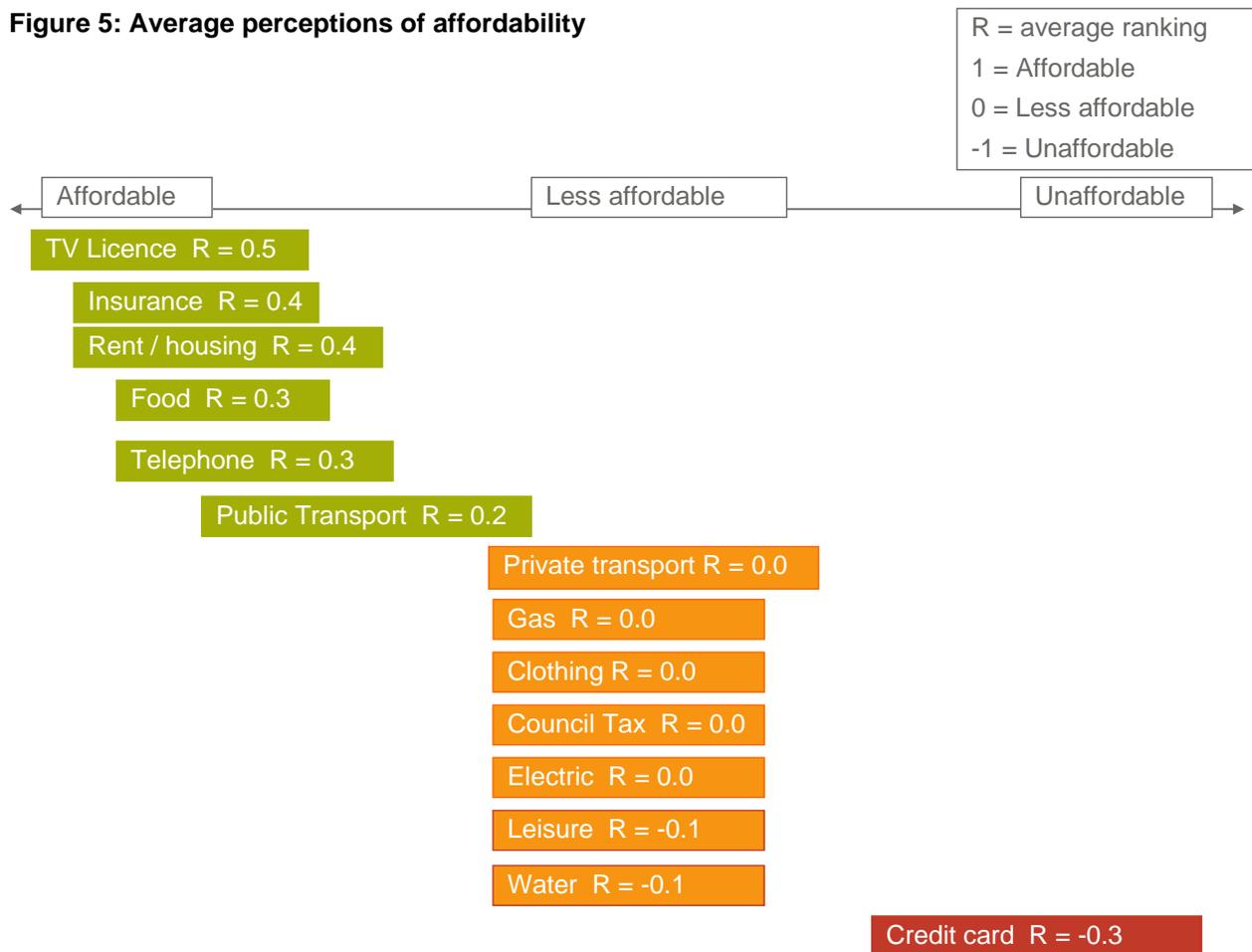
#### Key Findings

- Respondents were asked to sort items as affordable, less affordable or unaffordable. Some items were classed as affordable because the sums of money involved in paying them (sometimes in instalments) tended to be small eg. the TV licence, telephone bills (especially pay as you go mobiles) and public transport
- Essential items including housing and rent (if applicable) and food and household shopping were considered relatively affordable. The priority assigned to rent and housing costs meant that these had to be afforded while the affordability of food was attributable to the control that respondents could exercise over how much they chose to spend.
- In the main, the utility bills (gas, electric and water) and council tax were considered less affordable.

- a) Respondents were asked to sort each item of expenditure according to whether they considered it to be affordable, less affordable or unaffordable. Each item was then allocated a score (affordable = 1, less affordable = 0, unaffordable = -1) and from this, average scores were calculated across all respondents who had commented on that item.
- b) Average scores are based only on those items that respondents paid for. Certain items were excluded for approximately half of the sample such as insurance, a credit card, public and private transport often because, as respondents stated, they could not afford them. In the same way, the affordability of rent or other housing costs was not commented on by around half the sample as some had paid off their mortgage and a number had their rent and council tax paid direct out of benefits. This did not stop one respondent commenting that her rent and council tax must be unaffordable for the very reason that she received outside help to pay them.

c) Average rankings for each of the items are shown in figure 5 below.

**Figure 5: Average perceptions of affordability**



### 6.1.1 Most affordable outgoings

a) The TV licence, insurance, rent/housing, food, telephone and public transport were considered the most affordable items across the sample. As mentioned above, the affordability of insurance was self-defining, if you could afford to have it, you found it affordable; those who considered it unaffordable would choose not to buy it (even if they wanted to)

*“We should do [have insurance], but we just cannot afford to at the moment. We’ve got so many other bills, we can’t even think about it at the moment.” (Post-family, Dover)*

*“Cause at the end of the day, I can afford it [household insurance] and I need it because if something happened, then I’ve got insurance on the house and I’ve got the money to pay for it.” (Single Parent, Disabled, Garstang)*

b) Those who had rent and housing costs considered them to be relatively affordable because they were outgoings that had to be met as a priority. The

actual amount was not commented on a great deal; rent and housing costs are obviously relatively high but respondents still considered them affordable because in essence, they had to be afforded, even if it meant cutting back on other things.

### 6.1.2 Items of medium affordability

- a) The items that fell somewhere in the middle in terms of affordability were; private transport, clothing, council tax, gas, electricity, leisure and water. Figure 5 shows that their average rank was around 0, which indicates that on average, they were considered less affordable. The average rank conceals some variability depending on individual circumstances and the size of individual bills.
- b) In terms of the utility bills and private transport costs, it is important to point out that respondents did not find these bills difficult to pay all the time but these were the outgoings for which they would sometimes struggle to pay. In terms of leisure activities and clothing, only spare money was used on these and the extent of this varied. While those who were 'making ends meet' or 'struggling' might be able to spend money on these items from time to time, those who were 'in arrears' had very little or no spare money to do so. Perceptions of the affordability of water specifically are discussed in 6.3.

### 6.1.3 Unaffordable

- a) Credit cards were, in the main, considered unaffordable; most respondents did not have one. Of the few who did (usually those who were younger), most had run up large debts on one or more credit cards and when their situation had changed (for example, losing their job) this had resulted in them finding the minimum payment difficult to pay or unaffordable. There were also cases where respondents continued to use their credit card as a financial buffer and again, they struggled to meet the minimum payments.

## 6.2 Definitions of Affordability

### Key Findings

- Respondents found the concept of ‘affordability’ difficult to grasp and although at a superficial level they often related it to cost and whether they could comfortably pay for something, it became evident that when thinking about their own circumstances, the picture was more complex.
- Those who were ‘making ends meet’ were more likely to consider an item affordable if it was important that it was paid; for example, although expensive, housing costs were often considered affordable as they were also considered essential. In contrast, those who were ‘in arrears’ were more likely to base their decisions about affordability on cost, a cheaper outgoing would be considered more affordable than an expensive one, for example, the TV licence. Those who were ‘struggling’ fell somewhere in the middle, perhaps indicating the conflict between paying for the essential items and the actual (often more expensive) cost of that item.
- Other factors also impacted on whether a particular item of expenditure was perceived as affordable or not. These included, the extent of perceived control over the amount they needed to pay including whether respondents could pay in regular fixed instalments, price increases and the extent to which it was possible to plan for these, and whether they felt the cost of an item was justified.

- a) Before looking at respondent perceptions of the relative affordability of different outgoings, it is worth giving some context in terms of how respondents framed ‘affordability’ and made the distinction between something that they considered ‘affordable’ and something that they considered ‘unaffordable’. In its simplest sense, affordability could be said to be based on cost alone; something might be considered affordable if it cost a relatively small amount of money, while something was considered unaffordable if it cost a large amount of money. Although relative cost did come into the sorting of expenditure in terms of affordability, it became clear that perceptions of affordability were considerably more complex than that.

- b) Respondents were asked to sort items of expenditure into three categories; items they considered 'affordable', items they considered 'less affordable' and items they considered 'unaffordable'. A number clearly found this card sort challenging and often contradicted themselves and/or changed their minds when thinking about what affordability meant to them. It was clear that the concept was not straightforward and a number of respondents asked for more information as to what 'affordable' meant in the context of the card sort.
- c) When respondents were asked 'what does affordability mean to you?' a common top of mind definition was, that something was affordable to them if they were able to pay for it without a struggle

*"Something affordable is something you are not straining to pay... [not when] you really feel you have exhausted all of your money, if it leaves you with something, then you can afford it." (Single Parent, Disabled, BME, Croydon)*

*"Something you can pay easily without thinking twice. Something that you can pay without being out of pocket." (Family, BME, Oldham)*

- d) However, when thinking about their personal situation, another factor came into play – that of the priority given to an area of expenditure. In short, they reasoned that if they felt that it was important to pay for something and they managed to pay for it, then that item must be affordable.

### 6.2.1 The typologies and affordability

- a) Some differences were evident between the different respondent 'types' in terms of how they thought about affordability. Those who were 'making ends meet' were more likely to relate affordability to the priority they placed on a given item. A few ranked all items as affordable on the basis that they had to pay for them, so therefore, they had to be affordable. Hence, even though items such as housing costs and utility bills might be expensive, they were deemed to be affordable, along with more flexible items such as food and household shopping.
- b) One or two even commented on the sort card task itself and stated that although they understood what the moderator was trying to do (understand what was affordable or not), for them it did not work like that and everything that has to be paid has to be affordable

*“They are all necessities, I understand what you are trying to do. I know you are trying to get categories that are unaffordable but we don’t think that way. It has to be paid, so you cut back on everything to make sure you can cover the things that keep the house going basically.” (Post-family, Garstang)*

*“Yeah, well we definitely need the car so that’s an affordable thing. It has to be an affordable thing ‘cause we’ve got to use it.” (Retired, Birmingham)*

- c) For those who were ‘struggling’ to meet payments, the picture was more mixed. Respondents often talked about the relative priority or importance of an item as well as its actual cost. This is likely to reflect the conflict they experienced between awareness of the importance of certain items and the struggle to meet the payments for them. Those who were ‘making ends meet’ were not experiencing this ‘tug of war’ between priority and cost to such an extent

*“I mean the utility bills, quite honestly they are not really affordable, but I don’t see how you could live without them.” (Post-family, Disabled, Colwyn Bay)*

*“Some things are not affordable but you have no choice.” (Family, BME, Birmingham)*

- d) For those ‘in arrears’, cost was the main issue; something was considered affordable if the size of the outgoing was small and if it was large, it was considered less affordable or unaffordable

*“The council tax [is unaffordable] because I think it’s quite high really considering he doesn’t work and I’ve only got what I’ve got coming in, they expect me to pay for everything and that’s what they do. The rent, I think is extortionate really.” (Pre-family, Dover)*

- e) For example, the TV licence was generally broken down into affordable charges of approximately £5 which were paid every two weeks

*“The TV licence [is affordable] because they’re the cheapest bills we’ve got.” (Pre-family, Penzance)*

- f) There was, however, a genuine understanding from some who were ‘in arrears’ that they had to pay these bills even though they considered them unaffordable

*“And then the other things [that are unaffordable] are things that you have to meet regardless, it doesn’t matter if I can afford them or not. The other things like water, electric, gas, council tax, rent, I have to make those payments ... or I wouldn’t be able to live here if I didn’t make those*

*payments. It's something that I have to do, I've got no choice really but to find the means somewhere how to actually do that." (Single Parent, BME, Birmingham)*

### 6.2.2 Other factors affecting perceptions of affordability

- a) When discussing affordability, a variety of issues were mentioned by respondents. Firstly, a number thought affordability related to whether or not the amount spent on an item was within their control. Some (particularly those who were 'making ends meet') considered items more affordable if they could easily make the choice as to how much they spent on them. An obvious example given was how much or what sort of food they chose to buy, but it also included how often they chose to use public transport and how much they spent on leisure activities. They commonly stated that they would only spend what they could afford (if anything) on these items

*"We can control how much we spend. We can adjust this according to other expenses and buy cheaper foods or do without certain things." (Family, BME, Oldham)*

- b) A feeling of being in control of payments might come about not just from being able to vary how much was spent on an item according to one's means but also in being able to pay regular fixed amounts. A number of those who were 'making ends meet' considered outgoings affordable for this reason; they often paid by direct debit each month. One couple had arranged for all of their bill payments to leave their account on the same day so that they knew how much they had left to spend

*"They all come out on the 15<sup>th</sup>... so I know where I am." (Retired, Colwyn Bay)*

- c) Another aspect of affordability and control was price increases; if respondents had noticed significant price rises recently, items were generally seen as becoming less affordable. They might still be paid but respondents found them harder to budget for. A few questioned how they could be expected to continue to cope when essential outgoings such as utilities, food and in one or two cases, petrol, continued to rise

*"It [affordable] means more or less that the prices are static. If it's affordable, it means that it's not going to fluctuate and you're not going to*

*go into a place and find... like house insurance £15 [a month last year] and £29 a month this year... and that's where it becomes not as affordable because it's jumped." (Retired, Colwyn Bay)*

*"I think gas, electricity and water are unaffordable because they have shot up and become very expensive. Even food now is becoming unaffordable." (Single parent, Disabled, BME, Croydon)*

*"All the basic things like water, TV licensing, council tax have all gone up by 3 or 4% but nothing's gone down... gas has gone up, electricity has gone up." (Family, Abergavenny)*

- d) Lastly, a number of respondents correlated affordability with whether they agreed with a particular outgoing or not and the perceived 'value for money' of that item

*"I don't mind paying for things that we'll get good value for money, I get really peed off about getting ripped off..." (Family, Disabled, Penzance)*

- e) In relation to this, a few had issues with paying the council tax. They did not agree with it in principle and/or did not perceive it (or the service they got in return for paying it) as value for money. As a result, council tax was often ranked as less affordable or unaffordable

*"I don't think council tax is affordable because I think it's over priced for what it is. So is that unaffordable? I mean if you're saying that's affordable, you're agreeing that that is what it should be." (Post-family, Penzance)*

### 6.3 Perceived Affordability of Water

#### Key Findings

- In the main, the water bill was considered a less affordable or unaffordable outgoing.
- Various factors contributed to this including a perceived lack of control over the bill, perceptions of unfairness and/or overcharging, an inability to pay off accumulating arrears, resentment towards price rises and a lack of understanding about what water companies actually do to justify these.

- a) In the context of the various factors that influence whether an outgoing is seen as affordable or not, it is not surprising that water was often seen as a less affordable or unaffordable outgoing.

- b) Taking the control factor first, many felt they could exercise little control over their water bill, not only in terms of its size but when the bill arrived and the period it covered.
- c) Some (unmetered customers) suspected they were paying more than they should for their water as the amount was fixed regardless of how much they used

*“I control how much electricity and gas I use and sometimes just use the one room. But I have no control over my water bill because I have to pay a certain amount irrespective to how much I use.” (Pre-family, BME, Oldham)*

- d) Several such respondents who lived alone or in a couple compared themselves with others and were disgruntled that they were paying the same for water as people living in larger households or families who would obviously be using more. However, when the idea of having a water meter was put to them as a means of exercising greater control, there was reticence, uncertainty and limited interest (see section 10.1.1)

*“No, the water I don’t think I’d class as affordable. I think being a single person I’m not using [as much], I’m getting charged the same as a family of four. They don’t work it out by the unit you see, so I’m rarely over I reckon, £2.00 a week not £8.00.” (Pre-family, Dereham)*

- e) In a similar way, some of those with a water meter felt that the size of their bill did not reflect the amount of water they thought they had consumed (see 10.1). However hard they tried to conserve water, their behaviour had little impact on their bill. Some had also noticed large increases in their water bill since being metered

*“Before we had the water meter, the bill was high but was easily affordable. But since we have had the meter, our water bills have shot up and it has become unaffordable.” (Family, BME, Oldham)*

- f) A few did not think their water meter had been read because they seemed to be paying so much and a couple thought those with a water meter always ended up paying more. This perceived inability to exercise some control over the water bill led many to claim that water was less affordable or unaffordable.
- g) The size of the bill also influenced perceptions of affordability; hence, larger bills that had to be settled annually or six monthly were more likely to be perceived as

unaffordable than bills where arrangements had been put in place to pay in smaller instalments usually by direct debit

*“The [water] bills only come every six months and I know this sounds very gullible but I don’t keep a track of when the bills come through, to be honest. You know, the bill just comes through the door, ‘you need to pay £200 in the next seven days’ or whatever it is, and I don’t generally.” (Single Parent, Disabled, Garstang)*

- h) Others who were paying according to a schedule of payments might be paying a certain amount each week or each month towards their water bill (and arrears if applicable) but they were often aware that despite paying something, their arrears continued to rise. This was both confusing and frustrating because they knew that they were not paying enough to meet the level of their bill and the arrears and this added to their perception of water as an unaffordable bill

*“Every time I get a bill or a letter, it [water arrears] just seems to be going up and not down.” (Post-family, Disabled, Abergavenny)*

- i) Perceptions of unfairness and a lack of justification for the level of water bills also undermined perceptions of affordability. A few respondents were well aware of how water charges varied around the country. There were examples of respondents who had moved from one area to another and had been displeased to find that their water bills had risen significantly

*“To be honest, I begrudge paying the water... because it’s so expensive, and we used to live in Yorkshire and it was so cheap.” (Family, Disabled, Penzance)*

- j) As a commodity, a number felt the cost of water was inflated. They reasoned that water ‘falls from the sky’ and is a ‘basic human right’ and although they did not necessarily say it should be free, there was widespread view that it was too expensive. In the context of significant amounts of rain, many found talk of water shortages difficult to understand

*“We haven’t got enough water and we’ve had tonnes and tonnes of rain last year and yet they’ve tried to say, ‘go on a water meter’.” (Retired, Birmingham)*

*“I feel I shouldn’t be paying so much for water. I am paying more for water that I am for using electricity.” (Family, BME, Oldham)*

- k) There was also a lack of understanding as to what water companies do and the processes (and costs) that are involved in providing clean, safe water, managing run-off and treating sewage

*“Yeah, it’s a natural resource. All they are doing is cleaning it, piping it which you can understand but you are paying every single year about £300 a year, so, for ten houses, that’s three grand, right? If, you know, if they made it probably more reasonable, then probably more people would pay it.” (Family, BME, Birmingham)*

- l) Arrangements in Kent for the treatment of sewerage whereby a separate supplier might be involved or in Cornwall, where local residents might be required to pay for investment in the infrastructure, caused much dissatisfaction

*“With water, they charge you twice, they charge you for what you’re using and what you’re wasting, which to me, is completely ludicrous. They can’t wrap it up into one bill, have less call centres, have less staff so they can bring their costs down.” (Pre-family, Dover)*

- m) A few respondents in Cornwall were angry about promises that had been made regarding improvements that would result in lower bills, whereas they had only, thus far, seen the opposite

*“They’ve cleaned all the sewerage works, a lot of the sewerage works, now they’re doing a lot of the new pipes. Well surely, now they’ve done that, they could bring the prices down?” (Retired, Penzance)*

## 7 Coping Strategies

---

### 7.1 Strategies by Respondent Type

#### Key Findings

- Various tactics were adopted across the sample to cope with financial shortfalls and debt. Different strategies were associated with different types of respondent.
- Those who were ‘making ends meet’ had outgoings that they considered non-essential that they could cut back on without too much detrimental effect (although for some it was emotionally uncomfortable).
- Those who were ‘struggling’ were focusing on the essentials and, in some cases, beginning to use savings to pay for bills.
- Those in arrears found coping difficult – they had little to fall back on in the form of savings or anything else, and there was little they could realistically cut back on. They had to resort to making trade-offs in terms of what they would pay first and were often surviving at the most basic level.

- a) This section looks at how respondents cope with meeting their bills, firstly, their bills in general and then, the water bill specifically. Some differences were noted in the way that different types of respondent reacted to the demands made on their limited income.

#### 7.1.1 Making ends meet

- a) Those who were ‘making ends meet’ were, by definition, not in arrears and tended to be very debt averse. They found the thought of struggling to pay their bills very uncomfortable and they wanted to avoid this by ‘trimming back’ their expenditure where they could. In terms of their coping strategies there was an emphasis on ‘cutting back’ on various ‘non-essential’ items of expenditure as well as on ‘falling back’ on what they already had. These tactics included:
- b) a reduction in (and in some cases, stopping altogether) the number of times they ate out

*“We used to go out two or three times a month, just to socialise more than anything. We just can’t afford it.” (Retired, Penzance)*

*“And we don’t go out to eat as much. We always used to eat out every weekend, didn’t we, on Fridays, after school and that, we’d go for a meal and we do that now once, every now and again.” (Family, BME, Birmingham)*

- c) a reduction in leisure spend, in some cases to almost nothing. There was a strong sense of ‘if I have not got the money, I go without’ and a conscious decision to ensure the payment of bills came first

*“As I say, I would estimate £20 to £25 a week but as I said, if I haven’t got it, I don’t have it and that’s it.” (Retired, Abergavenny)*

- d) shopping for clothes less often or not at all

*“Clothing spend has dropped completely because we wouldn’t even consider going out and looking at the sales or looking at the shops and buying things... we only buy what we need. If these shoes wear out, then I’ll go to the wardrobe and see if we’ve got another pair that’ll do for now, or I’ll wear my boots and if they wear out, then I’ll go get a pair of shoes, I won’t just go to the shop and buy shoes.” (Post-family, Disabled, Colwyn Bay)*

- e) a move towards stopping the purchase of what they often called ‘luxury foods’, which includes pre-packaged food and ready made desserts, ‘treats’ and takeaway foods

*“The thing is, we used to buy tins of fruit and stuff like that... yeah, we’ve got to give that up... don’t touch that now.” (Retired, Penzance)*

*“I have had to cut back on things like food and takeaways. I used to get a takeaway occasionally but now have even stopped that. I have to manage somehow.” (Pre-family, BME, Oldham)*

- f) a willingness to temporarily adjust what they ate if they needed to make a large bill payment

*“If we know we’ve got a bill coming in, we reorganise the shopping bill, like we’ll do without fish one week and maybe buy a couple of chops, you know, cut down on the bills and save for another thing.” (Retired, Birmingham)*

- g) a reduction in the number of holidays. One couple who had become used to taking a few holidays a year had completely cut back on these

*“Well, we don’t go on as many holidays as we used to, do we, we used to go away two or three times a year.” (Post-family, Garstang)*

- h) a reliance on stocks of food they already had in the cupboard / freezer so that if they could not afford fresh food during a particular week, they had plenty of food at home to fall back on (even if it was less desirable)

*“If I don’t do the shopping this week, what we’d spend would go towards [the bills] because we have freezers and things in the cupboard to last.” (Post-family, Garstang)*

*“The thing is, I cook so I’ve always got meat and there’s plenty of meat in the freezer. (Retired, Penzance)*

- i) a move back towards ‘home cooking’ rather than relying on convenience and pre-packaged food. It is worth noting that as a number of respondents who were making ends meet were older, they generally had the cooking skills required to do this with little difficulty. One or two had also started to grow their own vegetables

*“Food, you start to reduce, you’re more selective about what you buy... I mean that’s one of the first things you’d do... make your own food rather than buy processed... we’re growing a few veg and things.” (Post-family, Colwyn Bay)*

- j) Some of these respondents spoke of the ‘peace of mind’ that came from having some money in a savings account. They were adamant, however, that they would not dip into this unless their situation became considerably worse and it was absolutely essential.

### 7.1.2 Struggling

- a) Coping strategies exhibited by those who were ‘struggling’ can best be described as a return to basics, where there was a reduction in social activity and move towards purchasing essentials items only. Examples given by respondents included:
  - b) the cancellation of various communication devices (for example, internet, mobiles and phone lines) that were deemed too expensive and non-essential

*“The telephone’s about to go, as is the broadband, because I can’t afford those now, so’s BT. The landline was costing me £15.50 a month, and the broadband was £14.99 a month, so we’re having to get rid of those.” (Post-family, Disabled, Colwyn Bay)*

- c) the use of the car for essential journeys only – leisure outings and / or day trips were no longer considered possible

*“[We] used to go off on a day trip or something like that, but it’s a waste of petrol.” (Family, Abergavenny)*

- d) very little or no leisure spend – some had begun to feel the impact of not being able to go anywhere and this in itself made payment of the TV licence essential, as they described how they had little else to do
- e) making adjustments to energy use, for example they might turn the thermostat down and make a conscious effort not to waste electricity by not leaving items on constant charge or standby and turning lights off
- f) a move to ‘value products’ or ‘value supermarkets’ and a heightened awareness to look for special offers

*“We can shop around, we do the cheap shops, we see what’s on offer. If I can get four tins of baked beans for £1, then I’ll buy two packs and that’ll last us a month... we now, instead of shopping at Asda and doing the weekly shop, we go to Home Bargains and Aldi, anywhere that has got offers and just take advantage of the offers.” (Post-family, Disabled, Colwyn Bay)*

- g) the cancellation of insurances, for one this was the ‘non-essential’ pet insurance, while for others it was a case of not renewing their contents insurance
- h) a move to buying second hand clothes from charity shops
- i) the use of savings to pay bills by some older respondents, something that they felt very uncomfortable doing.

### 7.1.3 In arrears

- a) Overall, those who were ‘in arrears’ were not in the situation where they could make simple cut backs to free up money to pay bills. It was almost as if their ‘bank of supplies’ was empty and they were at the point where in order to get by,

they had to constantly trade off one essential item against another. Examples of how customers 'in arrears' were doing this included:

- b) holding off the payment of essential bills and deciding which of two or more competing suppliers needed to be paid and which could be forestalled a little longer. Some, who were skilled in juggling what little they had, were more comfortable doing this than others who tended to chaotically pay bills when they could 'scrape' the money together

*"Okay, this is all I have this month, I can only pay this, I'll miss out this for this month, next month I pay this. I sort of juggle them around. They write to me directly or whatever." (Single parent, BME, Croydon)*

- c) making extreme cut backs to food and paying meticulous attention to cost fluctuations. For a few, the retailer, Iceland, was seen as a good source of cheap ready made meals (costing one pound each)

*"For the last month and a half, I haven't even been able to buy much food, some weeks I've been going without any food all week so I do struggle quite a bit." (Pre-family, Dover)*

*"I'm like, 'can you put that back, can you put that back, can you...?' And after a while – the first few times it's embarrassing, you know, so now I go round and I add it all up and if I have to choose between, you know, bread or this or that and it's like – I get myself in a right state because I don't know what are the three things that, you know, I should choose." (Family, Penzance)*

*"Food, the prices of food are going up and up for what you get. Tesco's might do a bag of carrots for 69p, you might only get five or six carrots in there, that might only do two meals for us, if that. Potatoes are nearly £2 a small bag and you don't get much in them. And even milk's gone up in price, you pay nearly £2 for four pints of milk. We can't live without milk, even bread's nearly that now as well and you're thinking, 'why is it so expensive, surely it doesn't cost that much to make?' I don't like buying the cheap bread because she doesn't eat it, I try and look out for offers but even then it's not very good." (Family, Dover)*

- d) reducing energy use as far as possible and often to the extreme, for respondents with children and/or health conditions, this was considered difficult

*"With gas, we put it on once to warm the house, because when I am out of the house it's off almost all of the time... at least you can just warm it and then switch it off, so you can't have a nice temperature all of the time. So*

*you find most of the time we are under duvets in the living room.” (Single Parent, Disabled, BME)*

*“Yeah, I mean my gas goes on for an hour in the morning, an hour at night and that’s it.” (Single Parent, Penzance)*

- e) reliance on rare second hand purchases or gifts of clothing; again this was considered difficult for respondents with growing children

*“Most of our clothes are from jumble sales, boot fairs, charity shops, things that family members have passed on. We very rarely buy anything new, even the baby clothes are all from charity shops and what friends and family have given us, we haven’t bought anything.” (Family, Dover)*

*“I used to be able to buy top brands when now I can just afford to go to the charity shops I like going to, you know.” (Pre-family, Dereham)*

*“I stopped buying them, but my mum has been buying my clothes since I’ve come out of residential. I just can’t afford to do it.” (Post-Family, Disabled, Dereham)*

- f) the need to divert child benefit for essential bills rather than using it for clothes or treats for children

*“So even the child benefit, I have to use it for food or something, just to get heating for my daughter, it’s not been easy at all. It’s not easy.” (Single Parent, BME, Croydon)*

- g) leisure spend is kept to the absolute minimum which generally means paying for the TV licence and for those who smoke, buying some cigarettes

*“If I can afford it, then I’ll get it [tobacco]. If I can’t, then I have to go without and get very stressed.” (Pre-family, Dover)*

*“You just go without, simple as... I have to sacrifice fun, enjoyment and pleasure... and comfortableness.” (Pre-family, Dover)*

- h) regular borrowing from, and reliance on bill payments made by, family members. None of these respondents had any money saved of their own that they could draw upon

*“If it wasn’t for my grandparents, I’d probably be living in a cardboard box by now...” (Pre-family, Disabled, Penzance)*

- i) the use of high interest loans to meet the demands of several creditors. One respondent had taken out such a loan the previous week with a loan company to enable her to pay immediate debts. The total loan was for £400 to be paid back at £20 per week over a year (at a rate of interest of 189.2%) which would result in her paying back over £600 on top of the original £400 borrowed. She reasoned that she could afford to pay the £20 a week back (as opposed to £400 as a lump sum), but predicted the cycle would start again as she assumed she would be sent another bill that she would not be able to pay

*“But I can actually afford to pay that £20 back on that but then it means at the end of it, when I’ve paid it all back, I’ll probably end up with another big bill.” (Post-family, Disabled, Dereham)*

- j) The above was not a one off - another couple had also taken out a loan with the same high interest rate company to clear unpaid bills.

## 7.2 The Dilemmas Associated with Cutting Back

### Key Findings

- Respondents faced a number of dilemmas when making decisions about what to cut back on. Those with certain medical conditions had to take into account the possibility of their condition worsening if they did not eat the right food or did not have sufficient heating.
- Those with children found they had to make sacrifices in terms of the quality of food and there were difficulties associated with asking children to limit their use of certain appliances to reduce energy consumption.
- Leisure was perceived as something that could be cut back on but it was difficult for those who smoked or saw watching the television as their only social activity.
- A couple had turned to high interest loans to meet immediate payments.

- a) Cutting back on some discretionary items in order to pay essential bills was not an easy task for most respondents. Some mentioned the dilemmas and decisions they faced when deciding how to cut back or where to spend their money.

- b) Cutting back on food could be difficult for various reasons. For a few diabetic respondents, illustrated by this couple, there was an awareness of the need to maintain a healthy diet; a move to cheaper food was considered fraught with difficulties

*“He’s diabetic so we have to eat reasonably healthy, whatever happens.”  
(Post-family, Disabled, Colwyn Bay)*

- c) For those with a number of children, food spend was often high and there were concerns from one single parent that a reduction in food spend often meant children had to ‘go without’ or eat lower quality food

*“Food is another nightmare. Food alone goes to about £100 and something a week, I’ve got teenagers... it’s about £140 a week there.”  
(Single Parent, Disabled, BME, Croydon)*

- d) Cutting back on energy usage (particularly heating) was considered difficult and an issue again, for those with certain medical conditions. One respondent whose husband had a heart condition maintained that a certain level of heating was essential to keep him well; although she would prefer to turn the heating down or off, this was not an option

*“When my husband’s sat there with his gloves on and his hat on and his coat on of an evening, and it’s perishing cold, what do I do? I have to put the heating on... and whilst I would be more likely to switch the heating off and put two jumpers on, I really can’t do it for him because he has a heart condition. If his temperature drops too low, he will have serious difficulties...so I’m kind of in a Catch 22.” (Post-family, Disabled, Colwyn Bay)*

- e) Some parents found it difficult to control their children’s energy usage as they did not understand the cost implications of their behaviour and the stress it caused. One respondent found it particularly stressful when her children turned on the halogen heating lamps in the bedroom without her knowledge; another found it difficult to restrict her teenage daughters’ use of various electrical appliances

*“Like with electricity, if you have teenage daughters, it’s a nightmare, because they have to colour their hair with those colours, they have to curl their hair. So those kind of things, I have to try to restrict them, which is not taken well with them, to restrict the dryers, those kind of things.”  
(Single Parent, Disabled, BME, Croydon)*

- f) Cutting back on specific items of leisure spend was difficult for some who considered them essential. Television (including Sky for a few) was seen as a must-have since other forms of social activity were denied to them

*“This is important because we don’t go out anywhere and this is the only entertainment we have. We can’t leave the house because we have no insurance. That’s why TV is important.” (Family, BME, Oldham)*

*“And Sky, that is not that much, it’s on the basic thing, isn’t it? But it is shifting from before - we used to have everything, the movies and the sports and now we haven’t.” (Family, BME, Birmingham)*

*“If I wanted the real package - the whole package of Sky is unaffordable to me. That’s why I’ve got just the basic.” (Single Parent, Disabled, BME, Croydon)*

- g) Some families were very unhappy at being unable to offer their children any outings or activities

*“We try and cut back where possible. But the thing is that our life gets hard doing this. We can’t take our children for leisure activities. We can’t afford holidays - it is hard.” (Family, BME, Oldham)*

- h) This family prioritised their son’s ‘educational’ activities over other things

*“We know that we have to pay £30 every month for my son’s Kumon [after-school study] and Arabic, so we budget that and will pay it no matter what. Even if we have to cut down on expense like buying gift for relatives then we can cut back on that because we know that we have fixed expense for the child’s activities.” (Family, BME, London)*

- i) A few smokers had switched from cigarettes to rolling tobacco, however, completely giving up or even cutting back in one or two cases was considered too difficult as it would raise ‘stress levels’ too much. One commented that they would rather go without food than go without cigarettes

*“It’s about £20 a week, ‘cause I buy tobacco now which is cheaper than cigarettes, but I do buy a packet now and again.” (Single Parent, Disabled, Garstang)*

### 7.3 Coping Strategies Relating to Water Usage

#### Key Findings

- Only those with water meters were in a position to try to control the size of their bill and those who attempted to do this generally found it stressful and thought it had little impact.
- Various strategies for reducing the amount of water used were employed around the house and garden. Many impacted on cleaning and hygiene routines and were particularly resented.
- Several were angry about being put in the position of having a water meter (very few had one by choice) and the notion that being in control of something is a good thing clearly falls down in relation to water usage – for them, the control appeared to be illusory.

- a) Only those with water meters were in a position to try to control the size of their water bill and many described how they had taken measures to reduce their water consumption in order to do this. Most of the sixteen metered households had moved into properties with a meter already in place and disliked the fact that they felt forced to take such measures. Respondents said they found the constant watchful behaviour stressful and several were angry that it seemed to have little effect on their water bill. Rather than the water meter giving them control over their water bill, they saw it as their behaviour being controlled by the meter.
- b) Some of the methods used to try and cut down on water usage are described below. It will be noticed that many of the methods are those recommended for conserving water in order to be more environmentally aware – however, this was not the motivation for these respondents.
- c) Attempts to cut down water usage for cleaning and hygiene stood out most vividly for respondents as this was where they most resented trying to cut back. Most talked of flushing the toilet less or reducing the amount of water used when it was flushed by using a half-flush or, for a few, placing hippos or bricks in the cistern, but these measures were perceived to make little difference. A few made a

conscious effort to only flush solids away or they might only flush the toilet when they had guests

*“That’s annoying in a way, because you shouldn’t have to think not to flush the toilet so much. It’s unhygienic, it’s disgusting, we shouldn’t be put in that position... and it’s embarrassing if you have guests.” (Family, Disabled, Penzance)*

*“If it’s yellow, let it mellow - if it’s brown, flush it down.” (Family, Disabled, Penzance)*

- d) A number had attempted to save water by changing their bathing and showering habits; they took fewer baths and/or showers, or they switched from regularly taking baths to taking showers. Some described how they took shallow baths and some shared the bath water, with one person taking a bath after another. One respondent talked about how her family took ‘bucket baths’ since they did not have a shower and taking a full bath would use too much water

*“And we use the shower, I don’t have as many baths now. I used to enjoy lying in the bath, but I don’t do that.” (Post-family, Disabled, Colwyn Bay)*

*“Well, I’m very cautious on the washing you know and having a quick shower. Sometimes I’ll have a bath, I will share a bath, you know, the bath water if we have baths.” (Family, Dereham)*

*“Like bathing, we only have a bath every other day and we like have one together so it’s only one bath full of water.” (Pre-family, Penzance)*

- e) Another ploy was to avoid running water whilst cleaning their teeth

*“My daughter, if she’s cleaning her teeth and I clean my teeth, we don’t run the water as we are cleaning our teeth” (Single parent, Disabled, Dereham)*

- f) Several were using their washing machine less frequently and only with a full load

*“Yeah, we weren’t really aware of using the water before, not that we wasted it but I don’t put the washing machine on as often, I’m more careful with it.” (Post-family, Colwyn Bay)*

- g) This was particularly difficult for one respondent who was incontinent. She had resorted to soaking her clothes/bedding in a bucket until she had a full load when she would use the washing machine

*“It is difficult especially when the incontinence is really bad and that, because I have to put them in the bucket and soap with the lid on and just hope no one goes in the bathroom. Then just wash them out and I put the sheets altogether and wash them all at the same time. If it wasn’t for the water, I would feel a lot more happier.” (Post-family, Disabled, Dereham)*

- h) Another very disabled lady with a constant stream of carers coming into her home, described how she had put a stop to using the dishwasher altogether because well-meaning carers would put it on when it was only half full

*“I’ve stopped using my dishwasher because people would put one cup in it or two cups in it and then use the dishwasher.” (Single Parent, Disabled, Dereham)*

- i) Others had restricted their water use around the house and garden generally; perhaps they were no longer washing their windows or had stopped using a hosepipe to water their garden

*“I don’t wash my windows, I know it sounds stupid but plastic windows, they cost a lot of money, I think twice about water now.” (Post-family, Disabled, Colwyn Bay)*

*“Neither of us like to spend money. When it wasn’t metered, there was no stress associated with it. Now there is some degree of stress, ‘no, you can’t go out and water the garden, you’re spending money’.” (Post-family, Colwyn Bay)*

- j) One or two only used grey water to water plants in the garden, another talked about how they only bought plants that they knew did not need lots of water, while another had laid a patio in place of grass.

- k) A few had cut down on the number of times they washed their car and one man described how he only washed his car when it rained while the car was wet

*“I take an umbrella and wash the car because that way, we save four to five buckets of water.” (Family, BME, London)*

- l) One respondent in particular, described how she had tried to manage their water use almost to the point of ‘paranoia’ and was continually thinking of ways to save more water as the measures they were taking did not seem to be making any difference. She talked about how she was thinking of capturing the cold water that they currently wasted whilst waiting for it to warm up so that they could then make use of this

*“I’ve even suggested, and we haven’t quite agreed on it yet, getting a pump pot by the sink so that - because we have a combi boiler, the first few moments of water I run is cold and then the hot kicks in and I’m saying ‘we’re wasting water’. If I put that water in a pump pot... you can wash your hands with that, sort of squirt out the water and wash your hands, then we wouldn’t have to run the tap... but he [her husband] thinks I’m taking it to extremes.” (Post-family, Disabled, Colwyn Bay)*

- m) She also talked about how she had considered only having one cup of tea a day or saving water in a flask for later

*“I’ve now become quite paranoid about it, because we can’t see it. You know we need water to drink, okay maybe we should only have one cup of tea. I quite often put stuff in a flask which is stupid, if the kettle is boiled I’ll put water in a flask... but it’s having no effect.” (Post-family, Disabled, Colwyn Bay)*

## 8 Getting into Debt

---

### 8.1 Where Debt Builds Up

#### Key Findings

- Across each of the 14 items of household expenditure, at least one respondent reported that they either sometimes, or always, found themselves in arrears. The item mentioned most often as the one where some respondents were **always** in arrears was the water bill<sup>6</sup>.
- A distinction can be made between those who 'can't pay' and those who 'won't pay' and nearly all respondents who were in arrears fell into the 'can't pay' category – they wanted to pay, but could not meet the amounts being asked of them.

- a) Across each of the 14 items of household expenditure, at least one respondent reported that they either sometimes, or always, found themselves in arrears. By 'arrears' they meant the non-payment of bills or where other types of expenditure were concerned (such as leisure), they may have borrowed money from a friend which they intended to return.
- b) The item mentioned most often as the one where some respondents were always in arrears was the water bill; this was the case for 12 respondents (see footnote 6). Other items where the greatest number of respondents reported being 'always in arrears' were the credit card (five), gas (four) and council tax (four).

#### 8.1.1 Can't pay or won't pay?

- a) It is important to make a distinction between customers who 'can't pay' and customers who 'won't pay'. Those who 'can't pay' would be likely to pay an outstanding bill if payment arrangements were put in place that met their needs. With two exceptions (see 8.3.1), all respondents were trying to meet all their financial obligations irrespective of their situation.

---

<sup>6</sup> This may reflect the purposive nature of the sample. Care should be taken in generalising this finding to a wider audience.

- b) This was not to say all respondents were happy to pay their bills, a number felt that certain bill payments were unfair or could not be justified. For example, one couple had experienced demands from their gas company to raise their monthly direct debit payments from £60 to £185 per month after they had been in arrears for £6 on the previous year's bill

*"Everything goes out on a fixed standing order... direct debit, so therefore we know exactly what is going out, which is why when the gas board wanted to put it [the monthly gas direct debit] up from £60 to £185, there's no way I could do that, there wasn't enough money to do that." (Post-family, Disabled, Colwyn Bay)*

- c) Respondents generally felt it was important that everyone paid the bills they incurred; if they did not pay, it did not seem right or fair to others who did. One was keen to point out that non-payment was rarely deliberate and that people often had a good reason. They gained little if any benefit from not paying a bill but rather, this added to the stress they were already under in coping with day to day life

*"Because almost everybody pays their bills so I don't see why I should be excluded but it's just, there's no money." (Single Parent, BME, Croydon)*

*"You get a choice, you pay the bills or you don't... and obviously, if you don't, then there is usually a good reason behind it if you know what I mean." (Single Parent, Abergavenny)*

- d) A few pointed out they disliked being in the situation where they had difficulty paying their bills; often it had arisen as a result of a change in their circumstances. Usually, this was the loss of or reduction in income. For example, in one case, this involved the loss of contributions from a daughter who used to live with the respondent and pay towards household expenses. When she moved out, this respondent had fallen into arrears on a number of outgoings

*"I paid up to July or so last year and then that's when it [the arrears] started, because my older daughter was living with me and then her work, she lost her job so she couldn't help me pay the rent and I've got arrears with other people which I've been trying to clear. It started from last year and it's just gone bad now, you know." (Single Parent, BME, Croydon)*

## 8.2 The Emotional Impact of Debt

### Key Findings

- Respondents across all types experienced negative emotional consequences as a result of struggling or not being able to pay their bills.
- Common emotional responses included a sense of frustration and powerlessness, feeling fed up and worn down by the constant struggle and pressure to keep on top of payments.
- Those 'in arrears' talked about feelings of helplessness and hopelessness as well as anger and guilt at not being able to pay their bills. Together these feelings added to the day to day stresses of life and, for a few, seemed to impact on their mental wellbeing.

a) The emotional impact of meeting bill payments, struggling to pay and being in debt were shared across all types of respondents, even by those who were 'making ends meet'. Even if they were not yet in debt, some felt that it was a situation they could easily slip into. Emotions and feelings described by respondents included:

- a sense of **frustration** and **powerlessness** when although they were doing what they could, bills continued to rise, and there was nothing they could do to improve their situation

*"It is a struggle because I do not have any excess money left over and that generally is bills and food. I don't go out partying, I can't afford to. That's generally just to live." (Single Parent, Disabled, Garstang)*

- being totally **fed up** and **worn down** by the constant struggle - for many this resulted in an inability to enjoy life

*"There is nothing that consumes my head other than how to settle the bills. It's really hard." (Single Parent, BME, Disabled, Croydon)*

*"We feel really down and miserable. Even if the sun is shining and it is wonderful outside, you feel really bad and you just can't enjoy life because of the stress and the financial worries. If the utility bills weren't high, we would have somehow managed." (Family, BME, Oldham)*

- the **constant pressure** to keep on top of bills and for those in debt, deal with people chasing payment in letters, phone calls, at the door. Again, this added to the day to day stresses of life

*"[I feel] fed up, stressed, horrible not being able to pay your bills, wondering whether or not somebody is going to come knocking at your door." (Single Parent, Abergavenny)*

- b) Those 'in arrears' (or finding it a considerable struggle to stay out of arrears) were often despondent. Some described their situation as;

- one of **helplessness** and **hopelessness** - they thought they were never going to be able to get on top of bills; two people with mental health issues mentioned suicidal feelings as a result of the stress

*"It feels I'm slipping down with my bills, getting more into debt, it makes me feel really down, low and depressed and worried sick about everything." (Pre-family, Dover)*

- constantly feeling full of **anger** and **guilt**, which in turn lowered their self-esteem, raised stress levels and for one added to their mental health problems

*"I don't know, it's just the way I am, it's the sort of person I am. I do get angry easy."*

***So you get angry if you feel you are struggling to pay a bill?***

*It makes me upset as well because - I know it might sound silly but I suffer from depression so it's another thing that's playing on my mind and stuff." (Single parent, Disabled, Garstang)*

- c) A few from across the typology who were coping due to more effective money management skills were more stoical. They felt that eventually they would get through the situation, they might be able to get some help or, that it was simply pointless worrying about it all the time

*"I mean I'm not going to kill myself over it, put it like that, because there are far more important things in life. If I can't pay my bills, I can't pay my bills. It's not a nice place to be, but hey, there are loads of people who don't pay their bills." (Post-family, Disabled, Colwyn Bay)*

### 8.3 Getting into Debt with Water

#### Key Findings

- Respondents had ended up in arrears with their water bill in a number of ways and the problem for many was that they were no longer struggling to meet their bill, they were unable to do so.
- Some moved briefly in and then out of arrears; if they paid in weekly or fortnightly instalments, these might sometimes be missed but then they aimed to catch up. It was when they found this difficult (perhaps when other outgoings took priority) that arrears with water built up.
- Those who were in long term arrears with water genuinely could not pay at the level of payment often expected by their water company ('can't pay'). No one was withholding payment even though they could afford to meet their bills ('won't pay'). Two respondents in the sample fell into what could be considered a 'can't pay, won't pay' category and they rationalised their non-payment as a protest against the companies involved.
- There was nothing to suggest that the majority of those in arrears were in that situation by choice or intention and were unwilling to pay back the money they owed if they were able.
- The assumption that water debt is caused by customers knowing they can not be disconnected is not supported by this research and it was evident that they had not thought a great deal about this.

- a) The 12 respondents who were always in arrears with their water bill talked about the various reasons that resulted in them being in that situation. Some had let payments slip in order to pay other bills and it was evident that gas and electricity often took priority particularly if they were on prepayment meters for those utilities (see section 5). Others had suddenly found themselves in arrears when they could not afford a particularly large bill (typically a six monthly or annual bill) because they did not have a plan in place to pay in smaller instalments.

- b) A few could not understand how they had got into such debt with water – they described how arrears had crept up on them and how these arrears had shifted from being manageable (perhaps a couple of weeks of non-payment) to amounts that they could not afford to pay back.
- c) Others were aware that they had omitted to make payments but had done little proactively to sort out the situation. A couple blamed their non-payment on not having their payment books

*'The water, well, I should pay it fortnightly and as I said, I had a paying in book. So I've either got to get them to issue me with a new book you see... As soon as they send me a new payment book, I can then resume.'*  
(Pre-family, Dereham)

- d) This particular respondent went on to describe how he expected the water company to resolve the situation, by increasing the amount to be paid on the next payment book to cover any arrears

*"Well that's just how they operate, I just know they do that. I've seen people actually have it themselves done ... they'll pay the bill but on the next book make it so, at least put a little extra on, so it's sort of spread out. They don't want to cripple you, they obviously know that is a better way of getting their money. If not, they're going to have to go through the courts and all that and that costs even more money. So they tend to find that by just putting that little bit extra, give them that chance, alright then if they mess up again, well obviously, then they'll have to go further. But they tend to prefer to want you to pay it but afford to pay it so it doesn't mess the whole lot up, you know."* (Pre-family, Dereham)

- e) One respondent (who had previously lived in a house where the water bill had been included as part of the rent) had ignored unnamed water bills sent to her current property. She had assumed that these bills were being sent purely for information, but had not attempted to confirm this with her landlord or water company. Once she realised the water bill was not included, the amount had become too large for her to be able to pay

*"The water bill is the one thing that I haven't been paying which is a bit ... not that I don't want to but I don't have money to pay. Before I moved here, it used to be included in the bill and I've always assumed that it's included in the bills, in my rent."* (Single Parent, BME, Croydon)

- f) Another respondent who was in arrears and now paying off a regular amount each week, admitted he had adopted a 'head in the sand attitude', ignoring letters

from the company because he did not feel confident enough to phone up and sort the issue out

*“Firstly it went over a year so back to 2006, I’m not really sure, but they kept sending me letters.” (Post-family, Disabled, Abergavenny)*

- g) Several respondents were in a position where they found it very difficult to get a fix on where they stood with their payments and arrears. They often could not understand why, despite making what they saw as reasonable regular payments, their arrears continued to rise

*“2007, that’s when it started off and 12<sup>th</sup> September, ‘your bill will be £704’, so now I owe.*

***And do you know why?***

*Well, if I’d been paying the arrears off, it should be lower than that... on the 6<sup>th</sup> March it’s £998, now how confusing is that to anybody, and I’m not a very clever person.” (Post-family, Disabled, Abergavenny)*

*“I don’t know because they’ve never sent me a bill. Now on this one [in the payment book], the 17<sup>th</sup> January they are saying I’m £133.86 in arrears. So I hadn’t long had this book, so I paid 11/2 £10.00, then I paid another ten on 25/2, then on 5/3 I paid £15.00 and 11/3, £10.00 and the 24/3, I paid £40.00. And now I’ve got to pay another ten.*

***Just because you had some money and you thought you’d pay a chunk off or something?***

*Yeah, and they’ve said to me, next Wednesday I’ve got to pay another £10.00 but they’ve said I’m still way behind, but they won’t tell me how much I’m behind or what because I’ve not had a bill since I’ve been in here.” (Post-family, Disabled, Dereham)*

- h) Others paying £5 per week understood that they were in an impossible situation; they knew they were in arrears but had been told by the water company that their payments were not going towards the arrears but towards the current bill only. This concerned them as they were very aware that they were not getting anywhere in clearing their debt.
- i) Others paid a regular amount (weekly or monthly) of which a proportion was going towards their arrears. One or two noted that as the amount was so small it would take an extremely long time to pay back the amount they owed, which added to the general frustration and helplessness they felt. In one case, a couple

were paying back arrears that dated back to the last recession 15 years ago. They said this had only been picked up on around six years ago which was when they had started paying this back.

- j) Some moved in and out of arrears, for example one single parent paid her bill in regular monthly payments, but she had put this arrangement in place herself, so technically, she is in arrears for some months of the year

***“Ok, so you get sent the bill and you’re not on a payment plan, but what would you do, just send them a cheque...?”***

*I would pay online. Say for instance, £50 a month until then again, when the six months [and the next bill] comes around again.” (Single Parent, Disabled, Garstang)*

- k) Even those who were ‘making ends meet’ might be confused as to the payments required of them. One couple who had moved into their house some years ago where a water meter had been installed by the previous occupants, were paying £30 a month by direct debit. They had been sent a number of demands for additional payments over the past few years – on each occasion, for around a couple of hundred pounds. They had never contacted the water company about the additional payments but had simply paid them. They were unsure however, as to how they could have been using so much water (as there were just two of them in the house)

*“And water is about £30 a month, but I have had to make substantial payments to them over the last few years and I still don’t know how and why, but I’ve kept paying, it has to be settled every time at the end of every whatever. Every time I owe them money and I pay it and I can’t work out why it goes up like that.” (Post-family, Disabled, Colwyn Bay)*

- l) The wife was now on long-term sick leave and caring for a disabled husband; she made the point that if a similar demand now arrived for an additional payment, they would be unable to meet it and she would need to contact the water company. Her situation illustrates effectively how easy it can be for a customer to fall into arrears

*“I shall be ringing them up and saying, ‘right, you can’t have it, simple as that, I haven’t got it, can we agree some sort of payment?’” (Post-family, Disabled, Colwyn Bay)*

### 8.3.1 'Can't pay or won't pay the water bill?

- a) As we have described above, people who are in arrears with their bills can be thought of as falling into one of two categories:
- 'can't pay' - those who are unable to pay their bills but who would do so if they could
  - 'won't pay' – those who are in a position to pay their bills but who choose not to.
- b) When it came to water bills, we came across a third category of respondent, namely
- 'can't pay, won't pay' – those who are currently unable to pay their water company but who would refuse to pay even if their financial circumstances changed and they were in a position to clear their arrears.
- c) When it came to their water bill, no one in the sample fell into the 'won't pay' category. Nearly everyone who was in arrears with their water company fell into the 'can't pay' category. There were two exceptions, both of whom we have classified as 'can't pay, won't pay'. The two couples in question (one in Dover and one in Penzance) were quite open about the fact they were heavily in debt generally and indeed, had a history of debt. Both couples had experienced various threats and visits from bailiffs and also seen the repercussions of debt in the past; one couple had been evicted (before they had children), while the other had been forced to sell their house and then rent it back.
- d) While they were taking steps to try and deal with certain of their arrears, when it came to their water bills, they both claimed that they would not pay these even if they could afford to do so, as a protest against their water companies
- "If you said to me, 'right, I'll pay your arrears just to get you up to date like', I'd say, 'no' because I don't want them to have the money. Now it's not that I don't want to give it to 'em out of my own pocket. If they was doing the job right, we'd pay." (Family, Penzance)*
- e) For one couple, the protest was against the standards of treatment operated by the local sewerage treatment plant and for the other, a protest at apparently being charged twice (for water and sewerage).

- f) Both were aware that their water could not be cut off, and for one certainly, this was a key factor in not paying, but both claimed that their non-payment was an 'issue of principle'

*"So I would take that stand at the moment.... although it's up there as being one of the most expensive, priority wise, there's not a lot they can do, so we don't have to worry about it too much." (Post-family, Dover)*

- g) Both of these couples illustrate the exception in the research, rather than the rule. The remainder of those in arrears seemed genuinely to want to pay something and there was nothing to suggest that the majority of people who were struggling to pay their water bill or who have built up arrears were in that situation through choice or intention. The assumption that water debt is caused by customers knowing that they can not be disconnected is not supported by this research - most customers who could not pay their water bill did not know that their supply could not be cut off.

#### 8.4 Feelings about the Water Bill

##### **Key Findings**

- Respondents who were struggling to pay or who could not pay their water bill experienced a variety of negative feelings.
- Some felt they were 'getting nowhere' as no matter how much they paid, the bill and/or arrears continued to rise. Others were worried, despondent and sad about the bill, while some felt continually trapped by their arrears and the amount they had to pay. There was also a sense of frustration and anger both at the perceived unfairness of the bill and at the water companies themselves.
- Those who were not struggling with their bill so much were more relaxed, even though many still perceived the bill as unfair or too high.

- a) To help initiate discussion about how respondents felt about their water bill, they were asked to select a figure from a range of options in a composite drawing (see appendix 11.3) that said something about their feelings, and then to talk about the reasons for their choice.

#### 8.4.1 A 'sense of getting nowhere'

- a) A number felt they were 'getting nowhere' in relation to making payments towards their arrears and chose a figure 'hanging on the rope not being able to get up'. Some respondents could only pay relatively small amounts towards their arrears and did not feel they were making progress with the amount they owed. Others described their situation as one of 'hanging on' to illustrate that they were literally just about managing to pay something.



*"I just feel like I'm on some kind of escalator that I'm running the wrong way up." (Post-family, Disabled, Colwyn Bay)*

- b) Others selected the 'falling figure' to illustrate not only the feeling that they were 'going nowhere' but almost falling backwards. A few described how each time the bill arrived there was a sense of not knowing whether they would be able to afford it or not



*"This guy there like, it's going downhill, it's probably because every time I get a bill or a letter, it just seems to be going up, not down." (Post-family, Disabled, Abergavenny)*

*"Cause you're falling, every time the water bill gets raised, you're falling again because you don't know if you are going to be able to afford it." (Pre-family, Penzance)*

*"No matter how hard you try and keep up with the water bills, they still end up saying that you still owe this much." (Pre-family, Disabled, Penzance)*

#### 8.4.2 Worried and despondent

- a) A number picked a figure with a 'worried face' that illustrated their concerns and worries about how they were going to continue to manage meeting payments. One (metered respondent) also commented on the constant worry they had about wasting water and how whatever they did seemed to make little difference to their bill



*"I'm very concerned about it because it's not a set amount and it really bothers me, doesn't it? ... It's psychological because you can't see the gas and the electric you use but you can see the amount of water that's running through the taps and the bath and things like that ... you can see the volume being washed away and thinking, all that money." (Post-family, Colwyn Bay)*

*"What can I do? How are we going to manage? What can we cut and where?" (Family, BME, Oldham)*

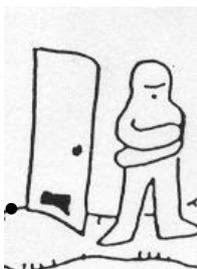
*"Thinking that I have to pay the bill, that's how I felt when I got my last bill and it had gone up by £2 a month." (Retired, Oldham)*

- b) Others who chose the same figure related it to 'being sad and fed up' and commented how they were sick of constantly having to pay for bills they could barely afford and/or dealing with threats of bailiffs and court orders

*"I use water every day for everything and knowing that I'm not paying, even if it's a little, it's like I'm just stuck. So it makes me feel sad because at the moment, as I said, I've had the solicitor's letter and things talking about bailiffs and court, whatever." (Single Parent, Croydon)*

#### 8.4.3 Trapped

- a) Some felt they were in a situation from which they were finding it hard to extricate themselves and picked the figure 'stuck behind the door' to illustrate this feeling. One described how they would not be able to 'open that door' and 'be free' until they had managed to clear their arrears



*"I'm trapped behind a door until I get that [his arrears] rectified and then I can open that door. At the moment it's just sort of tucked away, it's tucked out the way. When I sort it, that's sorted that and then that will release that and then I can open that door." (Pre-family, Dereham)*

- b) For another, the 'trapped' feeling arose because they felt there was no room for negotiation with the water company in terms of a reduction in the payments they needed to make. They were 'trapped' paying for something that they had to pay, with no control over what they paid

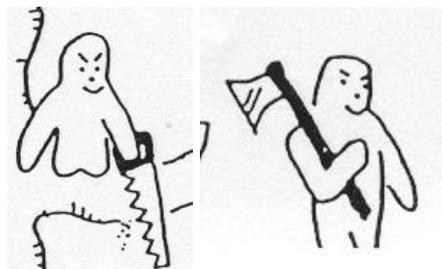
*"Because I don't think there is any real room for negotiation on it, is there? It's something that you've got to pay. They are not going to reduce your water bill, you've still got to pay." (Family, BME, Birmingham)*

- c) For one, the sense of being ‘trapped’ was related to the ‘tightness’ of her financial situation and how paying for bills prevented her from being able to treat herself or her children

*“Cause in a way I don’t get to treat myself or anything.” (Single Parent, Disabled, Garstang)*

#### 8.4.4 Anger and frustration

- a) Some expressed anger and/or frustration with their water bill and two figures were mainly chosen to reflect these feelings – the figure sawing off the tree branch and the figure with the axe. For one, the ‘sawing figure’ represented how she wanted to sever herself from the water company (the figure being her and the branch being her water company)



*“Because he’s angry and that [the branch] is the water company as far as I’m concerned.” (Single parent, Penzance)*

*“Why did I pick that one? Well, really about the water bill, that’s going up and there’s no difference and no better... It goes up, mine’s gone up again about £20, more than that. I mean, £500 and I don’t understand why.” (Retired, Colwyn Bay)*

- b) One or two picked the figure with the axe and for one couple this represented how they perceived the water charge as unfair, because they paid the same amount as a large family who lived on the same street

*“It’s his face that looks like ‘it’s not fair’... well yeah, I suppose because it [the water bill] annoys me.” (Post-family, Garstang)*

- c) Not all respondents were so negative. A handful or so of those who were ‘making ends meet’ chose more optimistic representations on the basis that they were pleased that the payment method they had opted for was enabling them to keep on top of their water bill or because they were relieved when they did manage to pay it.

## 8.5 The Effect of Threats from the Water Company

### Key Findings

- The few respondents who had received CCJs from their water companies found the situation frustrating and stressful. However, one thought a court appearance might go some way to help her water company understand that she could only pay what she could afford, not what was demanded.
- The threat of disconnection of customers' water supply was not something that could be tested in the interviews, however, respondent reactions to potential disconnection of (or being denied access to) gas and electricity did affect whether these were paid for or not. Therefore, it might be expected that such sanctions on water could have an effect on payment based on findings related to other utilities.

- a) A number of respondents who had failed to keep up payments on their water bill had, at some point, received letters from their water company threatening to take them to court, 'cut off their supply'<sup>7</sup> or impose some other measure (some had also discussed such repercussions in telephone calls to the supplier). The perceived heavy handedness of water companies once a payment was overdue was generally described as very stressful, although usually, it did force them to find the money from some source (often friends or family)

*"Say you owe £133 and they only want a fiver a week and then they ring up three days later, 'oh, we've made a mistake on your book, you've got to pay £40, you've got to pay £50' and that is a massive big shock to the system because they say, if it's not paid within seven days, they cut you off." (Post-family, Disabled, Dereham)*

- b) One respondent had received a letter from the council (as she paid her water bill direct to them) that threatened her with eviction if she did not pay

*"Yes, you have to pay'. There was a time I was not even told I could pay later, it was just that 'you are late in your payment and we are coming to evict you'. So I had to call them and say, 'what is this, this is too*

---

<sup>7</sup> Given that water companies cannot cut off a customer's water supply, we assume that respondents were not actually threatened in this way; rather this was the customer's own interpretation

*threatening for me just because I have delayed to pay for one or two weeks, you want to evict me'. They said, 'if you make the payment then it's okay'. So I had to rush and look for money and make the payment, that kind of scenario." (Single Parent, Disabled, BME, Croydon)*

- c) One respondent was in the process of being taken to court and was glad as she hoped this would make them realise that she could only pay what she could afford.
- d) As it currently stands, water companies cannot disconnect customers for not paying their water bill but the findings indicate that respondents in general, were not aware of this, that is, they were not getting into arrears because they knew their water could not be cut off. However, the threat of disconnection for not paying gas and electricity was very real for some respondents and those on a prepayment meter were well aware of the need to continue to pay to ensure continuation of supply. The threat of not having access to one or either of these utilities clearly had an impact on their payment behaviour.
- e) The potential loss of water supply could not be tested in this context, but it might be expected that sanctions such as the threat of disconnection could have an effect on payment based on the findings related to other utilities.

## 8.6 Living with Debt: Four Case Studies

### Key Findings

- Respondents varied a great deal in their personal situations and four case studies have been provided to illustrate these differences and the different ways in which respondents dealt with their arrears and the water companies. All names used are fictional.

#### 8.6.1 Single mother

- a) Natalie is a single mother with a young child at school and a newborn baby who has weeping eczema. Her outgoings consistently exceed her income and she is constantly in arrears. She has some money management skills but is constantly worried about meeting her bill payments

*"It means that I'm constantly worried and thinking, 'Oh my gosh, I've got this coming in, that coming in. Will I be able to meet it this week or will I be*

*able to meet it next week?’ It does constantly bring a worry but what can you do?’ (Single Parent, Birmingham)*

- b) She has received several CCJs in the past including one for water; she is now supposed to pay for her water bill using a ‘prepayment card’. She has also approached the CAB on a few occasions whom she had not found very helpful as the advice they offered was very generic. She has contacted her water company about her arrears and has found them unsympathetic and unhelpful; they told her they had nothing to offer her in the way of help and insisted that she paid the minimum amount. She admitted to having no understanding of what she was paying for or how the water bill was calculated and this added to her confusion

*“I think that they don’t care because they want their money at the end of the day. It’s a bill, everybody has to pay, everybody – it’s kind of like, ‘it’s a bill, everybody pays it, you’re not the only one that doesn’t have to pay, everybody needs to pay, pay it’...”*

**Okay, so not a lot of sympathy...**

*Not necessarily because at the end of the day the other person on the line, they’re only there to do a job, they’ve been told and coached what to do.” (Single Parent, Birmingham)*

### 8.6.2 Disabled single man

- a) John is in his 50’s, lives alone and has spondylitis; as a result, he has become addicted to painkillers. His outgoings exceed his income and he has been struggling to cope financially for over ten years (since he stopped work due to illness). His financial management skills are chaotic and he has a number of payment arrangements in place to help him manage his money. He readily admits that he does not understand his finances, most financial documentation or his water bill.
- b) He is in arrears with water and makes a weekly payment of £12 to the water company (£3 of which goes towards his arrears). He claims not to have agreed with, or been involved in, the setting up of this arrangement, even though the payments were taken directly from his bank account. He has received letters informing him of the amount of his arrears which have risen considerably over the past few years. This adds to his confusion and he is aware that he will be paying off his arrears for the foreseeable future.

- c) He is very reluctant to deal with the water company for both logistical reasons (he has to use a phone box and pay for the call) and lack of confidence in being able to have a productive discussion.

### 8.6.3 Couple with long term mental health issues

- a) Mark and Julie live together. Mark has suffered from depression in the past and is dyslexic and Julie, a student, is pregnant with their first child. Julie's student grant is an important part of their income and they use it to pay some of their bills. They are however very reliant on their family (particularly Mark's grandparents) for financial help and have also received advice on their finances from a support worker

*"I can't, there's no way of paying it [if we receive a bill]. The only way of doing it is to go to my grandparents, get them to pay it and when I get paid [pay them back]." (Pre-family, Disabled, Penzance)*

*"I have to rely on my mum to get me clothes. What with me being pregnant at the moment, I've run out of all my clothes. We can't afford to buy me new clothes that fit me, so my mum's had to take me clothes shopping so that I can get clothes to fit." (Pre-family, Disabled, Penzance)*

- b) They were threatened with court action by their water company for £26 after they had missed the bill payment by two weeks. The only method of payment offered to them was direct debit which they did not feel in a position to take on (presumably due to the possibility of not having enough money in their account and then incurring bank charges). They now rely on Mark's grandparents to make the payment of £14 a fortnight, which they then try to repay.
- c) They admitted to feeling under great pressure from their bills and demands for payment

*"It raises the stress levels as well. If you get that big red letter through saying, 'we will take you to court if you don't pay this', your stress levels go sky rocketing." (Pre-family, Disabled, Penzance)*

### 8.6.4 Single BME parent

- a) Sandra is a single parent with two children. Her older daughter moved out last summer and this had a significant financial impact as she had contributed to household bills. Sandra also has a younger daughter of eight living at home.

She generally pays her bills by cash at the Post Office and has arrears in a number of areas. She is not comfortable with managing her finances and her money management is chaotic; she mainly decides which bill to pay on the basis of fear, with bills that are necessary to avoid eviction taking precedence.

- b) Although her current rent and council tax are paid for from benefits, she pays £50 per week from her £120 income towards previous rent arrears; again, this is necessary to avoid eviction. She is around £700 in arrears with her water bill and she has been seeking help from the CAB. At the time of the interview, the water company had agreed that they needed to arrive at an amount she could afford to pay. However, she was unsure what this was (due to her lack of budgeting skills) and was reluctant to suggest an amount that she would not be able to keep to. She was also well aware that the small amount that she might be able to pay would result in her arrears taking a long time to pay off

*“The water is the one that’s giving me a headache, I don’t sleep now. I don’t know what to even offer them now ... I’m worried that maybe some weeks I won’t be able to get it - it’s worrying me because if they cut the water off.” (Single parent family, BME, Croydon)*

*“Well, he’s [the CAB solicitor] told me to get in touch with them to tell them which one I want to deal with, whether it’s weekly or monthly or every two weeks, what I can pay. So I’m yet to get in touch with them. It is just the amount to tell them that this is what I’ll be able to afford. But £5 is so small for this amount, isn’t it? I don’t know, it’s a difficult one because then food for my little one. I don’t know. If I say £10, maybe this week I’ll get it and another week I might not get it. I don’t know.” (Single Parent, BME, Croydon)*

## 9 Seeking Help

### 9.1 Seeking Help from Utilities and Water Companies

#### Key Findings

- There was a marked difference between respondents who had sought help with their debt and those who were in difficulties but had not yet done so.
- Those who were 'making ends meet' had typically not had to contact suppliers but were optimistic that help would be available should they need it.
- All who were 'struggling' had contacted a supplier at some point and were generally disappointed with the inflexibility and unhelpfulness of the response and the lack of help they had subsequently received.
- Some respondents 'in arrears' were better able to juggle their finances than others who were often overwhelmed by their situation. Those who 'juggled' were often experienced with dealing with suppliers and well aware who they needed to pay first, while those who were overwhelmed were often at their 'wits end' from the perceived intransigence of suppliers.
- Negative experiences with suppliers often deterred respondents from contacting the same or a different supplier in the future as they assumed the response would be the same.

- a) There was a marked difference between those respondents who had sought help with their debt and those who were in difficulties but had not yet done so or were avoiding doing so. Several admitted that in the past their approach had been to run away from their debt problems but they now realised they were better off seeking help and stabilising their affairs. We begin by looking at how each of the respondent types felt about seeking help.

#### 9.1.1 'Making ends meet'

- a) Respondents who were managing to pay their bills had typically not had to seek help but were optimistic that if it was needed, they would be able to ring up their supplier and help would be forthcoming. They felt it was important that people

who were struggling should be proactive and approach companies to see how they could help but if they did not do this, then the company should be aware of the problem and contact them before the arrears got really out of hand

*“It should really be up to the customer to contact them because you know, it shouldn’t be up to the water board to keep on... so I don’t think it should be the utility people that have to contact the customers all the time. The customer knows that they’ve got a bill through the door but they just ignore it, I think.” (Single Parent, Disabled, Garstang)*

- b) In one case, a couple thought they might write a letter so that they had a record of their attempt to sort out the problem and the supplier’s response. One retired single man in this group had been in arrears with his water bill previously and had received a visit from the company to discuss how he might be able to pay. He had subsequently been put on a direct debit arrangement.
- c) If they needed further support, they suggested as possible sources, their bank (to secure a loan), the Citizens Advice Bureau or social services.
- d) A few were uncomfortable with the idea of seeking help, feeling that they should be able to cope financially without doing so

*“I don’t know because then it would be well, perhaps I need to go back to work... rather than go for help.” (Post-family, Garstang)*

*“I don’t, I never thought there was any help available but also, I suppose a lot of it is pride. If you’ve always worked and you know you’ve always paid for everything yourself.” (Retired, Penzance)*

### 9.1.2 ‘Struggling’

- a) All the respondents who were currently struggling to pay their bills had contacted a supplier at some point; generally this had been a customer service person although some felt it was just ‘the person who picked up the phone’. A number expressed disappointment with the inflexibility and unhelpfulness of the response and claimed that the lack of help meant that subsequently they had fallen even further behind with payment.
- b) Several of these respondents had been prevented from going into arrears with the help of family members who had lent them the money to pay urgent bills

however, they did not feel that this tactic could be relied upon every time they were in difficulty.

- c) Sources of help for these respondents were again third parties such as the CAB. One couple had found out about CAB from one of the credit card companies; they subsequently received very good advice that they acted upon and wished that they had approached them sooner

*“I spoke to one of their advisors and they said that I needed to go and see so and so, like a debt company or Citizens Advice because they said I would end up in trouble if I kept ignoring their letters... They explained to me what I had to do, they gave me a package and a form where I filled it in that I promised to pay... and put my outgoings and income like, and expenses... and sent them off and they agreed with it.” (Family, Abergavenny)*

### 9.1.3 ‘In arrears’

- a) The respondents who were already in arrears seemed to divide into those who were better at juggling their finances and dealing with suppliers, and those who were overwhelmed by their predicament. The latter group often included those who were inexperienced at dealing with finances, such as some of the single parents, some of the younger respondents and those with mental health issues.
- b) Those who were more adept at juggling their finances had learned to work out who they could get away with not paying for the present, sometimes meeting the demands of ‘whoever shouted loudest’ or whoever they feared the most. One couple who had told their water company that they could not afford to pay £20 per month as their debt situation had worsened, were told that they had to carry on paying this amount. They then decided to stop paying altogether because they knew that there was little that the supplier could do, in effect, they had become an example of ‘can’t pay, won’t pay’

*“I said, ‘I’ll send an itemised breakdown of what all my expenses are and you can take it to court if you want’. I’m not bothered, it doesn’t worry me because I know what they can do is very limited and I think with struggling, you get more aware of what you’re entitled to and what can be put off as well.” (Post-family, Dover)*

- c) They had found help from an internet website and various forums on which people exchange information about what they can do if faced with different debt situations.
- d) In contrast to those who are coping with debt, those who are not managing their finances are often almost at their wits end from the inflexibility of suppliers. Whereas the first group found this annoying and inconvenient, the second group found the situation extremely stressful as they did not know what to do or where to go next for help

*“But with the water bill, I wrote to them, they didn’t reply. I phoned them and how much they were telling me to pay was just unbelievable.*

***What were they telling you?***

*You know, like to pay £100 a month, and I said, ‘I cannot afford that’. Sometimes it depends on who you get to, I think, over the phone. I think it was the attitude as well. I said, ‘I can’t afford the £100’, so even if we came to an agreement, I know that I’m not going to keep it up’, so the frustration’s set in. At the moment I think it’s a court letter or solicitor’s letter, something like that, which I said, ‘if it goes off to the court then I’ll go and explain this is the situation and this is how much I can pay’.” (Single Parent, BME, Croydon)*

- e) Negative experiences often seemed to deter these respondents from contacting suppliers again or contacting other suppliers. While some were aware of sources of help such as CAB, they had generally not used them or if they had, they had not found the experience very helpful

*“Someone told me about Citizens Advice Bureau but to get hold of them is so difficult... I haven’t really called them but they said, the office you have to go and it be first come, first served.” (Single Parent, BME, Croydon)*

*“I didn’t have a very good experience the first time I went, I sat there for two hours... And a coloured person walked in and he went straight in and I’d been sitting there two hours. This woman turned round and said to the other lady that I’d been sitting there long before he walked in and she made him go back out and wait in the waiting room and told me to go in. He turned round and said, ‘well, if you’re not going to help me, you are refusing to see me now’ and he went and it made me feel guilty. But my dad said to me, ‘no, you shouldn’t feel guilty, you were sitting there waiting’... plus you could hear them talking. You are sitting in the waiting room and you can hear them all discussing their problems.” (Post-family, Disabled, Dereham)*

## 9.2 Experience of Seeking Help

### Key Findings

- Respondents who had contacted suppliers for help often found the experience (particularly with gas and water companies) frustrating and unproductive. The main issues were that it was difficult to find the right person to talk to, it took time and cost money to do so, customers lacked confidence in understanding the bill and discussing their problems with paying it and, they found staff unsympathetic and inflexible about the solutions offered.
- A few had found water companies helpful and responsive to their requests for help. Generally, they had been put onto a regular payment programme and were pleased to be paying something towards their bill.
- Respondents were often reluctant to contact their water companies about arrears, particularly if they had contacted them in the past and help had not been forthcoming. They were also fearful that they might be pressurised into having a water meter fitted or they would be disadvantaged in some other way.

- a) A few of the respondents were reasonably satisfied with the response they had had from their water company when asking for help. Usually they had been in arrears and were put on to a regular payment programme; while they might find the amount they had to pay difficult to meet, they were pleased that they were paying something towards meeting their bills

*“When I first moved in here, they told me it was £60 a month but I said ‘you’ve got no chance of me paying that’, so I managed to get it down to £40.” (Single Parent, Penzance)*

*“I think they were deducting about £10-£11 per week, per month, per week... They were helpful because I told them that I couldn’t really manage to pay the bill and then they gave me options of what I could do to pay the bill... So they deducted on direct debit and that was how the bill was settled. It took years.” (Single Parent, Disabled, BME, Croydon)*

- b) In another respondent’s case, he did not want to return to the time when he had to pay extra to clear his arrears

*“I set up a direct debit. I was paying extra spread over the ten months - instead of paying £40, I was paying £60 odd a month until I brought it*

*down, and I thought, 'Christ, I don't want to do that again'.*" (Family, Abergavenny)

c) However, many other respondents had found their experiences of utility companies (and particularly gas and water) unhelpful and frustrating; this might be due to difficulties associated with finding the right person to talk to, with discussing their situation and/or with finding a solution with which they felt able to comply. Some of the specific issues raised are listed below:

d) getting to talk to somebody can be frustrating – respondents may have to negotiate their way around the system sometimes by means of much disliked automated menus

e) contacting companies (sometimes using an 0845 number) can be costly because respondents may be kept waiting on the phone. This is made worse if they have to use a phone box to make the call either because they can only receive incoming calls on a landline or they only have credit on their mobile for emergencies

*"Without having credit on my phone or having a landline I can't actually contact them and say, 'I will pay it but I'm going to need time'."* (Pre-family, Dover)

***"Would you ever call them [the water company] up...?"***

*No, because I remember trying before and I was stuck in the phone box for say, half an hour and you get no sense out of them.*

***When you say 'no sense' what do you mean?***

*You can't get any straight answers."* (Post-family, Disabled, Abergavenny)

f) discussing bills and terms of payment that respondents cannot understand. This might be because staff in overseas call centres may literally be difficult to understand or because they refer to things that people have little knowledge of and find confusing

g) the tone and manner of staff when dealing with customers who are struggling

*"It's supposed to be a helpline number but I don't feel as if it is a helpline number because I feel as if they're looking down their nose at you and*

*because you can't see 'em... They sometimes turn round and say 'well, there's other people a lot worse off than you'." (Post-family, Disabled, Dereham)*

- h) staff who seem unwilling or do not know how to help. Even when the company knows that someone is, for example, disabled and having problems paying, they do not inform them about what they might be able to claim

*"They've got budget plans for water but they'd never ever said to me, and they knew I was disabled because I would say I'm disabled, but they've never even said to me about the Aqua Care or whatever you call it now. I found out about it through reading the water bill and I also found out about the things to do with electric through reading the policies that they've got on, 'this is how we help disabled people'. But you wouldn't know about it unless you asked... They don't generally advertise that unless you are prepared to look and be proactive about what can you do. They won't tell you." (Single Parent, Disabled, Dereham)*

*"Yeah, they also know I'm incontinent as well and I've got no help off them at all. Social Security turned round and said I should be getting 20% discount because of my incontinence and I said to her, 'they said no, I can't get a discount'." (Post-family, Disabled, Dereham)*

*"They don't tell you about the schemes that are there." (Post-family, Dover)*

- i) apparent intransigence of the response and insistence that a certain amount has to be paid

*"I called them to say that I couldn't make the payment and if they could help in any way. But they said, 'you have to pay'." (Family, BME, London)*

*"If you say, 'I can't pay the bill', they'll say, 'well tough'...they do have a policy and they're quite hard faced some of these call centres, and if you get them on a bad day, especially on a Monday morning and they don't want to go back to work, they aren't going to give you a couple of days." (Family, Disabled, Penzance)*

This woman admitted that she resorted to lies to excuse a delay in payment

*"Sometimes I've asked, like the water... I will pay it but it will be in a couple of days. And to be quite honest, I usually lie... I'll say the banking was messed up or they didn't pay." (Family, Disabled, Penzance)*

- j) inefficiency – they may not do what they say they will

*“Water bills, we rang a lot because they were sending the letters saying, ‘you owe so much’ but not sending through the slips to pay it off so they had to be rung quite a few times to get that sorted out.*

***And what was their response?***

*They were sending them out, they were sent today and you would never see them. That was it every time and in the end, I got a support worker and my support worker went a bit nuts at them and eventually the slips did come through but the first slip said, ‘a hundred pound to pay’ and I still haven’t paid that... I just pay the fourteen pound one every two weeks.”* (Pre-family, Disabled, Penzance)

- k) in a couple of cases, somebody from the water company had visited respondents at home to discuss what might be done to sort out their arrears. One older man had found the situation very awkward

***“Was it useful having someone come to see you, rather than talking to you on the phone?”***

*I thought it was a little embarrassing... when I say embarrassing because they knew what they were coming for and having to talk to a ... don’t take offence, but a young girl who, I was old enough to be her father, and she was quite nice, quite pleasant.”* (Retired, Abergavenny)

- l) If respondents had contacted their water supplier in the past and had a poor experience or perhaps were still not managing to get on top of their arrears, they were often reluctant to contact them again. This might be because
  - m) they felt it would be hit and miss whether they would find somebody who was willing to help
  - n) “You don’t know who to approach, you don’t know how to approach them, who to go to. Yes, you can pick up your phone and phone your water company but you don’t know if you’re getting through to the right department. People that work for them might not have the correct or relevant information, they may be new or it may not be something that they’re there to do but they’re doing it for that particular day.” (Single Parent, BME, Birmingham)
  - o) they assume that help will not be forthcoming

- p) they lack confidence to discuss the situation because they do not understand their bill; they may not know the right questions to ask or how to respond when they are given answers
- q) they fear that the only solution on offer to them will be a water meter or their position will be made worse in some other way.

### 9.3 Type of Help Wanted

#### Key Findings

- Respondents were able to suggest a number of ideas for the kind of help they wanted from water companies including; clearer information on bills, a freephone number, a team of people who were dedicated to helping people in difficulty, advisors who spoke to them in the appropriate manner, finding out why people had not paid their bill rather than sending threatening letters, being flexible in the payment amounts they would accept and proactively suggesting payment schemes.
- More generally, a few respondents were desperate for help with their finances and did not know where to turn for this. Some had sought help from support workers and CAB advisors, but felt that they needed more sustained and hands-on help.

#### 9.3.1 From water companies

- a) When asked how the water companies might help them more effectively, the suggestions were for:
  - b) clearer information on water bills about what to do if struggling to pay
  - c) a freephone number on which to call
  - d) a team of people who are dedicated to helping people in difficulty, knowledgeable about the schemes available and able to talk to people in language that they can understand

*“I think being able to contact a water company and being able to speak to somebody on the phone without being passed from person to person. So*

*customer services as in how quickly you can talk to somebody... hopefully they'll know what you're talking about when you do ask them a question and need an answer there and then rather than saying, 'oh, I'll phone you back' or 'get my supervisor'." (Post-family, Penzance)*

*"Somebody at the end of the phone to talk you through it, not rushing you through with jargon, and an actual person and to be able to get through to a helpline, a help desk and just explain, just one person... but not to go through those automated things... an actual department that will help people." (Retired, Abergavenny)*

- e) the helpline adviser to have an appropriate manner and not have preconceptions about people who are having problems paying their bills and/or who are on benefits. They should show sympathy and patience and appreciate that such customers may lack confidence and be less articulate in putting their case. They should not make them feel humiliated by their attitude or remarks they make

*"Sometimes it's down to, if you are in debt, it's like if somebody is criticising you, there's a way to criticise somebody that is positive and a way that is negative. And sometimes these companies, all they think about is their money and their profits and they don't think about people who have got, they haven't got wages to go home and fall back on, you know... We have to live life on the breadline really because there is also a misconception that because we are on benefits we are loaded. Well, we are not. We haven't got loads of money." (Single Parent, Disabled, Dereham)*

*"They didn't really care. They see you as a number and you know, there's thousands of people that may be in my situation as well so they're not making their payments like they should be so it's like alright, fair enough, everybody's got their own individual circumstances whereas they don't care. I'm not saying they should be sympathetic but kind of more understanding." (Single Parent, BME, Birmingham)*

- f) rather than firing off threatening letters, water companies should take steps to find out why people have not paid their bill. There was a general preference for people to be contacted proactively by the water company and the situation to be discussed. Some respondents (including some of those with poor English who find written information sometimes difficult to understand) would like the option of having someone visit them at home to discuss their situation; another suggestion was that where metered consumption was disputed, water companies should be prepared to check the meter

- g) water companies should exercise some flexibility to individual circumstances (especially where there are health conditions) so that sums are not demanded that people cannot afford to pay

*“Sometimes I think there should be an assessment of need on every individual’s circumstances and not just a blanket kind of, ‘this is how we’re going to deal with it’.” (Single Parent, Disabled, Dereham)*

*“I know that I should pay but they should understand that I’m not working. I’m a single mum with a young child. My daughter is ill and that’s one of the reasons that led to my redundancy so at least they should have found out my circumstances and then come to an affordable ... not that if I say I’m going to pay them £5, but at least something.” (Single Parent, BME, Croydon)*

- h) proactively suggest payment schemes that will help customers make regular payments and pay back some of their debt

*“You want them to say, ‘oh well, there is an alternative method. We can help you out by reducing your bill by this much for so long’.” (Pre-family, Penzance)*

*“Advertise more that, ‘we’re not trying to threaten you’ basically, but obviously it’s got to be paid at the end of the day. But offer them other ways and means of, obviously if they’re not paying, offer them ways and means to catch up like. Instead of say, that I pay fourteen pounds every two weeks, then why not, ‘pay sixteen just to catch up with your debt?’” (Pre-family, Disabled, Penzance)*

*“So if they can, you know, approach us as customers and telling us what help they’ve got available. You know, ‘this is what we have available’.” (Single Parent, BME, Birmingham)*

### 9.3.2 More generally

- a) A small number were desperate for help in sorting out their finances to help them pay all their bills and stabilise their situation and some did not know where to turn for this. Some had sought help from support workers assigned to them, CAB advisors and a Neighbourhood Office (a council service) but for those who were in debt on several fronts, more specific guidance on how to manage their finances/ bill payments was needed as well as hand holding to sort them out. This was sometimes needed on an ongoing basis.
- b) One single mother had been struggling with debt for some time and had had a number of CCJs due to non-payment of bills. While advisors had tried to help

her, they had not been able to help her cope when there were unexpected calls on her money

*“It’s easy putting it all on paper but actually putting it into practice, sometimes it’s difficult, because maybe one week you may have to, like, with having children, there may be one week you have to, for instance, get a new pair of school shoes... or get a new school jumper because they’ve lost their school jumper or they’re going on a trip so you can’t always predict – I mean you can predict but there may be hiccups along the way with the money.” (Single Parent, BME, Birmingham)*

- c) For one respondent, only a loan company representative was prepared to sit down with her and try to work out how she could handle her finances

*“Because they were all saying to me, ‘you’ve got to pay this back, you’ve got to pay that back and the way they were doing it at first, I had no money for cigarettes, hardly any money for shopping and I said, ‘no, I can’t do this’ and ended up in hospital. Then my CPN (Community Psychiatric Nurse) said, ‘right, you pay so much back what you can afford, you’ve got to keep at least £10 back for yourself, your baccy and that’. But now, the way Provident [the loan company] have done it for me, I’ve got, it’s £20 in my pocket, so that I know I’ve got £14 for my baccy, but I’ve still got an extra £6 if I want like milk or bread or anything, so it’s just about keeping myself above water that way.” (Post-family, Disabled, Dereham)*

- d) A suggestion from one retired couple was that there should be a consolidated helpline where people who are struggling to pay their essential bills can sort out the various payments before they are faced with the serious consequences of non-payment

*“I would like a helpline, that included the cooperation of the utilities which are really just your council tax, your mortgage if you’ve got a mortgage... gas, electricity and water, because your other bills are in your own hands.” (Retired, Abergavenny)*

- e) They also felt that such a helpline should have the authority to be able to ‘do something’, such as make changes to payments, rather than just offer advice

*“If there was one helpline that had the authority to help you but could do something instead of giving you advice, because half of these helplines give you advice but they don’t really help... If there was something that could actually help you and say, ‘look, we can work it out this way’.” (Retired, Abergavenny)*

## 10 Water Meters & Payment/Assistance Schemes

### 10.1 Water Meters

#### Key Findings

- Sixteen out of the 42 households had a water meter, the majority 'inheriting' them when they moved into their current property. Overall, they did not think they had benefited as the water saving behaviours they were engaging in did not seem to have had any impact on the size of their bill. They found this lack of apparent control over their bill and the uncertainty of its size particularly stressful. Most thought they had been disadvantaged by having a meter, particularly those with a large family.
- Both those with and without a meter considered the idea of controlling their water usage stressful and those without a meter anticipated that control would be difficult to achieve. A number (without water meters) had heard 'horror' stories about them from friends and family.
- There was little interest from those without water meters in having one (although there was limited interest from a few in one or two person households). The idea was dismissed mainly on the grounds that it would make their lives too stressful while a number also misunderstood how water meters functioned - they confused them with prepayment gas and electricity meters. Overall, the trade-off between potentially lower water bills and the perceived stress of having a meter was seen as a risk that was not worth taking. Some thought they **might** save money on a meter but it was also possible that they **might** lose out and they were unwilling to take the chance.
- The idea of a trial period was well received. From the information they were shown, all assumed that they would need to wait the full year before they could revert to rateable charging and this often provoked the response that the trial period should be shorter than a year. In fact, if they wish, customers can return to rateable charging before they have completed the 12 months of metered charging. The difficulty is that they may need to wait up to six months (until they receive their first bill) before they can ascertain whether cost savings have been made. Respondents perceived that they were still taking a risk because they might end up with a higher bill for those six months.

- a) The subject of water meters was often raised spontaneously by respondents (those with and without a water meter) before they were asked about them specifically.
- b) Just over a third of the sample were living with a meter but there was patchy awareness of the fact that they had one (three did not realise this until the researcher saw their bill) and even where there was awareness, people often had little idea of whether it benefited them or not. Some did not know where the meter was and therefore had not checked or could not check the reading; some were unsure whether the water company had read their meter as they had not seen anyone doing so. One man had been invited to do it himself

*“They [the water company] said, ‘go and check the water meter’. If they think I’m going down that hole in the bloody ground, peering in at the sewage.” (Post-family, Disabled, Colwyn Bay)*

- c) The majority had not chosen to have the meter installed but had instead inherited it when they moved into their current property and the reaction of nearly everyone was that they had been disadvantaged by it.
- d) One person who was undecided was a disabled respondent who thought it was better, in principle, to be paying only for water that he used but was unsure whether, as a result, he was paying any less. One very disabled lady who tried to control her water usage but still needed to bathe more than usual, felt that she was only able to afford her water bills because of being on WaterSure.
- e) For one couple who were paying £30 per month and were billed for further amounts periodically, it had proven disastrous

*“Having the water meter installed was probably the worst day’s work I did in my life... It was only when I started going on the water meter and they set my payments at £10 a month, which I was thrilled to bits with, that they started wanting extra money, and they said I had to go up to £20, so I went to £20, then it went to £30... and I still keep owing them money and now I’ve got to the stage where I won’t put up with it any more. I’m just going to stick my heels in and say, ‘tough’.” (Post-family, Disabled, Colwyn Bay)*

*“I’d rather pay on the rateable. If it was up to me, I’d pay on the rateable basis.”*

### **Why's that?**

*Because at least then you'd know where you stand. They're not going to come here reading it and go, 'oh my god, you've used this much water, we're going to charge you this much'. At least if you're on a rate, cos' we do use quite a lot of water and we will do even more when the baby's born. I've got my hobby [tropical fish] and like baths and stuff you know. You've got to have a bath, haven't you?" (Pre-family, Disabled, Penzance)*

*"Water is the most difficult one, it's not good having a meter." (Post-family, Colwyn Bay)*

- f) Several looked back to a time when their water bill depended on rateable value or had been paid along with the council rent, and wished they could return to this. Most had moved into a property that already had a meter rather than requesting one to be installed

*"Well, at first I thought it would be a good thing having a meter because then you could actually measure how much water you're actually using but the way the council used to do it before you had a meter, at least you knew where you stood. With the council, you had to pay so much every week and that was it." (Post-family, Disabled, Dereham)*

- g) There was a common feeling that although they strived to keep their water usage to a minimum, they were paying more for what they were using and therefore overall, their bills were as high or higher. The fairness of their situation compared to non-metered households was sometimes questioned

*"Water meters are not a fair system. It penalises small families like ours. We are paying much more for our water than those who don't have a meter but are consuming far more than what we do. This is not fair." (Family, BME, Oldham)*

*"I think (there are) still a lot of unmetered places in this area... someone is probably getting double that water for less money and perhaps you're paying for it." (Family, Dereham)*

- h) In some larger families who had moved into a house with a meter, having a meter was seen as a major disadvantage. One family with three children were paying £600-£700 pa compared to their typical bill of three years earlier of £250. They were trying to restrict their usage through measures such as not using the dishwasher but religious practices meant that they had to consume more water than most. As Muslims they have to have a shower and wash before they go to

the mosque. They also have to have to do ablution (wudhu) before they say their prayers at home (five times a day)

*“We can’t cut back on not having a bath. We have to bathe daily to be able to say our prayers and go to the mosque. Our children are now growing and they have started going to the mosque and saying namaaz at home so even they need to wash. So there is no way we can cut back here.”*  
(Family, BME, Oldham)

- i) Another family of Bangladeshi origin were having similar problems and could not understand why their water bills were higher than those for fuel

*“Water is top priority for us. As Muslims, we need to wash in fresh water five times a day before we say our prayers. So we need water more than anything else.”* (Family, BME, London)

- j) The feeling of being penalised by having a meter was not confined to large families however. Everyone with a meter either felt they were financially worse off or suspected they were and this was compounded by the psychological pressure of constantly trying to restrain usage

*“I’d say it’s probably worse [value for money].”* (Post-family, Colwyn Bay)

*“I think it’s worse value for money because if I didn’t have a meter we could flush our toilets.”* (Family, Disabled, Penzance)

- k) The idea that the more something can be controlled, the more likely it is to be seen as affordable, seemed to break down in relation to water usage where meters were the means of control. In large part, this was because water is an essential commodity; however much one might try to reduce consumption, there is a certain level that is necessary. Moreover, many of the measures already being taken to constrain usage were seen as impacting negatively on the quality of their lives (see section 7.3).

- l) It was also difficult to exercise control over how much water other people used; this might be growing children or people who are visiting

*“We have to think about our water bill since we have the meter because this is not a fixed amount anymore. Earlier it was manageable because we knew it was fixed and we didn’t have to worry about it. But now this has become a tension and we don’t know what the bill will be. We have our kids and grandchildren visiting us and they use water. We can’t tell*

*them not to, but I am constantly thinking of the cost of the water bill.”  
(Family, BME, Oldham)*

*“If we have the family here and the kids are having a bath because they’ve been on the beach and the taps are running and they’ve disappeared off somewhere and I said, ‘turn the tap off’. So it’s kind of the thing you wouldn’t have thought about to that degree before, would you?” (Post-family, Colwyn Bay)*

*“If you were going to count every drop you used, I think there would be mayhem... My son is three, ‘when you’re brushing your teeth, turn the tap off!’ You know you can’t expect a little three year old boy to do that all the time, sometimes I have been up there and he has left the tap on – what if you were to leave the tap running and use £10 of water?” (Single parent, Abergavenny)*

- m) Since there seemed to be no relationship between control over usage and the size of the bill, the control was illusory. Moreover, it was a form of control that caused stress

*“Well, we did live in a house where we didn’t have a meter and I suppose I’m not sure whether they are effective. I think they can actually frighten you into what amount of water you are using.” (Single Parent, Disabled, Dereham)*

*“The houses with no water meter know how much they have to pay and have a fixed rate and they know how much they need to set aside whereas for us, it is a constant tension. We don’t know what the bill will be every month because the consumption can vary. It has become like the gas bill.” (Family, BME, Oldham)*

- n) One woman made the point that because her bill had been spread over monthly payments based on an estimate of use, she felt even less in control because what she was paying bore no relationship to that month’s consumption

*“The disadvantages are say, for instance, sometimes there are times when you don’t use that much water, then there are times when you have to use a lot of water but you still have to pay the same amount, so you cannot really know where you stand. I don’t know how to put it, say, like you’re going away for a holiday, you’re not using your water but you still have to pay for it.” (Single Parent, Disabled, BME, Croydon)*

- o) Conversely, those who received a water bill based on their consumption found the uncertainty associated with the size of the bill stressful. This was in contrast to billing based on rateable values, where, notwithstanding price increases,

customers knew how much they expected to pay, even if the amount was large (in the case of annual or six monthly bills).

- p) Another issue with water meters for one respondent was the fear that it was easier to cut the supply off for non-payment of bills because the meter is accessible

*“If I didn’t pay them what they told me to pay, then yeah, they’d cut it off and I couldn’t stop them because the meter is out there, isn’t it? ... That is what always scares me, whether they are going to cut me off, especially with the letters they keep sending and I’ve not had a proper bill.” (Post-family, Disabled, Dereham)*

#### 10.1.1 Interest in a meter from those without one

- a) Among those without a meter currently, there was little interest in having one. Several voiced their resentment at paying as much for their water as large families or profligate neighbours whom they suspected of using far more than they did, but they did not think that a water meter was the answer

*“The water especially, it riles me that we probably have the same rates as next door which is five children and two adults so they obviously, I mean, they have the washing machine going at least once a day if not two or three times, and five of them to bath, they obviously use a lot more water than us. But our rates, because we live in a similar building, is going to be exactly the same, isn’t it?” (Post-family, Garstang)*

*“We live here and we’re careful with the water, we don’t waste it, don’t wash cars or sprinkle the garden or anything. Next door, there’s four people living in the house, they wash their – they’ve got five cars, they wash them at least once a week, they have the sprinkler going like, you know, I think they should pay more than us.” (Family, Penzance)*

- b) Only a few respondents thought that they might benefit from a meter; this was because they lived alone or as a couple and they thought their water consumption was low. They assumed that they therefore should be able to save money

*“Whether you’ve got two kids or three or four of them in there because I’ve asked the chap down the way, he’s got a little kid, there’s him and his missus and they use a lot of water, bath the kids a lot. I said, ‘oh, what water do you pay?’ and he said, ‘about £8.00 a week’ and I said, ‘well, we must be on the same sort of’... whether that is just worked out how much per block... I mean for me, if I was on a water meter, it would be brilliant because I know I’d be charging just for what I’m using. I mean, that’s what*

*they should do I think, in these big blocks, they should have a meter for every separate flat, you know.” (Pre-family, Dereham)*

*“I am thinking about getting a water meter because I live alone. Going on what my friend has told me [that she has saved £150] that if you live alone it is much cheaper and you only pay for what you use.” (Retired, Oldham)*

- c) Despite this apparent expression of interest in finding out about meters, we were not convinced that it would be pursued.
- d) One single mother had applied to have a water meter installed in order to save money but this had not been feasible. Instead, she had been given a discount on her bill based on a ‘two adult rate’. She was unhappy about this however as there was just herself and her young daughter

*“When I first moved in here, my bill was, I think £59.00 or something, so I then applied for a water meter and was told that I couldn’t have one because I share water with my neighbour downstairs, so they gave me a two person discount.” (Single Parent, Penzance)*

- e) A retired couple had been offered a meter when they tried to reach a way of paying arrears on their water bill but this never materialised

*“When I did try and sort it out, I telephoned them three or four times. At one time they offered me a water meter and I said, ‘yes, I’ll have a water meter’ and they said, ‘it should be about July’. But they never came and did anything, did they?” (Retired, Abergavenny)*

- f) A few others had had it suggested that they consider having a meter fitted, including a Bangladeshi family. The father was unsure whether his bills would be lower as a result and found the information he had been sent difficult to understand and apply to his situation. He was potentially interested if he could be sure he would save on his water bill

*“I haven’t decided yet. I will take advice from a relative of mine who has a water meter and then decide.” (Family, BME, London)*

- g) The majority rejected the idea of the meter, generally on the grounds that it would make their lives too stressful. Some of this rejection was due to a misunderstanding of how meters operated with several people comparing water meters to pre-pay gas and electricity meters whereby one could, in effect, lose water supply if you could not afford to top up the card. One man thought his

arrears would be taken off the water meter (as they were with fuel) and that he would actually be restricted as to the amount he could use

*“They’d be doing the same then, wouldn’t they? They’d be taking the arrears off that, so I’d be restricted to what I used.” (Post-family, Disabled, Abergavenny)*

*“I don’t know whether it’s like the electric key, that you have to use a key to get the money, get the amount you want from the PayPoint, I don’t know how it works... What I’m wondering is, if you don’t have enough money to put into the thing, does it mean that your water will be cut off or what? I don’t know.” (Single Parent, BME, Croydon)*

*“I think the negative is that with a water meter, water is the basic necessity at home. Assuming a family that cannot afford to pay the bill, you know, with a meter, like you have a key like electricity, whatever, you know it goes on estimate and you cannot afford it and it goes off. So they’re cutting off toilets, you know. So it’s becoming a hygiene issue.” (Single Parent, BME, Croydon)*

- h) It was also clear that many people had been influenced by various stories and anecdotes about life with a water meter describing people who were paying too much, paying for other people’s water or the problems faced by large families trying to manage their water consumption

*“A friend of mine – well this was up country but a friend of mine, she had a water meter and she ended up paying for – she was in the middle of these two houses and they ended up paying for – she ended up paying for their water bill.” (Family, Penzance)*

*“Take a look at my son now, he got a water meter and he is over £600 a year on water but they said it would be cheaper if he went on the meter.” (Retired, Penzance)*

*“But we are lucky because we are not on meter but I know people who are on meter that they have found out that they were paying their next door neighbour’s bills. Like my brother has got a water meter and his water bills are ridiculous, absolutely ridiculous, he got like £600 and stuff.” (Family, BME, Birmingham)*

*“I have heard people say that they get high bills and they fluctuate. They don’t know why sometimes it goes so high. Sometimes you could have a leak in the bath or the tap could be loose, so you would end up paying a lot of money for no fault of yours. I don’t think it is a good idea for me to have a water meter.” (Family, BME, London)*

- i) Some reflected the anxiety of those with a meter of not being able to control usage when they had visitors or circumstances meant they had to use more water

*“When you have guests, then they use a lot of water and you can’t stop them. So I wouldn’t want a water meter.” (Family, BME, London)*

*“I think when you’ve got a family and water and you know like he [referring to 6 year old son] wasn’t well yesterday, he was sick ... so you are using more water, you might have to use the washing machine more because I had to wash his clothes and stuff and then because he had a bug and then the baby had a bug, I just had sick all down me, so I had to have another shower. You are always using a lot of water. So I think if that was going round on a meter, we would probably be paying double what we pay now.” (Family, BME, Birmingham)*

- j) The methods used by people to save water were often seen as unsavoury or unappealing and not a way of living that they wanted to adopt

*“The other thing that puts us off is, if you go in peoples’ houses and they don’t flush the toilet, and there’s nothing worse than going on the toilet and not flushing it or walking into someone’s toilet that’s not been flushed.*

***Because they’re trying to save water?***

*Yeah, and it’s not hygienic and not necessary.” (Retired, Abergavenny)*

*“You wouldn’t bath as much and you wouldn’t have so many cups of tea would you! You’d just be really thrifty.” (Post-family, Disabled, Colwyn Bay)*

*“I’d feel like I’ve got to cut down on all the water that we use. I’d be saying, ‘I’ve had the shower on too long’ or ‘I shouldn’t fill the kettle up’.” (Retired, Birmingham)*

- k) Overall, the trade-off between potentially lower water bills and the perceived stress of having a meter was seen as a risk that was not worth taking. Some thought they might save money on a meter but it was also possible that they might lose out and they were unwilling to take the chance. The fear was that you did not appreciate how much water you did use and would subsequently find that, as a result, your bills were high

*“I was thinking of getting a water meter but I don’t want to get a water meter and then my bills go sky high. I’m quite scared really. It’s only me and the two children, we don’t have high baths every day. Fair enough, we don’t have a shower but, you know, I would say the majority of water*

*would be used washing clothes but I don't know how much water I use because, you know, obviously your machine fills up, how much times does it fill up, I don't know.” (Single Parent, BME, Birmingham)*

*“I suppose people don't realise how much water they waste until it's metered and then they realise how much is actually going through. I mean, if you let the tap run 20 or 30 seconds more than you should do and people on meters have said it's quite, it makes the cost quite different.” (Post-family, Garstang)*

- i) The comment was made that perhaps meters represented a way for water companies to make more money rather than being a way for customers to save it.

### 10.1.2 Response to description

#### Water Meters

Most households get a bill every 6 months based on the amount of water they use.

Apply direct to company and meter is fitted free of charge where it is practical to do so.

Where it can't be fitted, householders are offered a bill based on an assessment of typical water usage based on type of property, number of occupants etc.

12 month trial period - can return to unmetered billing but meter remains and will be used to bill the next occupier.

Typically will benefit smaller households with one or two occupants living in larger properties rather than larger families in smaller properties.

- a) When the above description was shown to respondents, it elicited a number of very similar comments.
- b) The idea of a 12 month trial period was generally well received as it at least gave one the opportunity to opt out of metered bills if they proved to be higher than the current system of charging. Certainly, one family who was considering having a meter fitted was encouraged by this and felt it had not been included in the information sent by their water company. However, several respondents felt that a year was a long time (they assumed from the information they were shown about water meters that they would need to wait the full year) and it should be possible to discover if savings were to be made much more quickly. If the first bill only arrived after six months, even this was a long period over which one might be paying a much higher amount.

- c) Some respondents were concerned that if they decided to switch back to the previous method of charging, they might not be allowed to do this or their bills would rise to reflect their actual use as monitored with the meter reading

*“I would like to get a water meter to see how much water I use just only for that purpose and see if I use more than they’re saying or do I use less? Could I trial it for a couple of months or for a quarter to see if it would be beneficial but then the water company might say, ‘no, we’re not going to remove the water meter because you’re using far more than what we’re billing you for’. So it’s a no win – you know, it’s a Catch 22 kind of situation.” (Single Parent, BME, Birmingham)*

*“Would they come and take it out? They say that about a lot of things and they never follow up on what they say, do they?” (Retired, Birmingham)*

- d) The prospect of having a water meter would be viewed more positively if it was possible to guarantee a lower bill before the meter was installed

*“I want to know exactly how much it would cost me for a family of three, how much would the water bill be with a water meter and compare this with our existing bill and then decide.” (Family, BME, London)*

*“If I knew I was saving money, I would definitely get a water meter because at least then, I mean, it would help me and also help the water company as well.” (Single Parent, BME, Birmingham)*

## 10.2 Payment: Frequency and Method

### Key Findings

- Most respondents were aware of the options for payment method and frequency and it was widely recognised that more frequent payments are beneficial to those who receive their income on that basis.
- Payments were made by respondents through many of the channels described; there was some surprise that housing associations sometimes offered the facility to pay the water bill.
- Several respondents were aware of the cost involved in paying bills through Post Offices and avoided doing so for this reason. A few did not like the idea of paying by direct debit due to potential bank charges if they did not have sufficient funds in their account.

## Methods of Helping People Manage Their Water Bills

### Payment frequency

Payments can be made by monthly instalments

Payments are also available by fortnightly and weekly instalments by special arrangement with the company

### Where and how to pay

Payment can be made by direct debit, or at a Post Office or bank, or a PayPoint or Payzone outlet

There may be a charge for payment at Post Offices and banks

Some Housing Associations and Neighbourhood Offices will take payment free of charge

- a) This information offered the majority of respondents little that was new since only a small number were in a position to pay their six monthly or annual bills in a single amount. Several, mainly among those who were 'making ends meet', were paying monthly, usually by direct debit, and were often unaware of other options. Some of these had opted to pay in this way out of choice but mostly because they were having difficulty paying large six monthly bills.
- b) Others, particularly those who were 'in arrears', were paying or were scheduled to pay fortnightly or weekly using a payment book or card.

### 10.2.1 Frequency

- a) It was generally recognised that weekly or fortnightly payments are helpful to those who receive their income on this basis. Two respondents who were paying by monthly direct debit liked the idea of paying less, more often, but did not think this was available for direct debit. Some concern was also expressed that paying more often might mean that you have to pay more overall.
- b) One family on a metered supply had contacted their water company last year to see if they could pay their bill weekly because they felt this would be more manageable as it meant they could spread the cost and budget more effectively. However it had not worked out for them and they reverted to paying quarterly

*"We tried once paying weekly but that was a problem. Because if they take more money, they don't return it straightaway and they credit it to the next bill. If I need money now, then they don't return it." (Family, BME, Oldham)*

## 10.2.2 Payment Method

a) Payments were made by respondents through many of the channels featured in the information; direct debit, Council Offices, the Post Office, Payzone and PayPoint. A couple of respondents who were living in housing association property were surprised that some offered the facility to pay the water bill.

b) One customer was prompted to think that arranging a monthly direct debit could be helpful

*“I don’t know why I’ve never done direct debit to be honest... I think it’s far easier to work out your finances if you are doing it monthly because it’s coming out and it’s gone every month and you know what you’ve got.” (Post-family, Garstang)*

c) Another had asked to use Payzone but found it was not available

*“I asked for that Payzone - they wouldn’t do it. I have to do it by the Post Office... they just weren’t interested in it. ‘The only thing we can do for you sir, is basically, slips’.” (Pre-family, Disabled, Penzance)*

d) Several commented on their dislike of paying extra for the bill paying service such as at the Post Office; it could add another 50% to what was being paid for the water bill

*“I used to have a book, I used to pay at the Post Office. I think that’s why I stopped because they used to charge me.” (Post-family, Disabled, Abergavenny)*

*“It’s just the water, the only place you can pay it free is Barclays Bank or you can pay £2.80 on what you are paying at the Post Office, because they charge an extra £2.80. If you are paying £5.00 a week, if you pay it through the Post Office, it’s £7.80 a week.” (Post-family, Disabled, Dereham)*

e) A couple of respondents commented that paying by direct debit could also be costly if one became overdrawn and incurred bank charges but most using this method liked it because they did not have to go somewhere specifically to pay the bill

*“It’s more preferable the way it is, it’s just the length of time, because like the Post Office, that means I’d have to go into town again.” (Post-family, Disabled, Abergavenny)*

- f) Indeed, one of the reasons that a few of those who were supposed to pay weekly or fortnightly had allowed payments to slip was because of the effort required to go into town and pay

*“They have now laid on a bus for the last, since last August, that takes you into town and then you have to catch it at twenty past nine and then get the five past eleven back. Otherwise it’s taxis, because I can’t walk it. I’ve tried a couple of times but by the time I’ve got into town I’ve been in so much pain, I’ve ended up taking four painkillers and then I’ve had to get a taxi back home.” (Post-family, Disabled, Dereham)*

### 10.3 Payment/Assistance Schemes

#### Key Findings

- Overall, awareness of all schemes was low, although a few had heard of Water Direct and WaterSure.
- The majority agreed with the idea of schemes being available to help those on low incomes and we suspect that some of the respondents would have been eligible for one or more of them. However, the way that eligibility was expressed meant that respondents were often unsure about whether a scheme might apply to them.
- There was strong resistance to the idea of other customers subsidising the cost of schemes and if this was implemented, customers felt they should be informed. The idea that the Government should pay was also rejected, largely because the cost would fall back onto the tax payer. It was widely felt that water companies should finance the schemes out of their profits.

#### 10.3.1 Awareness and first impressions

- a) A few respondents were aware of certain of the schemes, mostly either Water Direct or WaterSure, but in general, awareness was low. There was a lot for people to take in and it sometimes seemed difficult for them to grasp both the detail of each scheme and the differences between them.
- b) The majority supported the idea of such schemes being available to help those on low incomes but they were often seen as for people in severe financial hardship. Some therefore felt that they personally would not be eligible while

some who were 'struggling' or 'in arrears' were reluctant to see themselves in this way

*"It's obvious I think, we would all benefit but you've got some of the older people, older than me... it's a bit degrading." (Retired, Abergavenny)*

- c) We certainly felt that although some people thought they might be eligible for one or more of the schemes, they would probably not proactively ask about them due to a lack of confidence or because they feared that their situation might become even worse as a result.
- d) A small number of respondents who were 'making ends meet' were more judgmental about people on benefits receiving help largely because they found it difficult to understand why others could not manage to pay their way as they did

*"We work our life around that to keep our head above water...I don't agree with it because it's people saying, 'oh somebody will look after us'." (Post-family, Garstang)*

### 10.3.2 Eligibility

- a) The information about the various schemes mentions that they are intended for people 'on low incomes', 'in financial hardship' or 'on benefits' (income-based or means-tested) and this provoked questions and comments about how these were defined. There was some sensitivity to the idea of excluding people who are working but on a low income and therefore struggling to meet their bills

*"People who are going out to work and are genuinely trying to get money coming in... they are trying to look after the family, low income workers, but not the sort of people that are claiming for anything and everything... genuine people like pensioners as well." (Post-family, Garstang)*

*"And it's saying you've got to be in receipt of benefit. You don't have to be in receipt of a benefit to be financially not able, struggling to pay your bill, because you've only got to be £1 over the benefit and you lose out and you're worse off than a person on benefits. So it shouldn't be based on benefits, it should be based on an income." (Retired, Colwyn Bay)*

*"That's slightly biased... it doesn't matter if you are on income based benefits or not, if you're having problems." (Single Parent, Penzance)*

- b) The number of children in the household also features in the eligibility criteria and again, it was suggested that this was not necessarily a fair way of judging

hardship. A lone parent with two children could be experiencing as much difficulty as eligible two-parent families with three children.

### 10.3.3 Paying for the schemes

- a) There was strong resistance from across the sample to the idea that other customers should subsidise the cost of the schemes even though only a small amount was added on to each bill. Several proposed that, if implemented, customers should be informed and possibly given the choice of whether they paid it

*“Well, being on a low income myself, obviously I’m glad of any help, but it doesn’t seem right that other people have to pay and not know about it. I think perhaps if it was customers who were in very good jobs and had a lot of money perhaps, but not ordinary... I don’t know how I would have felt if when I was working and I had two or three jobs to survive, whether I would have been happy that somebody that perhaps I knew, a family that didn’t go out to work.” (Retired, Penzance)*

- b) While some who felt they might benefit from one or more of the schemes expressed some guilt that other customers should have to pay to help them, many suspected that they would be the ones doing the paying because they were not in severe enough financial hardship and resented this fact

*“It’d come off the people who are paying the bills, so people who are actually paying the bill would be, in the end, setting up a charity for people who haven’t. Alright, you might have genuine cases but you have an awful lot that can get around these sorts of things and I’d hate to think I was putting something in that.” (Retired, Colwyn Bay)*

*“We work hard to pay our bills so that we don’t fall behind. Why should we be paying for someone else who is in arrears? We are struggling to pay our bills in any case. That’s not fair. Why should other customers have to pay for it?” (Family, BME, Oldham)*

- c) The idea that the Government should pay was also rejected by most people, largely because the cost would fall back on the tax payer

*“Because they must be making money somewhere! It shouldn’t reflect on everybody else, it should not have to reflect on everybody because if it comes from the government it’s coming from me, you, her next door.” (Single Parent, Disabled, Garstang)*

*“You can’t rely on the government to pay it because then there is a knock-on effect. If they are paying millions and millions of pounds, then people*

*will end up paying more tax so you are paying for it anyway, aren't you?"*  
(Post-family, Garstang)

- d) The opinion was widely and spontaneously expressed that the water companies should finance the schemes out of their profits

*"The water company should stick up for it, you know, because they get a lot of money from businesses and stuff like that like, you know."* (Family, Penzance)

*"A water company, they make that much per year. I mean, I should think they could probably afford that without them having to put that on the customers, do you know what I mean?"* (Pre-family, Dereham)

*"They do make a bomb these water companies, so they can afford it. They put the charges up but they never put them down."* (Retired, Abergavenny)

*"Could it not be something that Severn Trent Water – if they say, make £1 million profit a year, could it not be they could take a percentage of that profit and put it into their WaterSure?"* (Single Parent, BME, Birmingham)

## 10.4 WaterSure

### Key Findings

- Our understanding is that all water companies provide information about WaterSure on the back of the water bill. Just one disabled respondent in the sample had been accepted onto the WaterSure scheme and she had found out about it in this way. Two others had enquired but found they were not eligible.
- There was uncertainty about what medical conditions the scheme covered and a marked reluctance to follow it up from those who would potentially be eligible.

### **WaterSure**

Aims to ensure low income households that need to use a lot of water e.g. a large family, do not have to limit their use of water

#### Eligibility

- must have a water meter
- receiving means tested benefits

and either

- have three or more children under 19 at home (for which CHB is received). or
- a medical condition means more water than usual is used

Application process: customer applies direct to local water company

Water bill is capped at the level of the water company's average metered bill. Costs are recovered via other customers' bills (less than £1 per year)

The following description of WaterSure was shown in Abergavenny and Colwyn Bay.

### **Welsh Water Assist**

New scheme replaces WaterSure from April 2009

The Welsh Water Assist Tariff exists to help low income families and individuals with relevant medical conditions by offering reduced water charges

#### Eligibility

- Both metered and unmetered customers can apply
- The bill payer or a member of the household is in receipt of a qualifying benefit or tax credit

and either

- has three or more children under 19 at home (for which CHB is received)
- or a medical condition means more water than usual is used

This year the Welsh Water Assist Tariff charges are: £125 for water and £125 for sewerage for the period 1/4/09 to 31/3/10

If your property is supplied by a water meter and the charge calculated from actual usage shown on the meter using the standard measured tariff, is less than the 'Welsh Water Assist' tariff, your bill will be based on the actual reading. Otherwise the bill will be capped at the 'Welsh Water Assist' level

- a) Out of the 42 households in the sample, just one disabled woman had been accepted onto the WaterSure scheme and she had found out about it from information on the back of her water bill.
- b) Two respondents had similarly seen it mentioned on their bills and had enquired about it but found they were not eligible either because they did not have enough children or their husband was insufficiently disabled

*“Regardless of how many children, they should do it anyway... it shouldn’t make a difference, should it?” (Single Parent, Abergavenny)*

*“Although he’s disabled, he’s not disabled enough, and I didn’t have enough kids that were under a certain age, so that was out the window.” (Family, Disabled, Penzance)*

- c) This lady compared the response from her water supplier unfavourably with the response to a request for help from her electricity supplier

*“In one phone call, our electricity bill... we get 20% off... But that was one phone call I made to them and we got the discount. But you couldn’t do that with the water, the water wouldn’t be that, it would be more complicated, should I say. Because electricity they go on disabled, and what benefits you get.” (Family, Disabled, Penzance)*

- d) Three other respondents thought that, on the basis of their medical condition, they might be eligible for WaterSure but we did not detect great enthusiasm for following it up. Certainly, some were unsure what conditions might be covered and those without a meter were resistant to having one installed.

## 10.5 Water Direct

### Key Findings

- The Water Direct scheme attracted the greatest support from respondents. Its benefits were seen (by the more judgemental among those ‘making ends meet’) as ensuring that those in arrears paid something, and (by those ‘in arrears’), as removing the worry of finding money to cover large bills and helping them budget.
- A small number seemed to be currently on the scheme, were discussing going onto it, or had been on it at some point, although they did not generally know it by name.
- The main concern was ensuring that customers were able to decide how much was deducted and once this was agreed, that it could not be raised. A potential downside was also thrown up by one respondent’s experience of finding herself quickly in arrears again after coming off the scheme (and benefits) to return to work.

### Water Direct

Water charges are paid out of benefits direct to the water company

The scheme is only available to customers with arrears

In addition to having arrears, customers also need to be on income based benefits (Income Support, Job Seekers Allowance or Pension Credit)

Water companies can collect current charges and a contribution to arrears direct from benefits. Some customers find this can help them to budget. Deductions are fixed at set amounts which cannot be exceeded

- a) The Water Direct scheme attracted the greatest support, both from the few who had some experience of it and those who were in arrears and could see that it might be helpful to them. The more judgemental among those who were 'making ends meet' also were broadly supportive, seeing it as an effective way to get people on benefits to pay their bills

*"But I still say, in hardship cases like that, the money should be took out before they have the benefits and they [the water company] wouldn't lose so much then. It would make them think twice about spending." (Retired, Birmingham)*

- b) A small number seemed to be on the scheme currently, were in the process of discussing it or had been on it at some point, although they might not know it by this name. One man described how he had originally felt aggrieved that this method of payment had been set up without his agreement but he now conceded that it worked out for the best because at least the water bill was being paid. He readily admitted that if an automatic weekly payment had not been arranged he would probably have continued to ignore the letters from the water company and ended up in greater debt

*"I suppose at the moment, it is the best way of paying it because there's a lot of people like me that, if you're short of money, sod the water, because like, it'll probably take about 12 months for me to contact them and whatever." (Post-family, Disabled, Abergavenny)*

- c) Other respondents who had current or past experience of the scheme, or knew of others who were on it, shared this sentiment. Its benefits lay in both removing the worry of finding money to cover large bills and (because the payment is fixed), giving people a better idea of the money they have available with which to budget

*"My ex-partner, she had hers done like that because she was using a lot of water, and I said, 'the best way is to have it taken out of your benefits*

*and then you won't have to worry about getting a big bill because you know it's going to be a lot of money but at least that way, you won't fall into arrears and it's being taken out of your benefits'.*

**And how did she find that?**

*She found it easy yeah, and that was nice because she knew she weren't getting any big bills and the water bill was the biggest out of the whole lot in the year. I mean we were paying £800 a year for water. Two girls and the missus were - constantly, the washing machine was on two or three times a day, everyday, and baths twice a day, two baths. And of course, we were on a meter." (Pre-family, Dereham)*

*"Yes, it did make it easier because I didn't have to think about it. It was off my mind now they [the water company] were dealing with the agency which was giving me the income support. It was now between the two of them, it had nothing to do with me... So I didn't feel the pinch so much because it was already deducted so when I was getting my lump sum at the end of it, it's like, that is what I'm getting... To me, they helped me because it was some relief because I used to have a problem with memory and I still do, so some things you forget, but if it is dealt with by someone else, it's like you saying, 'let me handle your problems for you'." (Single Parent, Disabled, BME, Croydon)*

*"I think it's a good idea because I know that that is what I will receive, because sometimes you get this, so much goes for food and this, but if that is what you are having, you readjust." (Single Parent, BME, Croydon)*

*"So it comes out of DSS before they even pay you? That would be even better. That would be one less thing to think about, like the rent and council tax." (Post-family, Disabled, Dereham)*

- d) A small number of respondents were more negative, largely because they saw the scheme as reducing what was already a low income. There was some concern about how the amount to be deducted would be arrived at and an assumption that the customer might lose control over this

*"It's a good scheme as long as they don't go overboard with setting the amount." (Post-family, Dover)*

*"If it's a small amount like say £2 or £1 whatever, but for some people that's the only money that you've got for two weeks isn't it, so it can't be too much... But I suppose the water people, everybody needs to pay for their water, don't they, so some contribution is better than nothing." (Family, BME, Birmingham)*

- e) One woman described her experience of being on a scheme such as Water Direct and then finding it difficult to manage the process of coming off it when she

returned to work and was no longer on benefits. She found that arrears then built up again<sup>8</sup>

*“But then, when your benefits stop, they stop getting their payment and then they demand the whole thing again and they’ve got to send you a water card, set you up a water plan again. But, you know, sometimes it’s quite difficult.” (Single Parent, BME, Birmingham)*

- f) A few respondents questioned why such a scheme might only be available to those who were already in arrears when those who were struggling to pay could also benefit.

## 10.6 Charitable Trust Funds

### Key Findings

- These schemes were seen in a fairly positive light although most assumed they would not qualify as they were for customers in ‘severe financial hardship’. There was a negative response to the use of the word ‘charitable’ which some respondents felt attached some ‘stigma’ to the scheme.
- The involvement of the CAB was met with a mixed response – some questioned how easy it was to access the service while others thought going through a CAB advisor would increase the likelihood of success.

### Charitable Trust Funds

A number of water companies have these schemes and although the detail of different company schemes varies they generally work as follows:

- They are for customers in severe financial hardship
- Applicants go through a financial assessment process, often via Citizen’s Advice Bureau (CAB)
- CAB applies to the trust fund on behalf of the customer
- A grant may then be awarded to the customers’ priority creditors including the water company. Sometimes this is conditional on the customer showing a genuine desire to manage their finances in the future, for example, by sticking to agreed payments with their water company
- Most grants are made on a one-off basis, occasionally it is possible to reapply to the trust after a certain time

<sup>8</sup> CC Water suggest that this may be because the local DWP office is slow to inform the water company that a claimant has returned to work or because it takes time for the water company’s billing system to indicate that insufficient amounts are being paid or there are unpaid charges.

- a) Only one respondent thought he had heard of this sort of scheme; this was through his experience of applying to EDF for something similar (he had been turned down). He now thought he might look into what his water company could offer. Another man who was in arrears with his water bill felt it was something that he might also look into

*“Yeah, yeah that’s a nice idea that. That is something I could do with, you know, and then start afresh and keep on top of it this time.” (Pre-family, Dereham)*

- b) The scheme was seen fairly positively as aimed at people who are in dire straits and need to ‘get their heads above water’ although some were unsure just how ‘severe financial hardship’ might be defined. Most assumed that they would not qualify and/or that it would be a long process to gain a grant which could deter some people from applying. However they were supportive of the idea of helping people in difficulty who genuinely wished to make a fresh start and stabilise their finances

*“Yeah, if they go through the proper channels and they genuinely have a desire to manage, that is a big three words, ‘genuine desire to’, that’s fine. If somebody genuinely looks to pull themselves out of the mire, that’s fine.” (Post-family, Garstang)*

*“Oh I think that’s good, I think that is just for people who are genuine like, got no money. But I think it’s a bit of a process that you have to go through to get it.” (Family, BME, Birmingham)*

- c) One woman suggested that water companies should consider writing off debt for those in severe hardship before she was shown the description

*“If people owe money to Welsh Water and I think it would be better for Welsh Water to say, ‘right we’ll wipe off your debt and start afresh’.” (Single Parent, Abergavenny)*

- d) A small number of those who were ‘making ends meet’ questioned paying off debts that may have been incurred through carelessness and a respondent who was ‘in arrears’ felt that such people needed help on an ongoing basis rather than a one-off payment

*“Because people do not need a one-off, they’re probably on a low income and they need it permanently and something they can see as tangible and*

*they can work with. And 'I'll pay your £500 of your arrears, we won't continue', no, I don't think that will work." (Retired, Colwyn Bay)*

- e) The involvement of CAB was met by a mixed response. Some questioned how easy it was to access the service and whether its involvement might prove a deterrent for this reason

*"Well, that might be harder for some people, CAB people don't visit... If you are housebound and you can't get out, then you can't go to the CAB and if the CAB don't come and see you, you've had it." (Single parent, Disabled, Dereham)*

*"Contact the Citizens' Advice, yeah. You'd need a whole day to get in touch with them." (Retired, Birmingham)*

- f) Others felt that going through a CAB adviser should increase the likelihood of success and should also ensure that the right people qualify for the scheme

*"I can't get my point across... and it just ends up in an argument. I don't do well in those situations, I get stressed, whereas Citizen's Advice they actually listen to you, they then talk to the company... CAB know the ins and outs, they know what they are allowed to do and what they are not allowed to do." (Single Parent, Penzance)*

- g) A small number of respondents identified the potential deterrent of the scheme's association with charity and the idea of debt being written off. This was seen as something of a stigma for older people in particular and some BME communities

*"I just think it's, with older people, it's to do with pride and the fact that they've been made to feel that they should not get themselves into that position." (Retired, Penzance)*

*"We want to pay for what we use for as long as possible. We don't want to live on charity." (Family, BME, Oldham)*

## 10.7 Restart

### Key Findings

- The idea of the Restart scheme was received more positively than the Charitable Trust Fund, largely because individuals were not receiving 'something for nothing'.
- As with Water Direct, there were concerns about how the amount to be paid would be arrived at.

### Restart schemes

A number of water companies have these schemes and although the detail of different company schemes varies they generally work as follows:

- The schemes are for customers who are struggling and genuinely can't pay their water and sewerage bills
- The restart scheme aims to help customers manage their money better by getting them back into the habit of making regular payment on their water and sewerage bills
- If payments are kept up for six months or a year, the water company will write off some or all of the remaining debt
- Application may be made to the water company via the CAB, money advisor or direct to the water company
- The costs of these schemes may be paid for in other customers' bills

- a) This scheme attracted a more positive response than the Charitable Trust Fund largely because people were not receiving charity ie. something for nothing. Instead, they had to do something positive first by establishing a regular pattern of payment before their debt was written off

*"I think that is a good idea because they are trying to help themselves and at the same time, they are being helped. You know, if they can show they are making the effort, they are being helped by the water company."  
(Retired, Penzance)*

- b) As with the Water Direct scheme, concerns were expressed about how the amount to be paid will be arrived at and whether the customer's individual circumstances will be taken into account

*"They could set the amount they wanted basically. My view of dealing with the water company is they've got a set screen and that's it, they're not going beyond that."  
(Post-family, Dover)*

- c) There was some scepticism that such a scheme could be the total solution to getting people who are in arrears back on track with their payments because the underlying difficulties with managing on a low income are likely to remain. Scepticism was also voiced about water companies keeping to the agreement and paying off the debt

*"That is okay but like, people don't generally get into debt because they want to. It's usually because they've got a problem and it's kind of like, it's not to say that they'll probably get out of debt through following the criteria, that's not going to stop them doing it again."  
(Single Parent, Disabled, Dereham)*

- d) Some of those who were ‘making ends meet’ took a less sympathetic approach; they felt that the amount to be paid should not be a token amount

*“If you’ve got five years of water debts... and you’ve been paying 10p a month to pay it off and then they suddenly turn round and say, ‘oh well, we’ll scrub the £5,000 you owe us’... That’s almost saying, ‘don’t pay your water. Get into so much debt with your water that eventually they’ll write it off and somebody else will pay for it’.” (Post-family, Penzance)*

- e) It was also suggested that if people were able to keep the payments up for six months, then they should be able to pay the debt off

*“Well, if they can keep them up for six months, why can’t they keep them up for longer than six months and pay the rest off?” (Post-family, Garstang)*

## 10.8 Communication of the Schemes

- a) Given the low awareness of the schemes, there was a spontaneous call for increased publicity across a number of platforms. It was suggested that if people knew that such schemes existed, they might be more willing to contact their water supplier to find out about them. The principal ideas put forward were as follows:

- In terms of reaching the largest audience, it was assumed that TV and radio promotion would be possible to create awareness and inform people about how to find out more

*“Like Learn Direct, they put that on the TV and everything, so you know where to go if you want to know more, so they should also put something to let people know about their existence and the service they provide.” (Single Parent, Disabled, BME, Croydon)*

*“When they do water adverts, they should put something on the television or whatever, to say there are schemes to help people with claiming water.” (Single Parent, Disabled, Dereham)*

- There was also an expectation of more targeted media advertising and features such as magazines aimed at older people; it was suggested that they might help remove the stigma of asking for help.
- A poster or leaflet campaign in places where people congregate, have time to look at information or go looking for information such as GP surgeries, libraries, community centres, council offices, CAB offices and job centres. Job centres

were seen as important because people on certain benefits may need to visit them regularly. It was also suggested that benefit claimants could be told about the options for paying bills when they first make a claim

*“When you actually get benefits, if you’re claiming Income Support or Job Seekers Allowance and all the rest of it, then you should be told at the Job Centres that you can claim for this sort of thing.” (Post-family, Penzance)*

- Water bills were seen as a key vehicle for information. They could carry this on the bill itself or the bill could be accompanied by a letter and/or leaflet about the schemes. They could also refer the customer to the water company’s website for more information

*“Obviously, they send out to the customers if the water’s going up... so why not send out a letter saying, ‘this is available? This is the different types of things you can do?’” (Pre-family, Disabled, Penzance)*

*“I do feel like the utilities and things should provide customers with information to be able to get them help like this because I’ve never heard anything of this before.*

***And how do you think they should do that?***

*With the bill, an information leaflet.” (Post-family, Disabled, Dereham)*

*“When you get a bill, there should be some sort of information on the back there so you can get in touch with someone that deals with that problem. Like ‘having trouble paying your water?’ – they could have something printed on the back of the bill so that people can get in touch and find out what their options are. You don’t see many things printed on the back that give you options, it’s just money that they want.” (Pre-family, Dereham)*

- b) However, rather than putting the onus on customers to approach them (with all the barriers that exist), it was suggested that the water companies should be more proactive in identifying customers who are having difficulties meeting their payments and approach them to see if they qualify for help.

# 11 Conclusions and Recommendations

---

## 11.1 Introduction

- a) In this concluding section, we have provided our conclusions and recommendations based on the research findings. A summary of key findings against the research objectives can be found in section 2.3. Additionally, key findings are summarised throughout the report at the start of each section.

## 11.2 Age and Vulnerability

- a) It is often assumed that older people are an especially vulnerable group who need extra support but our findings suggest that in the case of bill management it is often younger people (singles and couples without children and especially lone parents), who are most likely to end up in debt. This probably reflects a combination of factors including less developed 'life skills' and pre-recession attitudes towards credit and borrowing, while, in contrast, older people typically have better honed life skills and a very debt averse attitude. This is not to suggest that older people may not need additional support but it does highlight the need to consider ways of helping younger people as well.
- b) It may also be assumed that some vulnerable customers can access support in budgeting from support workers but this research has shown that such support may not be as hands-on as some people would like and need.

## 11.3 Measures to Encourage Payment of Water Bills

- a) It is clear that payment of the water bill cannot be seen in isolation; it is one of many significant outgoings that have to be accommodated within a low and sometimes, inadequate income. We did not explore with respondents the impact of lowering the water bill, but if this is offered as a way of making the water bill more affordable, we suspect that a small reduction, however much welcomed, will have little effect; it needs to be an amount that will have an impact on the vulnerable customer's ability to manage all their outgoings.
- b) In terms of the effect of sanctions on payment of bills, we have noted above that threats of legal action or eviction may prompt payment but it should be pointed out that respondents themselves often do not have the money to pay; in these

circumstances they tend to ask friends and family for help (in two cases, they had taken out very high interest loans from loan companies). We have also noted that what amounts to the immediate withdrawal of supply (in the case of failing to pay in advance for energy) can also prompt payment. The extreme measures of the loss or withdrawal of water supply cannot be applied however and while it might be expected that they could have an effect on payment based on experience with other utilities, this is not something that could be tested.

- c) The assumption that having a water meter gives people control over the amount of water they use and therefore their bill, is not supported by the experiences of most metered respondents in this research. Encouraging customers who are struggling to pay their bill or already in arrears to switch to a meter is likely to be counterproductive unless it can be guaranteed that this will lower their bill. The research has shown that current water efficiency practices are not seen as having a noticeable impact on the water bill and this suggests that there is limited scope to promote even greater water efficiency. People in metered properties are already engaging in the obvious water reducing behaviours; other behaviours such as buying water efficient appliances are unlikely to be feasible due to the cost implications.
- d) Where a meter is considered an appropriate solution (potentially for households with one or two people), communicating the trial period may help persuade customers to take on metered billing. However, if they do not receive a bill for the first six months, they may still be reluctant to switch just in case they end up with higher charges. The research has also suggested that the potential impact of widespread metering would antagonise many people (particularly those with large families / living in households with a number of people). These people are likely to see significant rises in their water bill which in turn, could result in more people ending up in water poverty and not paying their water bill.

#### 11.4 Increasing Awareness of the Schemes

- a) The lack of awareness of the schemes intended to help people struggling to pay their water bill needs to be addressed to ensure that people who would benefit are aware of them and easily able to access them. Information needs to be made clearer on water bills and there should be active promotion of, and targeted

communication about, the schemes, in a way that people can understand their options. There may be a need for both a campaign by water companies directed to individual customers and a more generic campaign setting out the options in general terms. Intermediaries who are in a position to help the most vulnerable should also be made aware of the schemes. Water Direct has appeal for some people in arrears who are in receipt of benefits but concerns about control over how much is deducted from benefits need addressing. One respondent's experience of quickly finding herself in arrears again after coming off the scheme when she returned to work, suggests there may also be a problem with this end of the process.<sup>9</sup>

### 11.5 Extending / Clarifying the Eligibility Criteria for the Schemes and Reducing the Stigma of Receiving Help

- a) As they stand, the eligibility criteria for the schemes (particularly WaterSure) are rather narrow and were questioned by respondents who felt they might potentially benefit. In particular, eligibility needs to be clarified regarding whether schemes are available to people working in low income jobs as well as those receiving benefits. Given that single parent families with one or two children also struggle to pay their bill, perhaps the number of children needed to be eligible for WaterSure might also be considered.
- b) Some respondents are clearly uncomfortable with the idea of receiving 'charity' as it goes against the value they put on self-reliance and undermines their self-esteem. The term 'Charitable Trust Fund' is unacceptable to many and while most water companies avoid using the term 'charitable', we suggest that any reference to charity should be avoided in communicating about the schemes.

### 11.6 Improving Dealings with the Water Companies

- a) In our view, almost without exception, people who found themselves in arrears were not adopting a 'won't pay' attitude. Instead, they were desperately trying to meet their various financial commitments and what they wanted was a means of

---

<sup>9</sup> CC Water suggest that this may be because the local DWP office is slow to inform the water company that a claimant has returned to work or because it takes time for the water company's billing system to indicate that insufficient amounts are being paid or there are unpaid charges.

helping them keep their heads above water until such time that they could clear their outstanding debts; for this reason, we have classified them as having a 'can't pay' attitude. The water companies need to recognise their predicament. Of course, they could take the option of 'going in hard' on such individuals but we suspect this will only exert more psychological pressure and this will prove unproductive as they are likely to be struggling in a number of financial areas, not just with their water bill. There is also the risk that such action could antagonise people, turning them from customers who 'can't pay' to customers who 'won't pay'.

- b) Firstly, water companies need to make it easier for customers to contact them and come to some kind of payment arrangement. Secondly, water companies should consider putting in place processes and systems that flag up individuals who are struggling to pay as early as possible and offer them assistance before, rather than after, they have got into significant arrears. This assistance should aim to get them onto an agreed level of payment that is realistic in terms of what they can afford. Respondents report that when they currently contact their water company, they are typically dealt with by an operative who has little appreciation of their situation, who seems to lack any understanding of the options or schemes put in place to help, and who adopts an inflexible approach – pay the bill or else. Even where a lower, regular payment is suggested, the amount in question often seems to bear no relationship to the customer's ability to pay. We would suggest that where there are dedicated teams within the water companies, they should have contact with the customer earlier in the process so that their needs can be assessed empathetically and the appropriate help provided. Such teams would be empowered to provide customers in need with assistance in getting onto agreed payment plans or other suitable schemes.
- c) Although the role of CCWater was not explored in the interviews, respondents often expressed the need for one-to-one help with managing their finances and coming to various arrangements in terms of what they could afford to pay suppliers. It is likely that if customers know that help is available from an independent organisation whose principal aim is to offer impartial advice, this would be welcomed and appreciated. In order for this to work, there would need to be significant communication of their role on water bills and via other channels.

# 12 Appendices

## 12.1 Recruitment questionnaire

### AFFORDABILITY

Hello, I'm .....from Creative Research, an independent market research company. I wonder if you would be interested in taking part in some market research we are conducting. We want to talk to people who are struggling to make ends meet and who find it difficult to pay all their bills. The purpose of the research is to see what steps could be taken to try and help such people. It involves taking part in an interview lasting around 1 hour. In return for your time, I can offer you £30 (single respondent)/£40 (couple) as a contribution towards your expenses.

#### KEY DEMOGRAPHICS

##### D1 SOCIAL GRADE OCCUPATION OF HEAD OF HOUSEHOLD:

##### ASK THE FOLLOWING FIVE QUESTIONS TO CLARIFY HEAD OF HOUSEHOLD INFORMATION:

IF RETIRED, ASK FOR PREVIOUS OCCUPATION, IF PRIVATE PENSION RECEIVED

IF LOCAL AUTHORITY OR CIVIL SERVICE OR ARMED FORCES, ASK GRADE/RANK

IF SELF-EMPLOYED OR MANAGERIAL, ASK FOR NO. OF EMPLOYEES RESPONSIBLE FOR

ASK FOR DETAILS OF TRAINING/QUALIFICATIONS

INDUSTRY (WRITE IN)

##### NOW CODE SOCIAL CLASS

|      |   |           |   |   |           |
|------|---|-----------|---|---|-----------|
| AB   | 1 | No quotas | D | 3 | No quotas |
| C1C2 | 2 |           | E | 4 |           |

|   |   |   |   |        |        |
|---|---|---|---|--------|--------|
| <b>D2</b> Gender (if recruiting as a couple, code as M & F) |   |   | <b>D5</b> Record number of dependent children in household                |        |        |
| male  | 1 |   | aged 0-11 years old   |        |        |
| female  | 2 |   | aged 12-16 years old  |        |        |
| <b>D3</b> Age   |   |   | aged 17-18 years old in f/t education                                     |        |        |
| 18-24   | 1 |   | <b>Record below Type of Respondent (see instructions for definitions)</b> |        |        |
| 25-34   | 2 |   | People with long-term disability/not retired                              | D1-6   |        |
| 35-44   | 3 |   | Pre-family, young single adults   | D7-10  |        |
| 45-54   | 4 |   | Pre-family, young couples   | D11-12 |        |
| 55-64   | 5 |   | Single parent families  | D13-16 |        |
| 65-74   | 6 |   | Family couples  | D17-20 |        |
| 75+   | 7 |   | Post family singles/couples   | D21-24 |        |
| <b>D4</b> Working status                                    |   |   | Retired singles   |        | D25-28 |
| respondent works full or part time                          |   | 1 | Retired Couples   |        | D29-32 |
| respondent's partner works full or part time                |   | 2 | BME (Black)   |        | D33-37 |
| respondent and partner not working                          |   | 3 | BME (Asian)   |        | D38-42 |

## SCREENING

|  |   |                          |   |   |                          |
|--|---|--------------------------|---|---|--------------------------|
| <b>S1. SHOW CARD A</b> Can I just check, do you or any of your immediate family work in any of the following professions or occupations? |   |                          |   |   |                          |
| Market Research or Marketing   | 1 | <b>CLOSE</b>             | Energy companies  | 4 | <b>CLOSE</b>             |
| Public Relations or Journalism   | 2 |                          | Water and/or sewerage companies   | 5 |                          |
| Advertising  | 3 |                          | CAB, Money Advice Centres or other professions providing members of the public with financial advice/assistance | 6 |                          |
|  |   |                          | None of these   | 7 | <b>CONTINUE</b>          |
| <b>S2a.</b> Have you <u>ever</u> attended a <b>GROUP DISCUSSION</b> or <b>IN-DEPTH INTERVIEW</b> before?                                 |   |                          | <b>S2b.</b> What was the subject under discussion?  |   |                          |
| No   | 1 | <b>GO TO Q1</b>          | <b>IF PREVIOUS SUBJECT RELATED TO THIS PROJECT, THANK &amp; CLOSE. OTHERWISE ASK Q2c</b>                        |   |                          |
| Yes  | 2 | <b>GO TO S2b</b>         |   |   |                          |
| <b>S2c.</b> How long ago was that?   |   |                          | <b>S2d</b> How many group discussions & depth interviews have you attended in the last 3 years?                 |   |                          |
| Less than 6 months   | 1 | <b>THANK &amp; CLOSE</b> | 1-6   | 1 | <b>GO TO Q1</b>          |
| More than 6 months ago   | 2 | <b>GO TO S2d</b>         | 7 or more   | 2 | <b>THANK &amp; CLOSE</b> |

|   |             |
|---|-------------|
| <b>INTERVIEWER DECLARATION</b>  |             |
| I DECLARE THAT THIS IS A TRUE RECORD OF A FACE TO FACE INTERVIEW WITH THE NAMED RESPONDENT WHICH WAS CONDUCTED IN ACCORDANCE WITH THE INSTRUCTIONS AND THE CODE OF CONDUCT. |             |
| SIGNATURE: _____  |             |
| PRINT NAME: _____   | DATE: _____ |

|   |                          |
|---|--------------------------|
| <b>METHOD OF RECRUITMENT</b>              |                          |
| FROM CLIENT-SUPPLIED LISTS                | <input type="checkbox"/> |
| FROM RECRUITER'S DATABASE                 | <input type="checkbox"/> |
| SNOWBALLING                               | <input type="checkbox"/> |
| FREE FOUND (In Street/House to house etc) | <input type="checkbox"/> |
| OTHER (PLEASE WRITE IN): _____            |                          |

We want to talk to a range of different people as part of the project and I need to ask you a number of questions first of all about your income and expenditure. This will include the amounts you pay to utilities, for example electricity, gas and water.

Q1. Are you the person in your household who is responsible for managing your finances and paying the bills – either by yourself or jointly with your partner?

|   |   |   |
|---|---|---|
| Yes: respondent is responsible for managing the household finances and paying bills | 1 | <b>CONTINUE</b>   |
| No: respondent is not responsible   | 2 | <b>Either: recruit partner/person who is responsible or CLOSE</b> |

Q2. The first thing I need to ask you is how much disposable income you and your family have to live on. This is the amount of money after paying any tax or national insurance but including any benefits you receive on behalf of yourself or other members of your household. If you have a partner please include any income and benefits they receive. If you have a son or daughter who makes a contribution to paying the household bills, please include the contribution they make.

You can work it out either on a weekly, a monthly or a yearly basis, whichever is easiest for you. If your income fluctuates, please base it on the average household income over the last three months.

**WRITE IN BELOW HOUSEHOLD DISPOSABLE INCOME**

|                              |  |
|------------------------------|--|
| Weekly disposable income: £  | <b>If over £360 per week: CLOSE</b>    |
| Monthly disposable income: £ | <b>If over £1,500 per month: CLOSE</b> |
| Yearly disposable income: £  | <b>If over £18,000 per year: CLOSE</b> |

Q3. **SHOW CARD B**

I'm going to read out to you some different items of household expenditure. For each item I read out I'd like you to tell me how affordable you feel it is by choosing an answer from this card

|                          | <b>Always Affordable</b> | <b>Sometimes Affordable</b> | <b>Rarely Affordable</b> | <b>Not Affordable</b> |
|--------------------------|--------------------------|-----------------------------|--------------------------|-----------------------|
| Food bills               | 1                        | 2                           | 3                        | 4                     |
| Clothing bills           | 1                        | 2                           | 3                        | 4                     |
| Energy bills             | 1                        | 2                           | 3                        | 4                     |
| Water and sewerage bills | 1                        | 2                           | 3                        | 4                     |

Q4. The next thing I need to do is get an accurate idea of how much you are currently paying for your water and sewerage bills. If at all possible, can you show me a copy of your most recent bill?

**NB If at all possible, you should record this information from the most recent bill.**

**Non-Metered**

Water bills are typically sent out once a year around Feb/March. Find out if the respondent has received their new bill yet and if so, ask to see this. If they haven't had their new bill, you should ask to see last year's bill which will be dated Feb/March 2008.

Some people may be paying by instalments and they may receive bills every 6 months, every month or more often. You need to be sure what period the bill covers.

If the respondent is behind in their payments, their bill will also show any arrears but these should be shown separately from the annual bill – please do not include any arrears when working out the annual water bill.

Amounts shown in payment books may also include arrears. If someone shows you a reminder notice, this may not show the annual sum or it may include a sum that includes any outstanding arrears, so if possible you should ask to see the annual bill.

**Metered Bills**

These are mainly sent out every six months (although some companies may send an annual bill) so you may need to double the amount on the bill to arrive at an annual estimate. Once again, take care to exclude any arrears on the account.

**All Bills**

Most respondents will receive a single bill covering both water and sewerage charges – it is the total amount we want to record so please check that you include the cost of both water and sewerage. The exception to this will be any customers living in the Southern Water region who will have two bills – one for water and another for sewerage – again, it is the total amount across both bills that you should record.

If respondents cannot produce a bill, you should ask them to show you a bank statement (for example, if they pay by direct debit) or a cheque book stub (if they pay by cheque).

If the respondent cannot produce evidence of the size of their bill, as a last resort, you can ask them to estimate the size of their bill. Once again, you should not include any outstanding arrears.

- a) If they pay on a weekly basis, write in the amount and then multiple it by 52 to arrive at the annual amount
- b) If they pay monthly, write in the amount and then multiple it by 12 to arrive at the annual amount.
- c) If they pay every 6 months, write in the amount and then multiple it by 2 to arrive at the annual amount.
- d) If they pay by direct debit or through an instalment scheme, you must record the amount they pay per instalment and the number of instalments each year. If someone says they pay by monthly instalments, check how many instalments they make – for example, some schemes collect the annual bill over the first few months of the year and the customer does not pay anything in the last few months. So, if the payments are taken over 10 months, you should multiple the amount paid for each instalment by 10.
- e) If they make a single annual payment, write this in
- f) If they pay in some other way, write in a brief description and the amount they pay each year

|                                     |   |                                       |                     |          |
|-------------------------------------|---|---------------------------------------|---------------------|----------|
| a) Weekly water and sewerage bill:  | £ | per week x 52 =                       | £                   | per year |
| b) Monthly water and sewerage bill: | £ | per month x 12 =                      | £                   | per year |
| c) 6 monthly water bill:            | £ | per month x 12 =                      | £                   | per year |
| d) Instalment plan:                 | £ | per instalment                        | no. of instalments: |          |
|                                     | £ | per instalment x no. of instalments = | £                   | per year |
| e) Yearly water and sewerage bill:  | £ | per year                              |                     |          |
| f) Something else                   |   |                                       | £                   | per year |

**You now need to use the grid included in your interviewer pack to work out if the respondent is eligible for recruitment**

|   |   |                         |
|---|---|-------------------------|
| Eligible: disposable income is no higher than amount shown under col A1/M1/W1   | 1 | <b>CONTINUE</b>         |
| Eligible: disposable income is no higher than amount shown under col A2/M2/W2 <b>and</b> respondent considers their water and sewerage bill is 'not affordable/not at all affordable' | 2 |                         |
| Not eligible  | 3 | <b>CLOSE</b>            |
| Q5. Record below whether or not respondent has a water meter  |   |                         |
| Has a water meter   | 1 | <b>Recruit to quota</b> |
| Does not have a water meter   | 2 |                         |

| Q6. Ask necessary questions to establish respondent's lifestage and code below  |   |       |                               |         |                         |      |   |
|---|---|-------|-------------------------------|---------|-------------------------|------|---|
| <b>Pre-family young single adults:</b> most be living independently and not with a partner; must be responsible for paying their own bills; aged under 35; no children  |   |       |                               | 1       | <b>Recruit to Quota</b> |      |   |
| <b>Pre-family young adult couples:</b> either married or in a permanent relationship and living with partner; must be responsible for paying their own bills; aged under 35; no children. <b>Aim to interview both partners.</b>  |   |       |                               | 2       |                         |      |   |
| <b>Single parents:</b> has one or more dependent children aged under 17 living with them  |   |       |                               | 3       |                         |      |   |
| <b>Family couples:</b> either married or in a permanent relationship and living with partner with at least one dependent child aged under 17 and living with them. <b>Aim to interview both partners.</b>   |   |       |                               | 4       |                         |      |   |
| <b>Post-family singles/couples:</b> aged 45 and above and either never had any children or all children aged 17 and above. Can be single or married/in permanent relationship. <b>If a couple, aim to interview both partners.</b>  |   |       |                               | 5       |                         |      |   |
| <b>Retired couples:</b> reached State retirement age and either married or in a permanent relationship. <b>NB</b> if living in sheltered accommodation you can only recruit them if they are responsible for paying their bills including their water and sewerage bills. If this is included as part of their rent, do not recruit. <b>Aim to interview both partners.</b> |   |       |                               | 6       |                         |      |   |
| <b>Retired singles:</b> reached State retirement age and living alone <b>NB</b> if living in sheltered accommodation you can only recruit them if they are responsible for paying their bills including their water and sewerage bills. If this is included as part of their rent, do not recruit.  |   |       |                               | 7       |                         |      |   |
| Q7 SHOW CARD C  |   |       |                               |         |                         |      |   |
| Record respondent's ethnicity   |   |       |                               |         |                         |      |   |
| White British   | 1 |       | African                       | 9       |                         |      |   |
| White Other   | 2 |       | Other Black                   | 10      |                         |      |   |
| Indian  | 3 |       | White and Black Caribbean     | 11      |                         |      |   |
| Pakistani   | 4 |       | White and Black African       | 12      |                         |      |   |
| Bangladeshi   | 5 |       | White and Asian               | 13      |                         |      |   |
| Other Asian   | 6 |       | Other mixed                   | 14      |                         |      |   |
| Chinese   | 7 |       | Other ethnic group (write in) | 15      |                         |      |   |
| Caribbean   | 8 |       |                               |         |                         |      |   |
| If recruiting a non-English speaker, tick below language respondent speaks  |   |       |                               |         |                         |      |   |
| Bengali   | 1 | Hindi | 2                             | Punjabi | 3                       | Urdu | 4 |

|  |     |  |                   |
|--|-----|--|-------------------|
| <b>Q8a. SHOW CARD D</b>  |     |  |                   |
| Do you or anyone else in your household have any of the medical conditions shown on this card? These are all conditions that mean you may need to use extra water.   |     |  |                   |
| Desquamation (flaky skin disease)  | 1   | There are no quotas for these conditions but if you find someone please try and recruit them |                   |
| Weeping skin disease (eczema, psoriasis, varicose ulceration)  | 2   |  |                   |
| Incontinence   | 3   |  |                   |
| Abdominal stoma  | 4   |  |                   |
| Renal failure requiring home dialysis and where your health authority does not help with the water cost  | 5   |  |                   |
| Crohn's Disease  | 6   |  |                   |
| Ulcerative colitis   | 7   |  |                   |
| Some other condition which means you/your partner needs to use a lot of extra water (write in)   | 8   |  |                   |
| none of these  | 9   |  |                   |
| <b>Q8b.</b> Do you or your partner have any other physical or mental impairment or an illness or condition that has a substantial and long-term adverse effect on your ability to carry out normal day-to-day activities?<br>Long-term means that the effect of the impairment has lasted or is likely to last for at least 12 months.<br>Normal day-to-day activities include everyday things like eating, washing, walking and going shopping. |     |  |                   |
|  | Yes | 1  | <b>ASK Q8c</b>    |
|  | No  | 2  | <b>SKIP TO Q9</b> |
| <b>Q8c.</b> Write in name/description of respondent's/partner's impairment, illness or condition   |     |  |                   |
|  |     |  |                   |
| <b>NB:</b> please check that respondent's condition will allow them to take part in an interview. If they require any special aids (e.g. a signer for someone who has a hearing impairment) you must check with the office before setting up an appointment.   |     |  |                   |
| <b>Q9. SHOW CARD E</b>   |     |  |                   |
| Do you or does someone else in your household receive any of the following benefits and/or tax credits?  |     |  |                   |
| Income Support   | 1   | Disability Living Allowance  | 7                 |
| Income-based Job Seeker's Allowance  | 2   | Attendance Allowance   | 8                 |
| Council Tax Benefit  | 3   | Long Term Incapacity Benefit   | 9                 |
| Housing Benefit  | 4   | Disability Premium   | 10                |
| State Retirement Pension   | 5   | Disabled Persons Tax Credit  | 11                |
| Pension Credit   | 6   | Working Tax Credit   | 12                |
|  |     | Child Tax Credit   | 13                |

### Give Respondent Show Card F and read out

The interview you take part in will be recorded and a transcript will be produced

This card describes how the information you provide will be used and the steps that will be taken to protect your confidentiality.

Please sign below to indicate your agreement with this procedure.

|                  |
|------------------|
| Name: _____      |
| Signature: _____ |
| Date: _____      |

Occasionally, once a project is completed we may need to re-contact people who take part in a research study either to follow up something that has arisen or to invite them to participate in a follow-up to the original research

Would you be willing for us to contact you in the future, should the need arise?

YES [  ] Record contact details below

NO [  ] Explain that you need to record the respondent's contact details so that they can be contacted in the event of a change of plans (e.g. the moderator is ill) and also for quality control procedures. Reassure respondents that this information will **only** be used for these purposes.

|  |                             |
|--|-----------------------------|
| <b>RESPONDENT DETAILS</b>  |                             |
| REASSURE RESPONDENTS THAT NO PERSONAL DETAILS OR RESPONSES WILL BE PASSED ON TO ANYONE NOT DIRECTLY CONCERNED WITH THE RESEARCH. |                             |
| NAME: _____  |                             |
| ADDRESS: _____   | Postcode _____              |
| PHONE NO: _____  | NO PHONE ( ) REFUSED NO ( ) |

### N.B.

Please ask respondents to have available the following at interview stage wherever possible: recent utility bill (gas, electricity, water), bank or P.O. account statement and council tax bill. Stress that these need not be shown to the interviewer and will be needed only to enable the respondent to provide income and outgoing amounts. Where this is not possible, please request that any material regarding income and outgoings be at hand.

## **SHOW CARD A**

**Market Research or Marketing**

**Public Relations**

**Journalism**

**Advertising**

**Energy Companies**

**Water and/or Sewerage Companies**

**Citizens Advice Bureaux, Money Advice Centres or other professions providing members of the public with financial advice/assistance**

**None of these**

## **SHOW CARD B**

**Always Affordable: I never have difficulty paying these bills**

**Sometimes Affordable: I sometimes have difficulty paying these bills**

**Rarely Affordable: I rarely have difficulty paying these bills**

**Not Affordable: It is always a struggle to pay these bills**

## SHOW CARD C

**White British**

**White Other**

**Indian**

**Pakistani**

**Bangladeshi**

**Other Asian**

**Chinese**

**Caribbean**

**African**

**Other Black**

**White and Black Caribbean**

**White and Black African**

**White and Asian**

**Other mixed**

**Other ethnic group**

## **SHOW CARD D**

**Desquamation (flaky skin disease)**

**Weeping skin disease (eczema, psoriasis, varicose ulceration)**

**Incontinence**

**Abdominal stoma**

**Renal failure requiring home dialysis and where your health authority does not help with the water cost**

**Crohn's Disease**

**Ulcerative colitis**

**Some other condition which means you/your partner needs to use a lot of extra water**

**None of these**

## **SHOW CARD E**

**Income Support**

**Income-based Job Seeker's Allowance**

**Council Tax Benefit**

**Housing Benefit**

**State Retirement Pension**

**Pension Credit**

**Disability Living Allowance**

**Attendance Allowance**

**Long Term Incapacity Benefit**

**Disability Premium**

**Disabled Persons Tax Credit**

**Working Tax Credit**

**Child Tax Credit**

## SHOW CARD F

**The Data Protection Act requires that we collect and use the information you provide to us in a manner that respects and protects your confidentiality.**

**Your personal details (name, address, phone number) will not be disclosed to anyone else without your permission other than Creative Research, the company carrying out the research.**

In most cases the recordings/transcripts will be heard/watched/ read **only by the transcriber and researchers from the research company.**

The recordings/transcripts will only be listened to/watched/read for research purposes and only to pursue the aims of the study. Excerpts from the recordings/transcripts may be used to illustrate the research findings. This will always be done in a way to protect your identity (e.g. comments will not be attributed).

The recordings/transcripts will not be used for non-research purposes, such as promotion or direct sales activities.

**In exceptional cases** the recordings/transcripts will be listened to/watched/read by people from the client organisation working on this project. In these circumstances, we will go through the material first to delete any references to people's names or anything else that could identify them.

Anyone from the client organisation who listens to/watches/reads the recordings/transcripts will sign an undertaking that they will respect the anonymity of those taking part. Thus, if anyone recognises you, (s)he will immediately stop listening, watching or reading.

**Any other material or information** generated by you, such as ideas written down on paper, will be subject to the same strict controls.

## Recruiter Guidelines

### Purpose

This project is all about finding out how vulnerable people living on low incomes cope with paying their utility bills. You should explain to respondents that it is intended to find ways of helping such people.

### Interview Length & Incentives

Each interview will last about 1 hour. Depending on who you are trying to recruit, the interviews will either be with the respondent or the respondent and their partner. Respondents who are interviewed as single people will receive a payment of £30 for taking part. Where we are interviewing a couple, they will receive £40 between them.

When you are recruiting single people, you can find out if they would like someone else to be present during the interview if this would make them feel more comfortable. For example, a single elderly respondent may feel more at ease if they have a friend or a son or daughter present. Similarly, a single person with a disability or illness may wish to have a carer present. In this situation we will not expect the second person to take part in the interview and we will only make a payment of £30 in total. The exception to this would be if the son/daughter/carers is jointly responsible with the respondent for managing their finances. In this situation we would expect the second person to take part in the interview and we will make a single payment of £40.

Single sex couples can be included if found.

### Utility Bills & Background Information for Interviewers

Respondents should be asked to have ready at interview stage where possible the following: utility bills (gas/electricity/water), bank or Post Office account statement, council tax bill. The respondent may need to refer to these during the interview and they need not be shown to the researcher. Should this not be possible, a request should be made to have ready material relating to income and outgoings such is available.

### Where to hold the Interviews

We want respondents to feel as at ease as possible and you should allow them some flexibility in terms of where the interview takes place. If a respondent is happy to be seen in their home, the researcher will visit them there. However, not everyone may wish to have a stranger visit their home – especially if they are living in poor conditions – so the other options to consider include holding the interview in your home (if nearby and you are willing to do this) or hiring a local venue. If hiring a venue, please try and find somewhere that is suitable – a community centre or village hall is probably better than a hotel.

### Exclusions

Our normal exclusions in terms of previous participation in interviews and groups apply – see S2a to S2d.

You should also exclude anyone who works/did work or has immediate family working in any of the professions or occupations on Show Card A – see S1.

## Eligibility

Please code SEG, gender, age, working status and the number of dependent children on the front page of the questionnaire (D1-D5). There are no quotas for SEG or working status, this is just for information. If you are recruiting a number of single people, you will be told what number should be male/female. There are no quotas for age or number of children as such (but see definitions of lifestyles).

### a) Responsibility for managing finances (Q1)

All respondents must be responsible for managing their financial affairs and paying their bills. They may be solely responsible for this or they may be jointly responsible with a partner. If you are recruiting an older person who lives in sheltered accommodation, they **must** receive and be responsible for paying their own water and sewerage bills. Similarly, when recruiting young adults, they must be living independently and receive and be responsible for paying their water and sewerage bills.

### b) Disposable household income (Q2)

You should only recruit people who have a total disposable household income of less than £18,000 per year. Some people may find it easier to talk about their monthly or their weekly disposable income – the thresholds are £1,500 per month and £360 per week.

Total disposable income is defined as the amount of money their family has to live on after paying income tax and national insurance. It includes any benefits or tax credits they or other people in their household receive. When arriving at an estimate of their total disposable income, they should include both their own and their partner's income. If they have a son or daughter who makes a contribution to the household bills, they should include this amount as well.

### c) Size of Water and Sewerage Bill (Q4)

You should ask Q3 to establish how affordable respondents feel certain items of household expenditure are. You may need to use their answer to their water and sewerage bill to decide if they are eligible.

Previous research has shown that people are not very good at estimating their water bills and it is **very important** that you ask respondents to show you either their water bill or some other evidence of how much they pay – such as a bank statement or a cheque book stub. If you recruit someone outside of their home, you must follow up and make sure you see evidence of their water bill before you confirm an appointment.

You need to establish what proportion of their disposable income is spent on their annual water and sewerage bill. We have provided instructions on how to do this (see Q4 and the grid included in your interviewer pack). If you are unsure how to work this out, you must phone the office for clarification before you start recruiting. Please be careful not to include any outstanding water bill arrears when making this calculation.

### d) Water Meters (Q5)

Across the total sample, we want to achieve between 10 and 20 interviews with people who have a water meter fitted. You will be given your quota by the office before you start recruiting.

## e) Other Criteria

Respondents must fit into one of the following categories. You will be given your precise quotas before you start work. You should code on the front page of the questionnaire which category each respondent belongs to.

### • D1-D6: People with long-term disabilities and/or illnesses; not retired

- These respondents must all meet one or other of the following criteria:
- they or another member of their household (family member) has one of the conditions listed on Show Card D (see Q8a)
- or they or their partner has a long term impairment, illness or condition (see Q8b)

In addition:

- they can be male or female (D2) and aged from 18-60/65 (D3)
- they can be of any working status (D4) and may or may not have any dependent children (D5)
- may or may not have a water meter (Q5)
- they can be from any ethnic group (but must be able to conduct the interview in English) - if they are a member of a BME community, you cannot count them to your BME quota (if you have one) (Q7)
- they (or their partner) are likely to receive one or more of the following benefits/tax credits (see Q9):

|                             |                             |                              |
|-----------------------------|-----------------------------|------------------------------|
| Disability Living Allowance | Attendance Allowance        | Long term Incapacity Benefit |
| Disability Premium          | Disabled Persons Tax Credit |                              |

- they can be from any of the following lifestages (Q6):

|                                |                                |                |
|--------------------------------|--------------------------------|----------------|
| Pre-Family young single adults | Pre-family young adult couples | Single parents |
| Family couples                 | Post family singles/couples    |                |

**However:** if they are Retired singles or couples you must count them towards your Retired quota **not** your disabled quota.

### • D7-D10: Pre-family, Young Singles

- These respondents must all meet the following criteria:
- single young adults living independently – not with parents or with a partner – and responsible for paying their bills including their water bill (Q1 & Q6)
- aged under 35 (D3)
- no children (D5)
- White British or White Other ethnic group (Q7)
- male or female (you will be given a quota) (D2)

In addition:

- they can be of any working status (D4)
- may or may not have a water meter (Q5)
- may receive any of the following benefits/tax credits (Q9)

|                 |                                    |                     |
|-----------------|------------------------------------|---------------------|
| Income Support  | Income-based Job Seekers Allowance | Council Tax Benefit |
| Housing Benefit | Working Tax Credit                 |                     |

They will **not** have one of the conditions listed on Show Card D (see Q8a) or have a long term impairment, illness or condition (see Q8b)

### D11-D12: Pre-family, Young Couples

- These respondents must all meet the following criteria:
- young adult couples – either married or in a permanent relationship living independently – not with parents – and responsible for paying their bills including their water bill (Q1 & Q6)
- aged under 35 (D3)
- no children (D5)
- White British or White Other ethnic group (Q7)

In addition:

- they can be of any working status (D4)
- may or may not have a water meter (Q5)
- may receive any of the following benefits/tax credits (Q9)

Income Support

Income-based Job Seekers Allowance

Council Tax Benefit

Housing Benefit

Working Tax Credit

They will **not** have one of the conditions listed on Show Card D (see Q8a) or have a long term impairment, illness or condition (see Q8b)

### D13-D16: Single Parent Families

- These respondents must all meet the following criteria:
- single parents with one or more dependent children aged under 17 living with them (Q6 & D5)
- White British or White Other ethnic group (Q7)

In addition:

- can be male or female (D2)
- of any age (D3)
- they can be of any working status (D4)
- may or may not have a water meter (Q5)
- may receive any of the following benefits/tax credits (Q9)

Income Support

Income-based Job Seekers Allowance

Council Tax Benefit

Housing Benefit

Working Tax Credit

Child Tax Credit

They will **not** have one of the conditions listed on Show Card D (see Q8a) or have a long term impairment, illness or condition (see Q8b)

### D17-D20: Family Couples

- These respondents must all meet the following criteria:
- married or in a permanent relationship with one or more dependent children aged under 17 living with them (Q6 & D5)
- White British or White Other ethnic group (Q7)

In addition:

- can be male or female (D2)
- of any age (D3)
- they can be of any working status (D4)
- may or may not have a water meter (Q5)
- may receive any of the following benefits/tax credits (Q9)

Income Support

Income-based Job Seekers Allowance

Council Tax Benefit

Housing Benefit

Working Tax Credit

Child Tax Credit

They will **not** have one of the conditions listed on Show Card D (see Q8a) or have a long term impairment, illness or condition (see Q8b)

### D21-D24: Post-Family Singles/Couples

- These respondents must all meet the following criteria:
- singles or couples
- aged 45-60/65 and either never had any children or all children aged 17 and above (Q6, D3 & D5)
- White British or White Other ethnic group (Q7)

In addition:

- can be male or female (D2)
- they can be of any working status (D4)
- may or may not have a water meter (Q5)
- may receive any of the following benefits/tax credits (Q9)

Income Support

Income-based Job Seekers Allowance

Council Tax Benefit

Housing Benefit

Working Tax Credit

They will **not** have one of the conditions listed on Show Card D (see Q8a) or have a long term impairment, illness or condition (see Q8b)

### D25-D28: Retired Singles

- These respondents must all meet the following criteria:
- aged 60 (female)/65 (male) (D2 & D3)
- single/separated/divorced/widowed, retired and living alone (Q6)
- if living in sheltered accommodation must receive and be responsible for paying their water and sewerage bills
- White British or White Other ethnic group (Q7)

In addition:

- may or may not have a water meter (Q5)
- they or another member of their household (family member) might have one of the conditions listed on Show Card D (see Q8a)
- or they or their partner has a long term impairment, illness or condition (see Q8b)
- may receive any of the following benefits/tax credits (Q9)

Council Tax Benefit

Housing Benefit

State Retirement Pension

Pension Credit

Disability Living Allowance

Attendance Allowance

Long term Incapacity Benefit

Disability Premium

Disabled Persons Tax Credit

### D29-D32: Retired Couples

- These respondents must all meet the following criteria:
- aged 60 (female)/65 (male) (D2 & D3)
- living with a partner (Q6)
- if living in sheltered accommodation must receive and be responsible for paying their water and sewerage bills
- White British or White Other ethnic group (Q7)

In addition:

- may or may not have a water meter (Q5)
- they or another member of their household (family member) might have one of the conditions listed on Show Card D (see Q8a)
- or they or their partner has a long term impairment, illness or condition (see Q8b)
- may receive any of the following benefits/tax credits (Q9)

Council Tax Benefit

Housing Benefit

State Retirement Pension

Pension Credit

Disability Living Allowance

Attendance Allowance

Long term Incapacity Benefit

Disability Premium

Disabled Persons Tax Credit

### D33-D37: BME Respondents: Black

- These respondents must all meet the following criteria:
- Caribbean, African, Other Black, White and Caribbean, White and Black African ethnic groups (Q7)
- NB they should all have English as either their first language or have good enough English to take part in an interview

In addition:

- a mix of genders, singles/couples
- a mix of lifestages (Q6)
- may or may not have a water meter (Q5)
- they or another member of their household (family member) might have one of the conditions listed on Show Card D (see Q8a)
- or they or their partner has a long term impairment, illness or condition (see Q8b)
- may receive any of the following benefits/tax credits (Q9)

Council Tax Benefit

Housing Benefit

State Retirement Pension

Pension Credit

Disability Living Allowance

Attendance Allowance

Long term Incapacity Benefit

Disability Premium

Disabled Persons Tax Credit

### D38-D42: BME Respondents: Asian

- These respondents must all meet the following criteria:
- Indian, Pakistani, Bangladeshi, Other Asian, White and Asian ethnic groups (Q7)
- 2 or 3 should not have any English but should speak one of the languages listed at the bottom of Q7; these interviews will be conducted by a moderator in the mother language

In addition:

- a mix of genders, singles/couples
- a mix of lifestages (Q6)
- may or may not have a water meter (Q5)
- they or another member of their household (family member) might have one of the conditions listed on Show Card D (see Q8a)
- or they or their partner has a long term impairment, illness or condition (see Q8b)
- may receive any of the following benefits/tax credits (Q9)

Council Tax Benefit

Housing Benefit

State Retirement Pension

Pension Credit

Disability Living Allowance

Attendance Allowance

Long term Incapacity Benefit

Disability Premium

Disabled Persons Tax Credit

## 12.2 Discussion guide

### Background

(N.B. Please note that in non-meter homes (i.e. bills based on rateable values rather than metered readings), the bill for 2009 may have arrived by the time interviews are conducted so respondents should have this information to hand. Metered bills are sent out at various times.)

Hello my name is...and I work for Creative Research, a market research company. Thank you for taking the time to speak to us today.

Explain that the interview is being conducted amongst people who might find it hard to pay their bills such as electricity, gas and council tax. The purpose of the research is to see what steps can be taken to help people who find themselves in this position.

Ask permission to record interviews for note taking purposes only and confirm that the results will be confidential.

### Managing General Finances

- Probe for total disposable household income after taxes including salaries, benefits, other. Please include all types of income not just benefits and salaries, etcetera. Break down by income stream if possible.
- Do you have any savings? If so, how much? Have they increased or decreased in the last year.
- Any recent changes? If yes, in what way? Has this changed over the last 12 months or so? If yes, in what way and why (increased/decreased)
- How are bills generally paid? Cash? Credit card? From a bank or P.O. account? Other?
- (For couples or where bills are paid on the respondent's behalf, who is responsible for managing finances?)
- Introduce stimulus cards.

#### Sort 1: Ask respondent to sort in order of actual household spend from greatest to least.

- Remove any that do not apply (check for reasons they do not apply e.g. considered too expensive?) Allow respondent to add any additional minor items of expenditure. Where possible, ask for an estimate of spend for each item (weekly/monthly etc) and record.

**Note to Moderator:** when sorting the cards, allow respondent to sub-divide a card if this is appropriate. For example, if energy bills are considered 'not affordable' but water bills are 'affordable', replace utility card with 2 cards, one for energy and one for water.

Be sure to record how the cards are sorted on each occasion by completing Sort Record Sheet

#### Sort 2: Sort into spending priorities from most important to least.

- Briefly explore basis of sorting – what makes some items higher/lower priority?
- Why in this order? How do you decide what to spend and why? Probe for examples where there has been a choice and how it was made. Consequences?

**Sort 3: Sort according to affordability – items that are affordable vs. items that are less affordable and any considered unaffordable**

- What does 'affordable' mean to you?
- What makes something affordable or not affordable? (If necessary, give an example i.e. why is council tax more affordable than clothing?) Is it simply a question of the cost or do other things also affect this such as its importance?
- Briefly explore how affordability impacts on behaviour e.g. spending less on more affordable, low priority items in order to pay less affordable, high priority items; Probe for reasons and amounts.
- Has this (affordability) changed, i.e. if I had of asked the same question a year ago, would the order have been different? If yes, how has it changed and why?
- Which of these has risen in price/cost the most in the past year? The least?
- Has that changed how much you spend in those areas now? If yes, how much roughly? Why? How do you feel about this? (Can refer to Sort 1.)
- Utilities: are some utility bills more affordable than others? If so, how and why? Has this changed? Do some offer better value for money than others? Explain.

**Sort 4: items you always manage to pay for even if they may be expensive vs. items where you sometimes run up debts vs. items where you are always in debt/have on-going arrears.**

- explore difference between the groupings – why are some items always paid and others not – how do they determine which bills they are going to pay?
- Which bills are hardest to pay? Why?
- Have you ever fallen into arrears?
- (If so) which areas (i.e. utilities or telephone)?
- Measures taken to cope (what do you do if you can't pay a bill? What have been the consequences? Is this something you're used to or does it make you feel vulnerable? How do you manage?)
- impact on quality of life/emotional impact (how does having to make these decisions affect the way you live? Has this changed? If so, how? How do you feel about this? Use Tree Diagram to find out how respondents feel about having bills they can't pay – each respondent circles one or more figures on the tree which says something about how they feel – they then describe which figure they have chosen and why). Mark as (1).

**Sort 5: help and advice where you have had or might have difficulty paying a bill. Sort into areas where help has been sought, where it hasn't but needed to be and where it has been unnecessary.**

- (Where sought.) Why? When? How (method)? From where? Outcome good/bad/indifferent? Likely to approach again? Why/why not?

- (Where not sought.) Why? Barriers? Lack of knowledge? Not necessary? Why?
- Do you think you have been offered enough/the right sort of help and advice?
- What types of help and assistance would you like to have? What would make you more likely to seek help when necessary?
- If never had difficulty paying bills, what advice or information would you seek if you did find yourselves in arrears? Where would you go/why/expectations/barriers?

### **Managing Water Bills**

- Go over the same issues as before but now focusing specifically on water and sewerage bills
- Confirm water and sewerage charges from bill excluding arrears.
- Use tree diagram to find out how respondents feel about their water bill. Mark sheet as (2).
- Establish where water fits as a spending/payment priority in terms of overall expenditure – refer back to previous sorting. Why is water a high/low priority bill? Find out if respondents know whether or not their water can be cut off and how this influences their behaviour
- Affordable or unaffordable? Why? Has this changed?
- Is it a bill they always manage to pay/they sometimes run up debts/they are always in debt. Why is this?
- Arrears? Coping measures? Has this impacted on expenditure in other areas? Have sacrifices been made? How do you feel about that?
- Explore whether they have sort out any help and advice about their water bill
- For those who have: Why? When? How (method)? From where? Outcome good/bad/indifferent? Likely to approach again? Why/why not?
- For those who have not: Why? Barriers? Lack of knowledge?
- Do you think you have been offered enough/the right sort of help and advice?
- What types of help and assistance would you like to have? Where should it come from? How should it be delivered? What would make you more likely to seek help when necessary?

We would now like to discuss water meters...

- Do you have a water meter?

#### **For those with a meter**

- How long have you had it for? How did you come to have one? Did you ask for it to be installed/was it already installed when you moved in/other?
- Has it changed the amount you have to pay for your water? Do you pay more or less?
- What steps, if any, do you take to keep your water bill as low as possible – ask for examples e.g. sharing bath water, cistern hippos etc. Has it made a difference to your bill? What impact does this have on you and your family? Do you feel having a meter puts you more in control of your water bill?

- Has it changed what you spend in other areas, i.e. do you have more or less to spend and on what do you spend or save it?
- Do you feel your water bill is now better or worse value for money because you have a meter?
- Has having a meter changed the priority you would give to paying your water bill? How so? Are you more or less likely to pay your water bill now you have a meter or has it made no difference?
- Pros and cons of having a water meter. More or less expensive? Any other benefits, i.e. green issues?
- Read out stimulus. Check response. Anything they didn't know? Any comments?

#### **For those without a meter**

- Do you know water meters exist? What do you know about water meters?
- Do you know whether you could have a water meter? Have you ever sought or been given advice about water meters? If so, from where and how did this happen? What was your response?
- Would you like to have a water meter? Why/why not? Do you think it would/would not save you money? Why?
- Pros and cons of having a water meter. More or less expensive? Any other benefits, i.e. green issues?
- Show stimulus/read it out. Explore reactions – does this change respondents' views on water meters – if so, in what way and why?

#### **We would now like to get your views on various methods that are available to help people manage their water bills.**

##### **Instalment/Payment plans -show/read out description: aware of, already taken advantage of?**

- If not, why not. What might prompt them to do so?
- If yes, what has their experience been? has it helped – in what ways? If not, why not
- (If no) who would benefit the most? Who should pay (i.e. other customers/the water companies/government)? Why?

##### **WaterSure - show/read out description: aware of it? establish if eligible; if so:**

###### **(Respondents in Welsh Water areas see separate stimulus.)**

- Are you on this tariff? If yes, has it reduced your bills? By how much? Is your water bill now more affordable than previously? Are you more/less/the same likely to pay your bill? How did you hear about it? How easy or hard was the application process?
- (If no) have you heard of it? Does it seem like something you might benefit from? Would you be likely to find out more about it? How?
- (If no) who would benefit the most? Who should pay (i.e. other customers/the water companies/government)? Why?

**Water Direct - show/read out description: aware of it? establish if eligible; if so:**

- Are you using this scheme? If yes, has it made payments and clearing your arrears easier or harder? How long have you been on it? How did you find out about it? How was the application process-easy or hard? Is your water bill now more affordable? Would you like to stay on it when you have cleared your arrears? Why/why not?
- (If no) do you think you would be able to take advantage of this scheme? Why? Have you heard of it? Will you be likely to find out about it? How?
- (If no) who would benefit the most? Who should pay (i.e. other customers/the water companies/government)? Why?

**Charitable Trusts - show/read out description: aware of it?**

- Have you received an award from a charitable trust? If yes, has it made payments and clearing your arrears easier or harder? How did you find out about it? How was the application process-easy or hard? (Where relevant) who were you referred by? Is your water bill now more affordable? Better value/worse/the same value for money?
- (If no) do you think you would be able to take advantage of this type of scheme? Would you want to? Why/why not? Will you be likely to find out about it? How?
- (If no) who would benefit the most? Who should pay (i.e. other customers/the water companies/government)? Why?

**Restart Schemes - show/read out description: aware of it?**

- Have you had your arrears paid off in this way? If yes, has it made payments easier or harder? How did you find out about it? How was the application process-easy or hard? Is your water bill now more affordable? Better value/worse/the same value for money? Has it changed the amount of disposable income you have?
- (If no) do you think you would be able to take advantage of this type of scheme? Would you want to? Why/why not? Will you be likely to find out about it? How?
- (If no) who would benefit the most? Who should pay (i.e. other customers/the water companies/government)? Why?

**We would now like to finish by asking some questions about your water bill taking into account everything we have discussed so far.**

In overall terms, how would you say you feel about your water bill:

- Is the amount you pay fair for the water and sewerage services that you get? Has that changed lately?
- Is it now more or less affordable than in the past? In what way?
- Has your water company helped you manage your bill? How?

What types of help and assistance would you like to have ideally?

- Proactive or reactive?
- Where should it come from?
- How should it be delivered?

- Who should qualify?
- Who should pay for it?
- What form should it take, for example a direct money grant or payment made directly to the water company?
- What would make you more likely to seek help when necessary? Barriers/as previously established?

**Thank and Close**

## 12.3 Stimulus Material

### 12.3.1 Water Meters

- Most households get a bill every 6 months based on the amount of water they use.
- Apply direct to company and meter is fitted free of charge where it is practical to do so.
- Where it can't be fitted, householders are offered a bill based on an assessment of typical water usage based on type of property, number of occupants etc.
- 12 month trial period - can return to unmetered billing but meter remains and will be used to bill the next occupier.
- Typically will benefit smaller households with one or two occupants living in larger properties rather than larger families in smaller properties.

### 12.3.2 Methods of Helping People Manage Their Water Bills

#### **Payment frequency**

- Payments can be made by monthly instalments
- Payments are also available by fortnightly and weekly instalments by special arrangement with the company

#### **Where and how to pay**

- Payment can be made by direct debit, or at a Post Office or bank, or a PayPoint or Payzone outlet
- There may be a charge for payment at Post Offices and banks
- Some Housing Associations and Neighbourhood Offices will take payment free of charge

### 12.3.3 WaterSure

- Aims to ensure low income households that need to use a lot of water e.g. a large family, do not have to limit their use of water
- Eligibility
  - must have a water meter
  - receiving means tested benefits

- and either
  - have three or more children under 19 at home (for which CHB is received)
- or
  - or a medical condition means more water than usual is used
- Application process: customer applies direct to local water company
- Water bill is capped at the level of the water company's average metered bill. Costs are recovered via other customers' bills (less than £1 per year)

#### 12.3.4 Welsh Water Assist

- New scheme replaces WaterSure from April 2009
- The Welsh Water Assist Tariff exists to help low income families and individuals with relevant medical conditions by offering reduced water charges
- Eligibility
  - Both metered and unmetered customers can apply
  - The bill payer or a member of the household is in receipt of a qualifying benefit or tax credit
- and either
  - has three or more children under 19 at home (for which CHB is received)
  - or a medical condition means more water than usual is used
- This year the Welsh Water Assist Tariff charges are: £125 for water and £125 for sewerage for the period 1/4/09 to 31/3/10
- If your property is supplied by a water meter and the charge calculated from actual usage shown on the meter using the standard measured tariff, is less than the 'Welsh Water Assist' tariff, your bill will be based on the actual reading. Otherwise the bill will be capped at the 'Welsh Water Assist' level

#### 12.3.5 Water Direct

- Water charges are paid out of benefits direct to the water company
- The scheme is only available to customers with arrears
- In addition to having arrears, customers also need to be on income based benefits (Income Support, Job Seekers Allowance or Pension Credit)
- Water companies can collect current charges and a contribution to arrears direct from benefits. Some customers find this can help them to budget. Deductions are fixed at set amounts which cannot be exceeded

#### 12.3.6 Charitable Trust Funds

- A number of water companies have these schemes and although the detail of different company schemes varies they generally work as follows:

- They are for customers in severe financial hardship
- Applicants go through a financial assessment process, often via Citizen's Advice Bureau (CAB)
- CAB applies to the trust fund on behalf of the customer
- A grant may then be awarded to the customers' priority creditors including the water company. Sometimes this is conditional on the customer showing a genuine desire to manage their finances in the future, for example, by sticking to agreed payments with their water company
- Most grants are made on a one-off basis, occasionally it is possible to reapply to the trust after a certain time

### 12.3.7 Restart schemes

- A number of water companies have these schemes and although the detail of different company schemes varies they generally work as follows:
- The schemes are for customers who are struggling and genuinely can't pay their water and sewerage bills
- The restart scheme aims to help customers manage their money better by getting them back into the habit of making regular payment on their water and sewerage bills
- If payments are kept up for six months or a year, the water company will write off some or all of the remaining debt
- Application may be made to the water company via the CAB, money advisor or direct to the water company
- The costs of these schemes may be paid for in other customers' bills

