



Staying afloat: *Addressing customer vulnerability in the water sector (2016-17)*



September 2017

Summary of report

- This report shows the progress that the water industry is making in supporting customers who are financially vulnerable and those that need extra help accessing their water and sewerage services.
- Whilst direct comparisons cannot be made between companies due to the level of charges or poverty in the area, companies can still use this information to compare themselves to similar companies to see what future opportunities there may be to improve - for example voluntary schemes such as debt write off schemes and charitable trusts.
- We are pleased to see that there has been significant progress to enhance and broaden the help that is available to customers in vulnerable situations.
- Collaborative working with other sectors has resulted in more tailored help being offered to customers.
- However, there is still work to do to address the current challenges faced by the industry.
 - Our research indicates that around 3 million households in England and Wales do not consider their water charges to be affordable. Some of these may already be receiving financial assistance, which suggests that the help available may not be sufficient. Ofwat has previously reported that a similar number are spending more than 5% of their income after housing costs on water and sewerage services.
 - The social tariff schemes currently in place have the potential to give some support to around 410,000 households based on what customers are willing to contribute through bills. A further 119,389* are receiving help through the WaterSure scheme (not including unmetered customers in Wales).
 - This suggests that support may not be available for four out of five customers that need it and this figure may be higher if customers who find their bill unaffordable are already receiving financial assistance.
 - There is significant variation across England and Wales in the number of customers that are on the priority services register, which may imply that more work is needed in some areas.
- Specifically we would like to see:
 - More customers moving to metered billing, if they could save money.
 - A more standardised approach to delivering affordability assistance, so that help is available to all that need it no matter where they live.
 - The use of data sharing and improved communications to increase the take up of assistance schemes.
 - More funding being available to help support customers in financial vulnerability.
- We will increase our work with the industry, governments and regulators to help water companies meet these challenges. Specifically, we will:
 - Press Ofwat to strengthen the position on vulnerability within the 2019 price review;
 - Work with companies through Consumer Challenge Groups to ensure that business plans deliver for vulnerable customers; and
 - Press companies to make further improvements in terms of the help that is available for vulnerable customers.

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.



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1. Introduction

An increasing number of customers need additional support as they find themselves in vulnerable circumstances. The help that they need may be financial or in accessing services.

Affordability is a key concern for water customers in England and Wales with one in eight telling us that they find their bill unaffordable¹ - this is a consistent picture across England and Wales.

This report outlines the progress that the water companies in England and Wales are making in supporting customers who are financially vulnerable and those who need extra help with the services provided by their water and sewerage companies. The data in this report is taken from information that companies voluntarily share with us, our research or other publically available information.

Throughout the report, we give an overview of the current situation and our thoughts on where the industry should be aiming to make improvements for customers in the future.

¹ <https://www.ccwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>



2. What is the scale of the affordability problem?

Measures of water affordability - there is currently no government definition of water poverty or water affordability. However, in its 2015 report on debt and affordability Ofwat used the following measures to describe the scale of the problem:

- The proportion of customers spending more than 3% and 5% of their household income (after housing costs) on water; and
- The percentage of customers that do not think that their water bill is affordable (using CCWater’s customer research data).

Both measures of water affordability have remained relatively stable since 2008-09.

Table 1: Proportion of water customers that satisfy each measure of water poverty

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
>3% income ²	24%	24%	23%	24%	24%	24%	Data not available ³		
>5% income ¹	11%	11%	10%	11%	11%	11%			
Unaffordable ⁴	-	-	16%	12%	12%	20%	12%	12%	12%

The assistance provided by companies to their customers has expanded significantly. Since 2012 companies have been permitted to develop customer-funded social tariff schemes which offer lower bills to some customers. The fact that customer perceptions of affordability have remained stable may suggest more support is needed before the affordability problem can be considered to have been addressed.

Other factors affecting affordability in the future

Bill levels - Currently, the average household water and sewerage bill is £395, but there is a lot of difference from one water company to another due to local cost drivers (this ranges from £100 to £245 for the water bill and £166 to £325 for the sewerage bill).

Likely future bill levels - Defra’s 2015 report ‘cumulative impact of regulation and policy on future water bills’ outlines that the worse case scenario for bill rises could be around 28% by 2050. This would take the average water and sewerage bill from £395 to £506 in real terms. However, other scenarios have been identified which would have a lesser impact on bill prices. We are working with the industry to ensure that any changes are paced so that bills remain affordable.

Wider poverty trends - In 2014-15 there were 13.5 million people living in low income households, 21% of the UK population. There has been relatively little movement in these figures since 2002-03. Child poverty is also projected to rise sharply between now and 2020. The Institute for Fiscal Studies project that the number of children in relative

² Source: Ofwat analysis of the Department for Work and Pensions Family Resources Survey

³ Ofwat’s last review was in 2013-14 and further data is not available.

⁴ Source: CCWater annual tracking surveys



poverty (before housing costs) will have risen from 2.3 million in 2012-13 to 3.6 million by 2020⁵. Consequently, the issue of affordability will continue, if not worsen, in the future.

Estimated costs of addressing water poverty - The UK Government's 2009 'Independent review of charging for household water and sewerage services'⁶ (The Walker Review) estimated the cost of delivering a comprehensive water affordability solution for low income households to be in the region of £340m per year (the equivalent of around £420m today).

⁵ Browne J, Hood A, and Joyce, R. Child and working age poverty in Northern Ireland over the next decade: an update. Institute for Fiscal Studies, November 2014.

⁶ <https://www.gov.uk/government/publications/the-independent-review-of-charging-for-household-water-and-sewerage-services-walker-review>



3. What are water companies putting into place to help customers?

Prior to the introduction of customer-funded social tariffs (the first schemes launched in April 2013) the financial assistance available to water and sewerage customers struggling to pay was quite limited.

Several water companies operated voluntary schemes such as charitable trusts and arrears allowance schemes. A small number of companies also trialled social tariff schemes funded only by the associated savings in debt recovery costs. These schemes were predominantly targeted at customers who had already fallen into debt with their water bills rather than those continuing to pay but suffering hardship as a consequence.

In addition, the mandatory WaterSure scheme (see section 3.2) was offered by all companies. This caps metered bills at an average level for low income customers with high essential water use needs (due to a large family or health circumstances).

Appendix A summarises the financial assistance that each company is offering.

3.1 2015-20 commitments to customers

In their business plans for the five-year period 1 April 2015 to 31 March 2020, water companies made commitments to deliver financial support to an additional 1 million people (459,000 households). At the beginning of 2017, the industry reported to CCWater that they had already delivered financial support to almost 780,000 people (338,764 households) in less than two years. It is likely that the 1 million target will be met by 2020.

3.2 WaterSure & Welsh Water Assist

WaterSure is a statutory scheme⁷ which caps the water and sewerage bill at the average household bill for each company. Bristol and Wessex make a further reduction and cap the water and sewerage bill at the average metered charge. Customers can get help through WaterSure if they are:

- On a water meter (although the Welsh Water Assist scheme historically extended help to unmetered Dŵr Cymru customers);
- Receiving certain welfare benefits; and
- Receiving child benefit for three or more children under the age of 19, or have someone living at the property with a medical condition requiring high water use.

Customer awareness of WaterSure and Welsh Water Assist increased significantly in 2016 to 12% (previously 8% in 2015)⁸.

⁷ The Water Industry (Charges) (Vulnerable Groups) Regulations 1999 as amended

⁸ <https://www.cwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>



WaterSure type assistance in Wales

Although the scheme is mandatory only in England, both Dŵr Cymru and Dee Valley, which operate mainly in Wales, introduced similar schemes on a voluntary basis.

Dŵr Cymru's WaterSure Wales is the current WaterSure type scheme available to metered customers only in the company's area with charges capped at a lower level than the average bill. Welsh Water Assist scheme was the WaterSure type assistance available to all customers before WaterSure Wales and remained available to unmetered customers in 2014-15 (new applicants). With the introduction of Dŵr Cymru's new social tariff 'HelpU', Welsh Water Assist ceased to be offered to new claimants from 1st April 2015. Unmetered (Welsh Water Assist) customers who still met the eligibility criteria for WaterSure type assistance were offered the opportunity to opt for a meter to continue receiving the same help and bill reduction. During this transition meter uptake was very low risking big spikes for those customers still entitled to assistance on the basis of their needs. For this reason the company adapted its policy to allow those customers to receive WaterSure type assistance without opting for a meter. In 2016-17 there were 10,946 metered customers and 21,611 unmetered customers receiving help through WaterSure Wales and Welsh Water Assist in Dŵr Cymru's area.

In Dee Valley's area WaterSure assistance remains available to eligible customers on a water meter. In 2016-17 there were 1,258 customers receiving help through WaterSure Wales in the company's area.

Overall figures and increases of WaterSure and Welsh Water Assist

Charts 1a and 1b show how many customers per 10,000 metered connections are registered for WaterSure (or the equivalent scheme in Wales). These figures cannot be compared across companies because the level of charges and the extent of household poverty vary between companies, and this will have an impact on the uptake of the schemes. However, companies should compare themselves against similar companies to see where there are further opportunities for improvement.

The number of customers receiving help through WaterSure and Welsh Water Assist has increased at a rapid rate over the past five years. In 2012-13 there were just over 73,600* metered customers registered for WaterSure and this has increased by 62% to 119,389* over the five-year period. However, there are many more customers who are eligible for help through the WaterSure scheme, and we will expect companies to continue to promote this assistance and identify more eligible customers.

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.



Chart 1a: The number of customers per 10,000 household metered connections that are registered on WaterSure or the equivalent (water companies only)

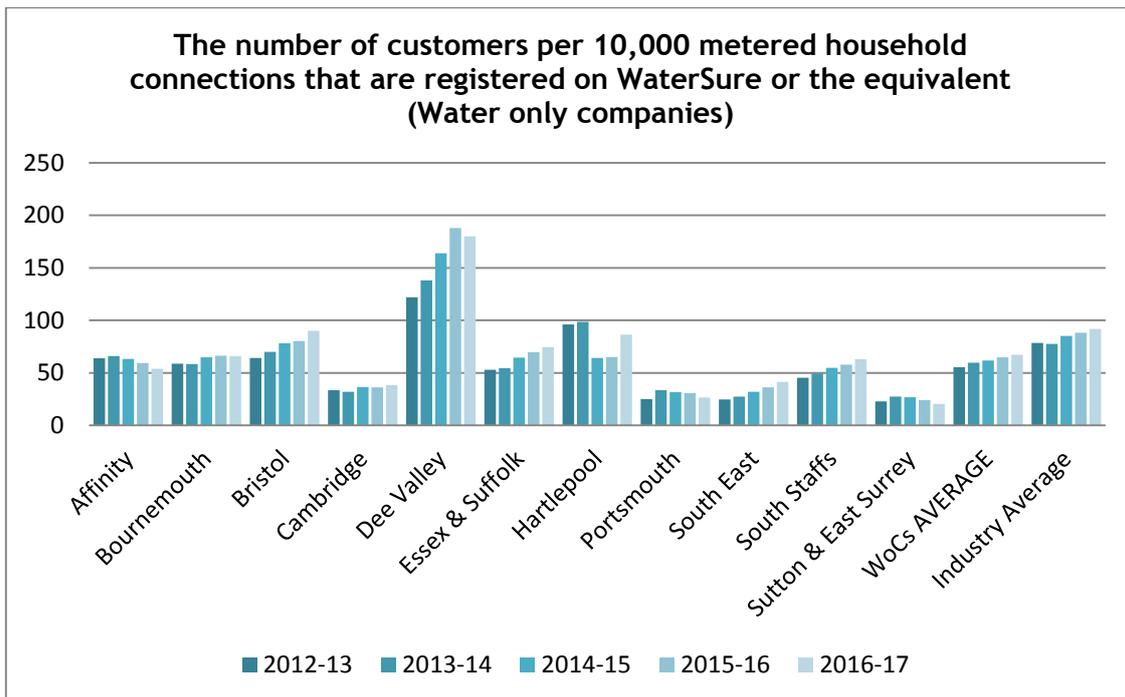
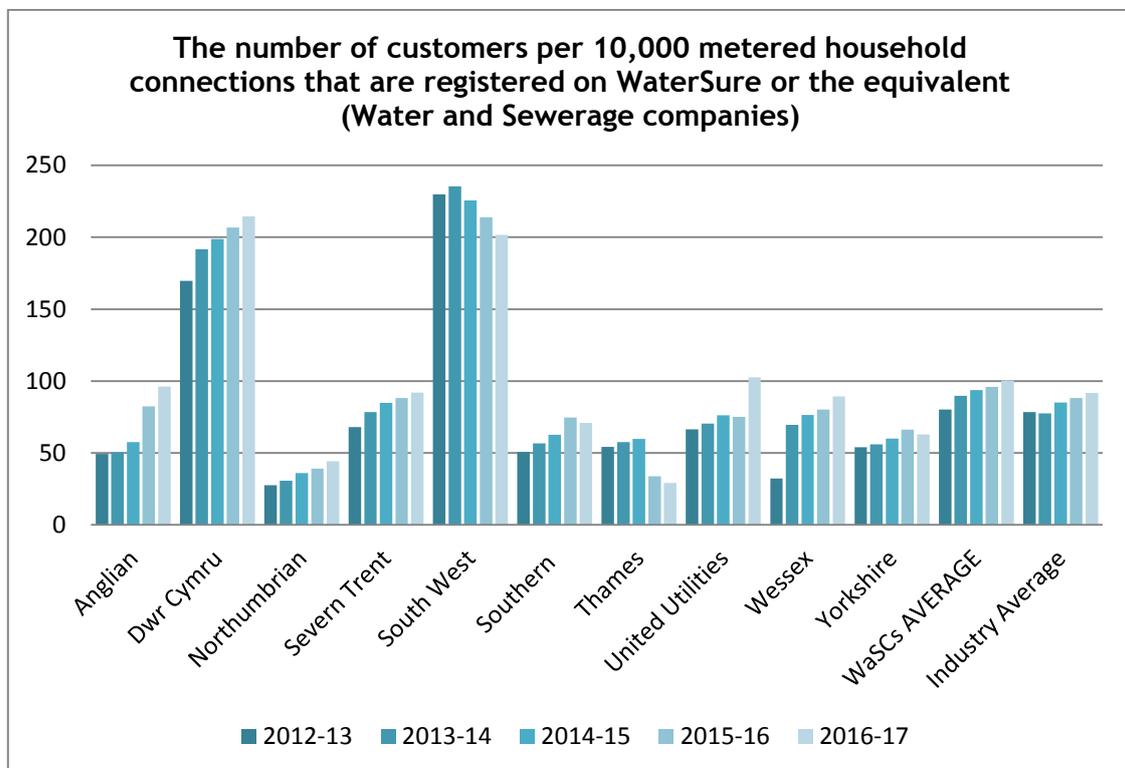


Chart 1b: The number of customers per 10,000 household metered connections that are registered on WaterSure or the equivalent (water and sewerage companies)



3.3 Social Tariffs

The UK Government introduced legislation under the Flood and Water Management Act 2010 which enabled companies to operate local social tariff schemes funded by customers through their bills. These social tariffs provide lower bills for some customers who might otherwise struggle to pay. The Government guidance issued in 2012 requires companies to consult CCWater on the development of such tariffs and to test their acceptability with customers.

At the end of 2016-17 there were 260,540* customers in England and Wales receiving help through social tariffs, a 93% increase on the 2015-16 figures.

At present, customer awareness of social tariffs is still very low (5%)⁹, however this can be explained in part by the fact that the tariffs are aimed at a relatively small group of customers who struggle financially.

Table 2: The number of customers per 10,000 household connections that are registered for customer-funded social tariffs

	2013-14	2014-15	2015-16	2016-17
Water and Sewerage Companies				
Anglian	N/A	N/A	5.27	21.63
Dwr Cymru	N/A	N/A	22.60	144.31
Northumbrian	N/A	N/A	6.91	19.57
Severn Trent	N/A	N/A	24.22	85.91
South West	15.10	36.53	51.37	75.59
Southern	N/A	N/A	48.84	139.64
Thames	N/A	4.92	34.70	55.33
United Utilities	N/A	N/A	41.55	96.24
Wessex	65.02	77.17	81.51	113.01
Yorkshire	N/A	N/A	39.77	56.90
Water only companies				
Affinity	N/A	150.49	277.22	311.87
Bournemouth	N/A	N/A	N/A	N/A
Bristol	87.32	111.77	125.66	154.52
Cambridge	N/A	N/A	N/A	24.53
Dee Valley	N/A	N/A	N/A	10.80
Essex and Suffolk	N/A	N/A	3.76	6.82
Hartlepool	N/A	N/A	N/A	N/A
Portsmouth	N/A	N/A	N/A	93.77
South East	N/A	N/A	49.95	100.67
South Staffs	N/A	N/A	N/A	67.94
Sutton and East Surrey	N/A	106.02	210.38	213.63

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.

⁹ <https://www.cwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>



Differences in Social Tariffs across England and Wales

Social tariffs are developed in conjunction with local customers, and consideration is given to how much extra they are willing to pay to help other customers.. As such, there is a wide variation in the schemes now in place across England and Wales. Companies carry out research with a representative sample of customers to identify how much, if anything, they are willing to pay through bills to help those struggling to pay. For example if research shows that customers are willing to accept £1 being added to their annual bill and the company has 2 million customers then it will have £2m per year to fund its social tariff. The annual funding contributions currently agreed with customers range from 43p to £11 per year.

The eligibility criteria for each company social tariffs vary, comprising any combination of the approaches listed below:

- Benefits receipt;
- Income threshold; or
- Individual assessment.

The ways in which each company offers support to reduce bills also varies:

- Fixed bill cap;
- Variable cap;
- Fixed percentage; or
- Variable percentage.

Each of these variations brings its own advantages and challenges, and some companies have adopted combinations of different features. Schemes which link eligibility to receipt of benefits or an income threshold seem to result in rapid take-up. The schemes which are based on individual assessments tend to require a more detailed analysis of household circumstances and result in a slower take-up.

The Digital Economy Act¹⁰ which received Royal Assent in April 2017 contains provisions which will allow publicly held data (such as whether customers receive income related benefits) to be shared in future for the purposes of supporting customers in ‘water poverty’, subject to the terms of a code of practice which will be developed by Ministers. Schemes based on benefit entitlement are most likely to make best use of data sharing provisions in the Act.

Bill reductions through fixed caps or fixed percentage reductions are already the simplest approach and can encourage a rapid take-up without a significant resource cost to the company. We believe that in future data sharing arrangements could facilitate automatic discounts to customers’ bills for those schemes which are based upon benefit entitlement and fixed caps or discounts.

Variable bill reductions (caps and percentages) are more tailored to the household but require a much more detailed approach and so require more company resource to administer. Consequently, take-up of the assistance available is typically slower than where fixed caps or percentage reductions are offered.

¹⁰ <http://www.legislation.gov.uk/ukpga/2017/30/resources>



3.4 Debt write off schemes

Most companies now have schemes that allow customer debt to be written off if the customer can make payments against an agreed plan. This helps customers pay off debt quicker, and companies have found it useful in getting customers to commit to a regular payment pattern. This form of assistance can be particularly effective when coupled with support with on-going bills such as through a social tariff, ensuring past problems are addressed and future problems avoided. However, it is not a mandatory scheme and not all companies extend this help to their customers. We work with companies who do not have a debt write off scheme in place to understand why and whether they can support customers in a similar way.

Table 3: Customers helped by debt write off schemes from April 2015 to January 2017¹¹

Company	Customers helped	Per 10,000 connections
Anglian and Hartlepool	180	0.62
Bristol	3,361	67.66
Bournemouth	4,884	253.86
Dŵr Cymru	6,209	43.06
Northumbrian and Essex & Suffolk	1,231	6.20
Portsmouth	402	13.43
South West	1,761	23.06
Southern	7,037	35.95
Sutton and East Surrey	51	1.88
Thames	10,652	19.09
United Utilities	18,716	58.85
Wessex	5,100	41.98
Yorkshire	6,806	29.92

3.5 Charitable trusts

Some companies provide funding to independent charitable trusts (in addition to social tariffs) that make grant payments to customers experiencing financial crisis. In most cases this will include funding to address water debt, but the grants can be made to help manage customers other household costs too. Again, this assistance is not a mandatory scheme but we would encourage companies who do not have a charitable trust to consider the potential value of offering such assistance.

¹¹ Per 10,000 connections calculations are based on the 2016-17 total household connections.



Table 4: Customers helped by charitable trust schemes from April 2015 to January 2017¹²

Company	Customers helped	Per 10,000 connections
Anglian and Hartlepool	1800	6.23
South Staffs & Cambridge	813	11.92
Severn Trent	6,901	16.77
South East	155	1.65
South West	851	11.14
Thames	2,333	4.18
United Utilities	8,651	27.20
Yorkshire	3,307	14.54

3.6 Water Direct

Water Direct is a Government scheme administered by the Department for Work and Pensions (DWP) which enables some customers (usually those in arrears with water charges) to have payments taken directly from their benefits. Some customers find this helpful in managing their household budgets. Customers can apply directly for the scheme but are usually signposted by companies.

Charts 2a and 2b show the number of customers who are paying their water bill through Water Direct for each company. However, this cannot be used to draw direct comparisons between companies because there are several local factors which can affect take-up of the scheme. These include the number of customers who receive benefits locally and the level of customer debt. However, companies should compare themselves against similar companies to see where there are further opportunities for improvement.

Overall, in the last year, there has been a 9% reduction in the number of customers that are paying their bills through Water Direct. The total now stands at almost 225,000* compared to over 246,000* in 2015-16. The biggest decreases have been seen for Bournemouth (46%) and Portsmouth (46%), with large decreases also seen for Thames (30%) and Severn Trent (25%). In fact, the only companies that have reported an increase in the number of customers that are paying their bills through Water Direct are Northumbrian, United Utilities, Wessex, Cambridge and Bristol.

The reduction in 2016-17 may be due to an increase in the number of households receiving help through social tariffs or debt write off schemes, reflecting a more proactive approach by companies and the delivery of assistance which better meets the needs of customers. However, to some extent, it may also reflect changes to the Water Direct scheme rules and to the order of the debts which the DWP prioritises.

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.

¹² Per 10,000 connections calculations are based on the 2016-17 total household connections



Chart 2a: The number of customers per 10,000 household connections that are registered on Water Direct (water only companies)

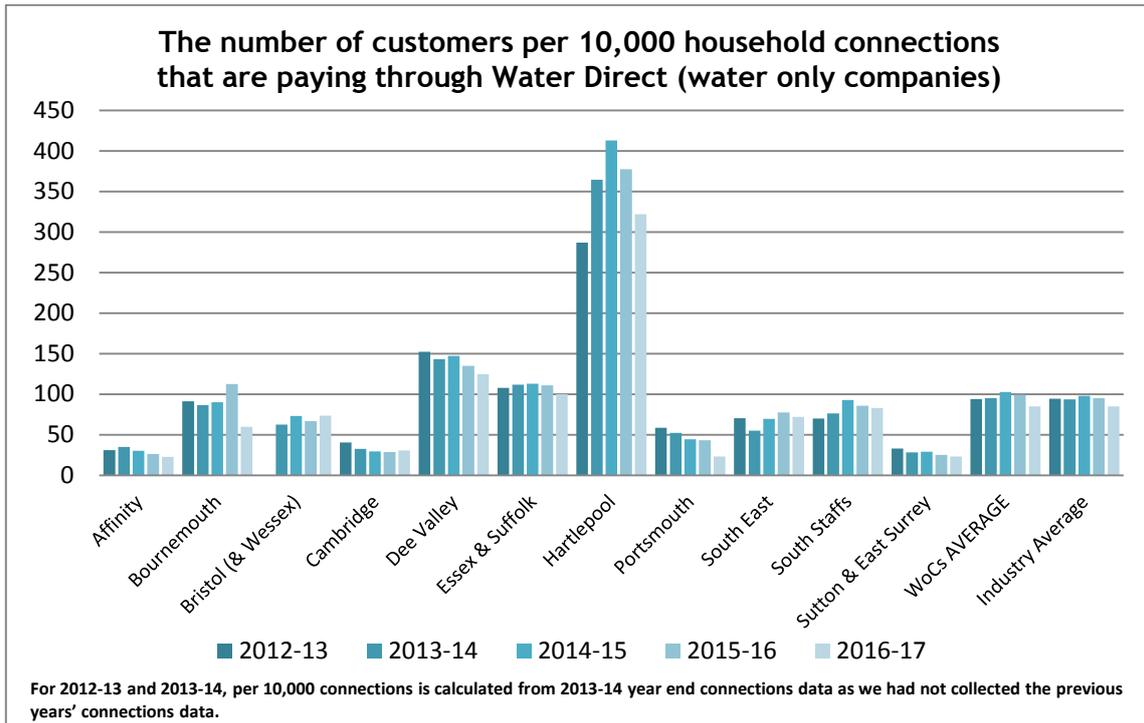
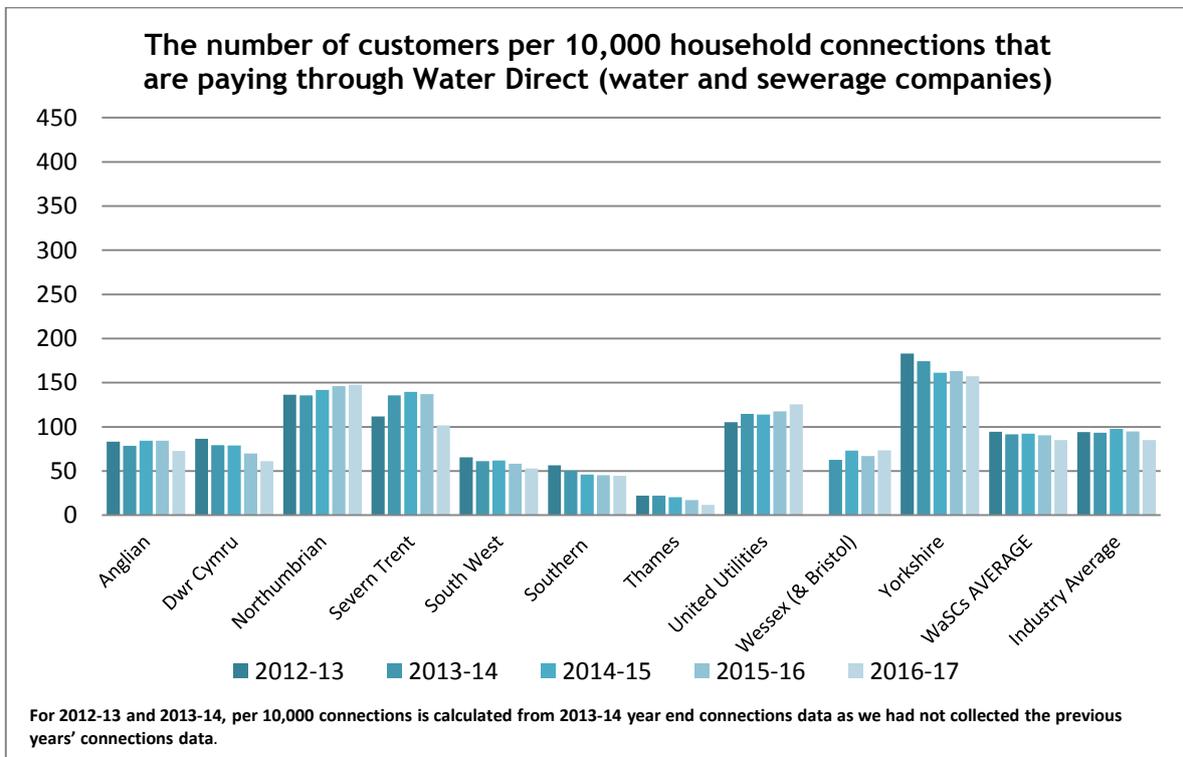


Chart 2b: The number of customers per 10,000 household connections that are registered on Water Direct (water and sewerage companies)



3.7 Metering

Metering can be another way for customers to manage their water bill. Any customer who is currently paying their bill based on the rateable value of their property can request to switch to a water meter. However, our research shows that six in ten unmetered customers are aware of this¹³.

Installation of the meter is free and, unless they live in an area where compulsory metering is being introduced, they have the option to revert to their previous method of charging. All companies now offer this trial option for up to two years after installation following work by CCWater to get their agreement to extend this from 12 months. But only 27% of unmetered customers are aware of this¹⁴ option to trial a meter. The overall five year trend is downward; awareness of the trial period has fallen significantly in the last five years. Further communication about the meter option is needed.

Household customers can find out if they could save money by switching to a water meter by visiting our Water Meter Calculator at: www.ccwater.org.uk/watermetercalculator/

3.8 Other financial support

As well as direct financial help with bills, companies provide a range of support to customers who are struggling to pay their bill. These include flexible payment plans, payment holidays, debt advice and water saving advice and audits.

¹³ <https://www.ccwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>

¹⁴ <https://www.ccwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>



4. Challenges for the industry in relation to affordability assistance

Maximising take up of social tariffs - The industry, as a whole, has been able to make very significant progress in increasing take-up of social tariff schemes in the last year. However, in the case of some company schemes, take-up is still well below the total capacity of those schemes. This can be influenced by the age of the scheme, eligibility criteria, ease of applying and promotion. We have worked with the industry to help raise awareness of the help that is available to customers and to identify good practice when communicating about the schemes. This has involved research and workshops with the industry and interested parties.¹⁵ We have also used our media and social media work to make customers aware of the help that is available to them.

Social tariff funding limitations - the majority of social tariffs are funded through customer bills and the levels of funding have been agreed in consultation with customers. These limits can be quite modest for some companies who now find that they are beginning to exhaust all of the money they have available for social tariffs. Some companies have adopted a shared funding approach where they also help to fund social tariffs. Others have gained more acceptance from customers through further consultation with them. However, companies could do more to fund social tariffs through the profits that they make. CCWater has encouraged companies to consider what funding they might contribute to social tariff schemes. And a small number of companies have adopted a shared funding approach. CCWater's 2010 research found more customers were willing to contribute through bills where this is a part of a joint effort with companies.

Regional inconsistencies in affordability assistance - assistance has been developed at a company level and differs widely across England and Wales. This means that customers' access and levels of assistance depends on where they live. A more uniform approach would help to overcome this problem, offering protection to those that are most financially vulnerable.

Barriers to having a water meter fitted - our research shows that some low-income households are concerned about switching to a water meter as they are unsure whether there would be bill increases or fluctuations in bills which would be a problem for them managing their outgoings. CCWater actively promotes the potential money saving benefits of a water meter, and our water meter calculator is a tool that can help customers decide whether or not to switch to a meter. We have also worked with companies to ensure that all those which allow reversion to unmeasured bills now give customers up to 2 years to switch back. This provides extra peace of mind for those considering a meter.

Companies could also help by offering customers in need of financial help a guaranteed lower bill if they switch. As long as these customers are targeted effectively, this should not create any significant additional costs.

¹⁵ <https://www.cewater.org.uk/research/delivering-affordability-assistance-to-water-customers-cross-sector-lessons/>
<https://www.cewater.org.uk/wp-content/uploads/2014/09/Living-with-water-poverty-in-2014-Report-of-research-findings.pdf>



5. Non-financial assistance schemes

Consumers can find themselves needing additional support to access a company's service. Depending on their individual circumstances this could be permanent or temporary support. It's crucial that consumers are aware of the assistance that companies offer so that they can access the help when needed. It's also important that the assistance is fit for purpose.

5.1 Priority Services Registers

Priority services registers are another way that companies can help customers who may find themselves in a vulnerable situation. They allow customers to sign up for additional help in accessing services, such as:

- Meter reading;
- Password scheme;
- Help during water supply interruptions; and
- Large print, Braille or talking bills.

The schemes are open to anyone who needs extra help regardless of age, health or disability. Our latest research shows that 44% of customers are aware of these additional services¹⁶. Companies need to do more to raise awareness of the assistance available. This is particularly important during incidents so that people who would otherwise struggle to cope get the help they need when they need it.

Charts 3a and 3b show that the number of customers who have signed up for extra help has been increasing at a steady rate over the past five years, from 224,393* in 2012-13 to 307,960* in 2016-17. This is a 37% increase across the five-year period and companies are to be commended for promoting their schemes.

However, some companies have seen a decrease in the number of customers who have signed up for extra help, the largest being Dee Valley (-83.6%).

Dee Valley's decrease may be due to the introduction of twice-yearly meter readings and billing of metered charges. This meant that the company could remove a number of customers off the priority services register that had requested additional help with meter reading (with the consent of the customer).

Less notable decreases have also been seen for South Staffs (-14.5%), Bournemouth (-9%), Sutton & East Surrey (-7.1%), Thames (-3.9%), Cambridge (-0.8%) and Dŵr Cymru (-0.2%).

¹⁶ <https://www.ccwater.org.uk/wp-content/uploads/2017/06/CCWater-Water-Matters-2016.pdf>

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.



Chart 3a: The number of customers per 10,000 household connections that are included on priority service registers (water only companies)

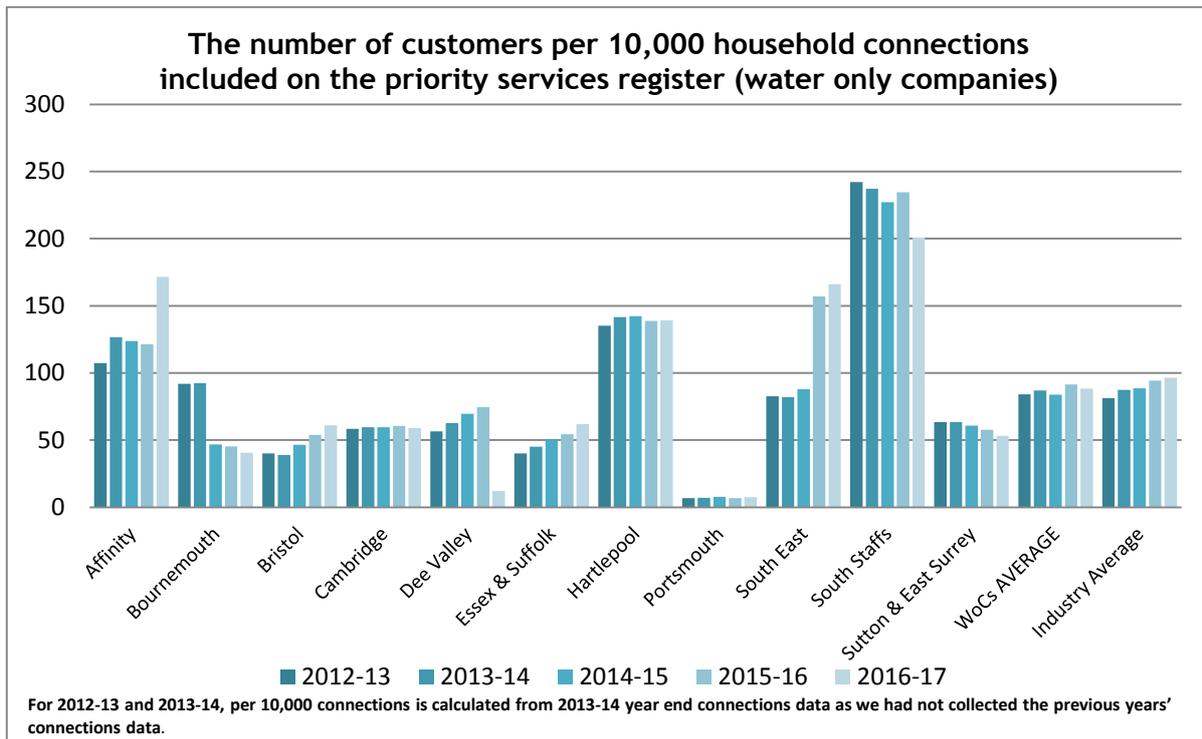
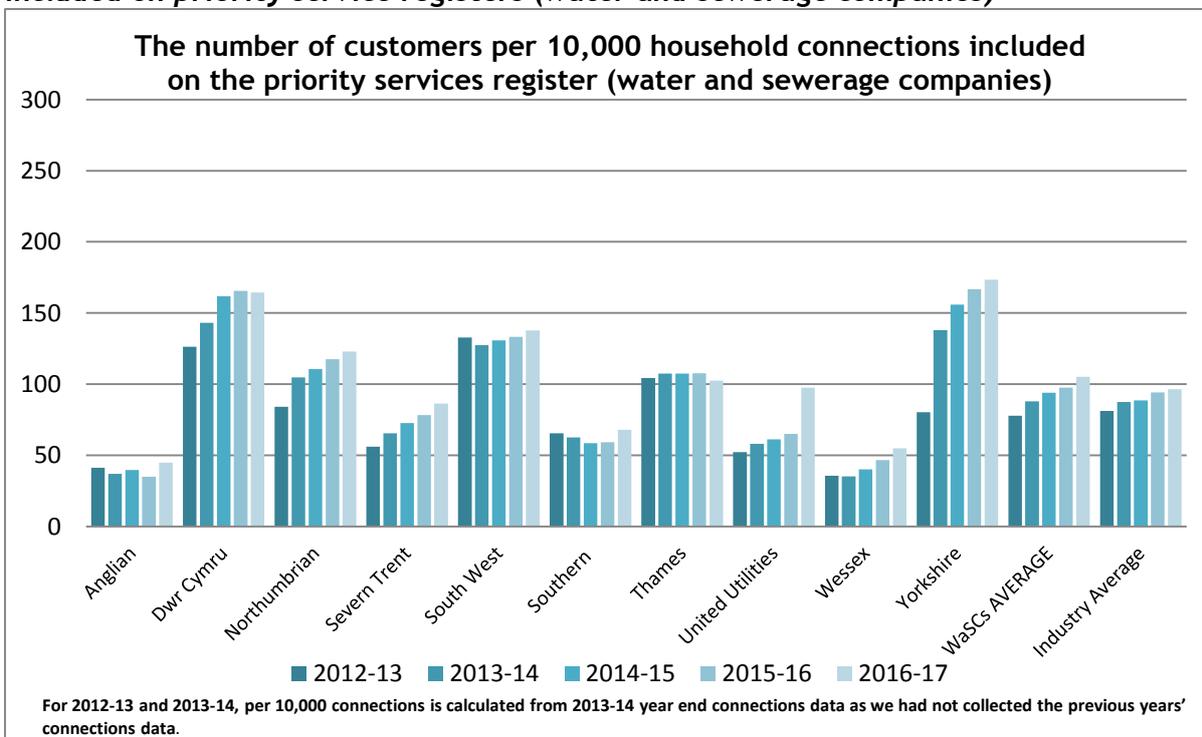


Chart 3b: The number of customers per 10,000 household connections that are included on priority service registers (water and sewerage companies)



5.2 Accessibility to company information about services

Companies can employ a number of different methods to make information accessible to all. For example, United Utilities has translated priority services and financial assistance information into Polish which is the second most common language in their region. Yorkshire Water has a separate Asian Language helpline. Wessex Water has partnered with local cultural organisations to ensure that the most vulnerable customers have access to advocacy and translation services when discussing their individual needs.

Severn Trent has a video on its website which helps to explain bills to customers.

Cambridge Water, Dŵr Cymru, South Staffs Water, South West, Sutton and East Surrey and United Utilities have sign language/subtitled videos on their website.

Dŵr Cymru, Northumbrian and South East all have adaptable and accessible websites that can have the background colour changed, font changed, content of the website read aloud and/or the content translated into another language.

5.3 Communication and engagement

We are pleased to note that all companies are putting great effort into developing effective partnerships with organisations such as housing associations to get the right help to the right people at the right time. Some such as United Utilities, Northumbrian, Severn Trent, Anglian (which also includes customers of Hartlepool), Wessex, Dŵr Cymru and Dee Valley already have good engagement strategies in place whilst others are developing a strategy.

United Utilities' Town Action Plan is of note, as is Severn Trent's partnership with Auriga to deliver financial assistance advice to dialysis patients. In Wales there has been strong engagement, including a cross-sector event organised by CCWater in February 2017 which involved various advisory organisations, other utility and insurance sectors and representatives from Welsh Government's Tackling Poverty department. As a result more organisations were linked to the water industry to help promote assistance available to water customers. Dŵr Cymru's shift to face-to-face engagement with its customers, the removal of obstacles in the application process as well as the training of external organisations to process applications for customer eligible for assistance yielded a notable increase in the uptake of its social tariff. Whilst Dee Valley organised a North Wales event engaging with other local organisations in an attempt to join forces in identifying those could benefit from water related assistance.

Additionally companies recognise that increased understanding of how a medical condition can affect someone will allow for better tailored services to help them. Companies are now using specialist organisations such as Mind to provide mental health awareness training and Alzheimer's UK to help them be dementia friendly. Wessex has developed a video in conjunction with MIND which it is using to deliver training to all of its customer facing staff. It has pledged to have all customer facing staff trained as dementia friends by the end of 2018. Dŵr Cymru was recognised at the National Mental Capacity Forum's annual Action Day in March 2017 for its approach during 2016/17 in relation to mental health issues.



6. Conclusions

There has been significant progress within the industry in terms of the support and assistance that is available to vulnerable customers in England and Wales.

Water companies have worked to enhance and broaden the financial assistance that is offered to their customers. By working collaboratively with other sectors and stakeholders, the industry is now doing more to promote what help is available to those who are most likely to need it, reducing the onus on customers to reach out to companies for help. This has resulted in more help being available than ever before, with more people getting the help that they need.

Our research indicates that around 3 million households in England and Wales do not consider their water charges to be affordable. Some of these may already be receiving financial assistance, which suggests that the help available may not be sufficient.

The social tariff schemes currently in place have the potential to give some support to around 410,000 households based on what customers are willing to contribute through bills. A further 119,389* are receiving help through the WaterSure scheme (not including metered customers in Wales).

This suggests that support may not be available for four out of five customers that need it and this figure may be higher if customers who find their bill unaffordable are already receiving financial assistance.

Additionally, whilst companies have made good progress in increasing the take-up of their priority service register services, there is significant variation across England and Wales in the number of customers that are on the registers. This implies that more work is needed in some areas. We would also like to see the sector as a whole adopt the term 'priority service register' to help with customer understanding.

We are pleased to see that the sector has recognised that the problem is not yet solved and that companies will be expected to make new and specific commitments to their customers for the next five-year period from 1 April 2020 to help address the issue of vulnerability.

It is also clear that there are still a number of challenges for the industry to address in terms of affordability and providing assistance and support to those customers that need it. Specifically we would like to see progress in the following areas:

- More customers who would save money, switching to a water meter
- A more uniform approach to the delivery of affordability assistance such as social tariffs ensuring customers have access to the help they need wherever they live

* Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.



- Further increases in the take-up of assistance schemes, ensuring the new data sharing powers are effectively utilised to identify more customers in need of help
- An expansion of the funding and assistance services available to support customers facing financial vulnerability, delivering a more comprehensive solution to the water poverty problem

Our future work with the industry, the Governments in England and Wales and other stakeholders will focus on these objectives to secure a further step change in performance. Specifically, we will:

- Press Ofwat to strengthen their position on vulnerability within the 2019 price review;
- Work with water companies through Consumer Challenge Groups to ensure that business plans deliver for vulnerable customers; and
- Press companies to make further improvements in terms of the help that is available for vulnerable customers. In doing this we will:
 - Highlight best practice;
 - Hold workshops with the industry¹⁷;
 - Highlight and challenge companies that could make further improvements, including those that have exhausted current capacity.

¹⁷ We will be holding a Social Tariff workshop in November 2017 and a Vulnerability workshop in early 2018.



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