

CONSUMER COUNCIL FOR



CYNGOR DEFNYDDWYR



Water For All



Affordability and vulnerability
in the water sector (2017-18)

Overview

In this report we present water companies' performance in 2017/18 in supporting customers who are financially vulnerable and those that need extra help accessing their water and sewerage services. We also provide insights into areas for improvement based on the findings of our 'Water Matters' customer research.

Affordability

For the first time more than half a million customers who struggle to pay are receiving help through reduced bills.

However, the schemes currently in place are likely to leave around three quarters of the problem unaddressed, and the amount and type of help varies considerably from region to region

Customer awareness of schemes remains low. We expect companies to continue to work with us, making use of the research insights and good practice we share, to make further progress in this area

We also expect companies to make use of new data sharing powers to help them support the hardest to reach customers.

Vulnerability

Companies continue to make good progress in growing the number of customers registered for their priority services schemes to get extra help with the way services are delivered. More than a third of a million customers are now registered for help.

Customer awareness of this assistance is higher than for financial assistance schemes but further progress is still possible and necessary.

Customers can move in and out of vulnerability. CCWater research into the freeze/thaw in March 2018 showed that more people than those who are registered for priority services need support during an incident. Companies need to focus on identifying and getting assistance to customers facing transient vulnerability.

We welcome the steps taken by water companies to adopt the priority services name to align with the energy sector and their work to share data on customers who may benefit from help, where they give consent.

Our recent report '[vulnerability in the water sector](#)' highlighted examples of good practice, but also called for companies to do more to innovate to protect consumers in vulnerable circumstances.

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1. Introduction

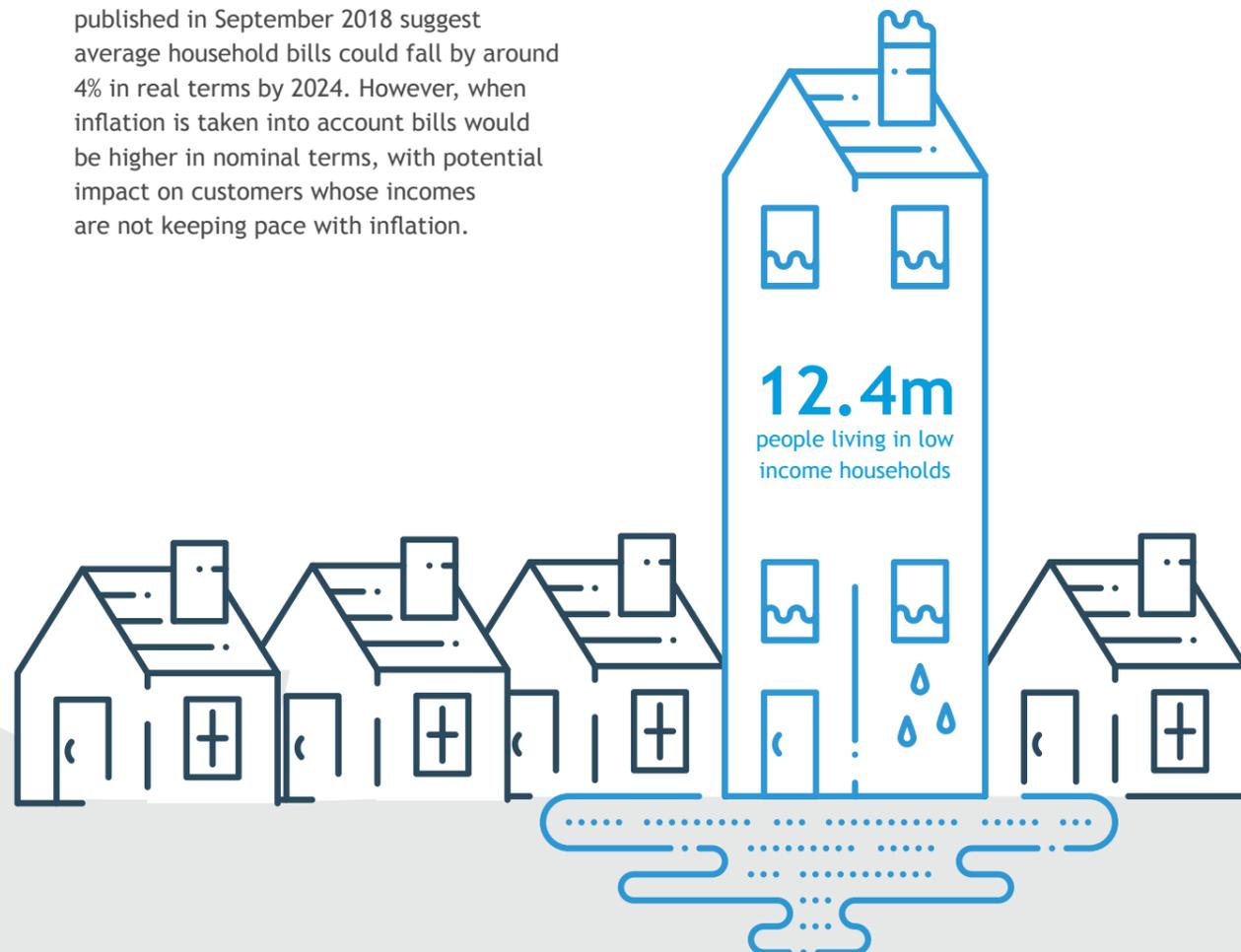
Water is an essential service. It is vital that bills are affordable to customers and that services are delivered in a way which meet customer needs, whatever their circumstances.

In 2015-16 there were 12.4 million people living in low income households (after housing costs) across the UK, 19% of the population. Analysis by the Joseph Rowntree Foundation suggests that child poverty is set to increase. They also consider that there are strong risks of price rises, falls in real wages and lower levels of employment as the UK-EU trading relationship becomes more distant.

The water companies' regulator Ofwat will make final decisions on the price limits, which will apply for five years from 2020, next year. Company business plans published in September 2018 suggest average household bills could fall by around 4% in real terms by 2024. However, when inflation is taken into account bills would be higher in nominal terms, with potential impact on customers whose incomes are not keeping pace with inflation.

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, and other publically available information.

In addition to providing an overview of current performance the report also identifies some of the challenges and opportunities which lie ahead. The Consumer Council for Water is committed to working to ensure the industry meets these challenges and delivers further improvements for customers.



Affordability

2. What is the scale of the 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).

CCWater's annual 'Water Matters' research provides useful insights into the proportion of customers who consider that their bills are not affordable. By that measure almost 3 million households in England and Wales are struggling to pay their water and sewerage bills.

The financial support provided by water companies has increased very significantly in recent years as companies have implemented and expanded customer-funded social tariffs (which offer lower bills to some customers) and other assistance schemes. The fact that the proportion of customers reporting affordability problems has remained relatively stable may suggest the number of customers in need of help has also been growing.

Other factors affecting affordability

Bill levels - Currently, the average household water and sewerage bill is £405, but there is a lot of difference from one water company to another due to local cost drivers (this ranges from £102 to £251 for the water bill and £169 to £324 for the sewerage bill). For customers receiving water and sewerage services from the same company the combined bill ranges from £349 to £540⁴

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
>3% income ¹	23%	24%	24%	24%	Data not available ²			
>5% income ¹	10%	11%	11%	11%	Data not available ²			
Unaffordable ³	16%	12%	12%	20%	12%	12%	12%	11%

1 Source: Ofwat analysis of the Department for Work and Pensions Family Resources Survey
 2 Ofwat's last review was in 2013-14 and further data is not available.
 3 Source: CCWater annual tracking surveys
 4 Source: <https://discoverwater.co.uk/annual-bill>

Insights from our Water Matters Research

Customers are more likely to consider their bills unaffordable when:

(22%)* - Their income is less than £10,000 per annum

(17%)* - They receive benefits

(19%)* - They have a disability

(17%)* - They are under 29 years old

Their household is metered but not through their own choice:

(11%)* - House already metered

(18%)* - Who were compulsory metered

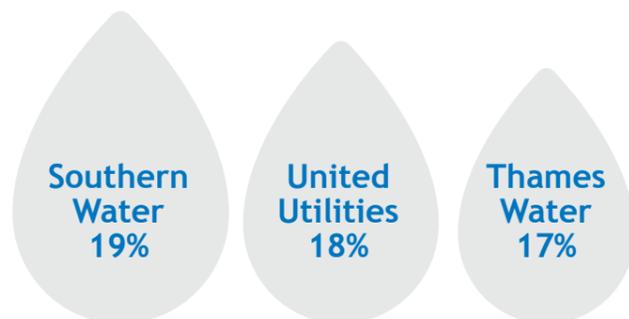
They live in any kind of rented accommodation:

(15%)* - Private rented

(21%)* - Council

(24%)* - Housing association

The following companies have the highest proportion of customers who consider bills are not affordable:



* percentages of those who consider their bills unaffordable who are in each group

3. How are water companies helping customers?

Companies now offer a range of schemes to help support customers who are financially vulnerable and those who have fallen into arrears. This includes schemes to provide lower bills, the write off of outstanding charges, and grants to help overcome financial crisis. Many also provide assistance through non-financial measures such as flexible payment plans, payment holidays (allowing a payment to be deferred) and referrals to debt advice and income maximisation services.

In their business plans for 2020-25 companies have said they will aim to help 1.4 million customers a year with their bills by 2025, an increase of almost 90% compared to today.⁵

WaterSure type assistance in Wales

Although only companies in England are mandated to provide WaterSure the companies operating in Wales also offer the scheme.

In the case of Dŵr Cymru, charges are capped at a level of 10% lower than the average bill. A number of unmeasured households who previously received support under an earlier version of the scheme also continue to be supported under legacy arrangements.

3.1 WaterSure

WaterSure is a statutory scheme⁶ 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;
- 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.

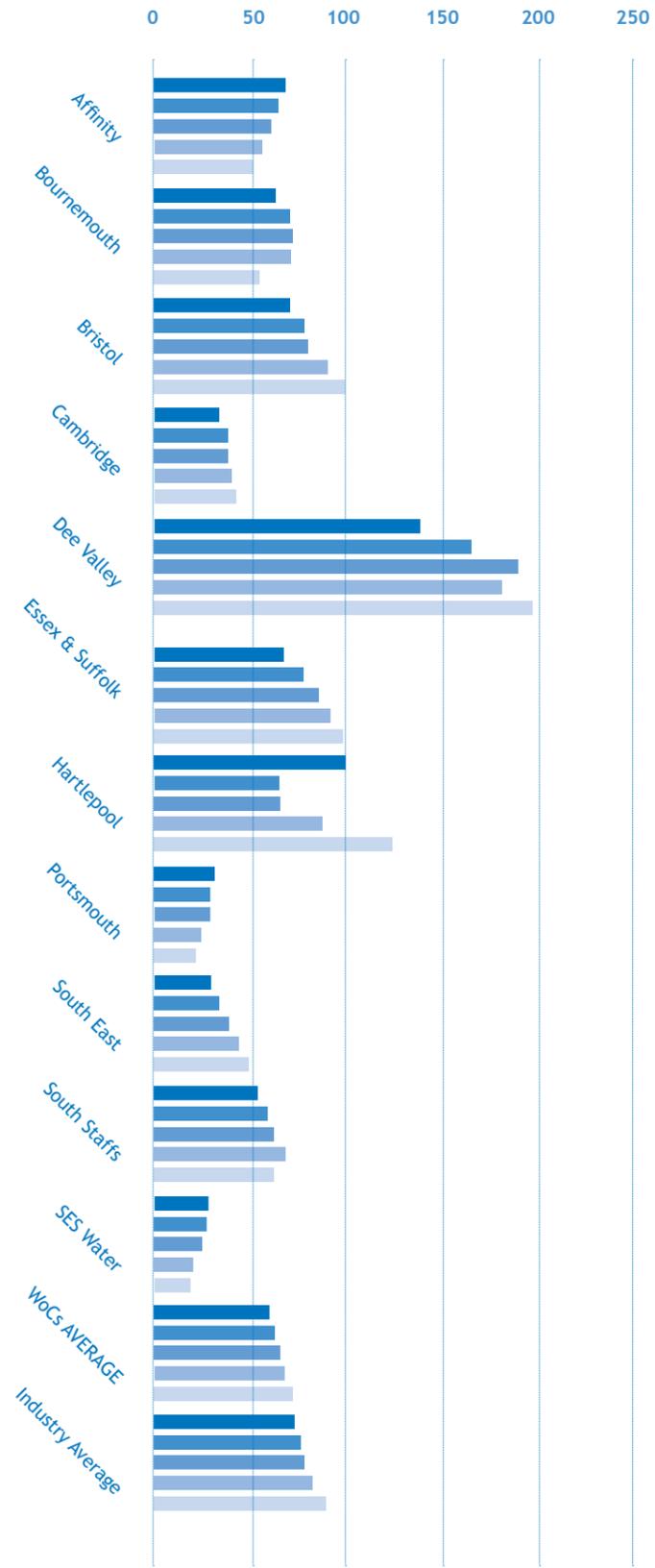
Overall figures and increases of WaterSure

Charts 1a and 1b show how many customers per 10,000 metered connections are registered for WaterSure (or the equivalent scheme in Wales). Company performance in terms of take-up can be influenced by a number of factors including differing bill levels, benefit take-up, the proportion of customers metered through optional and compulsory metering. The interplay with other social tariffs which are offered can also impact on take-up of WaterSure. Taking those differences into account CCWater presses companies to maximise take-up within their own regions.

Increasingly customers previously helped through WaterSure are now being supported by company social tariffs which provide greater bill reductions. As can be seen in the tables below a number of companies are reporting lower take-up of WaterSure as a result.

⁵ Source: Water UK <https://www.water.org.uk/news-water-uk/latest-news/ambitious-new-vision-water>

⁶ The Water Industry (Charges) (Vulnerable Groups) Regulations 1999 as amended



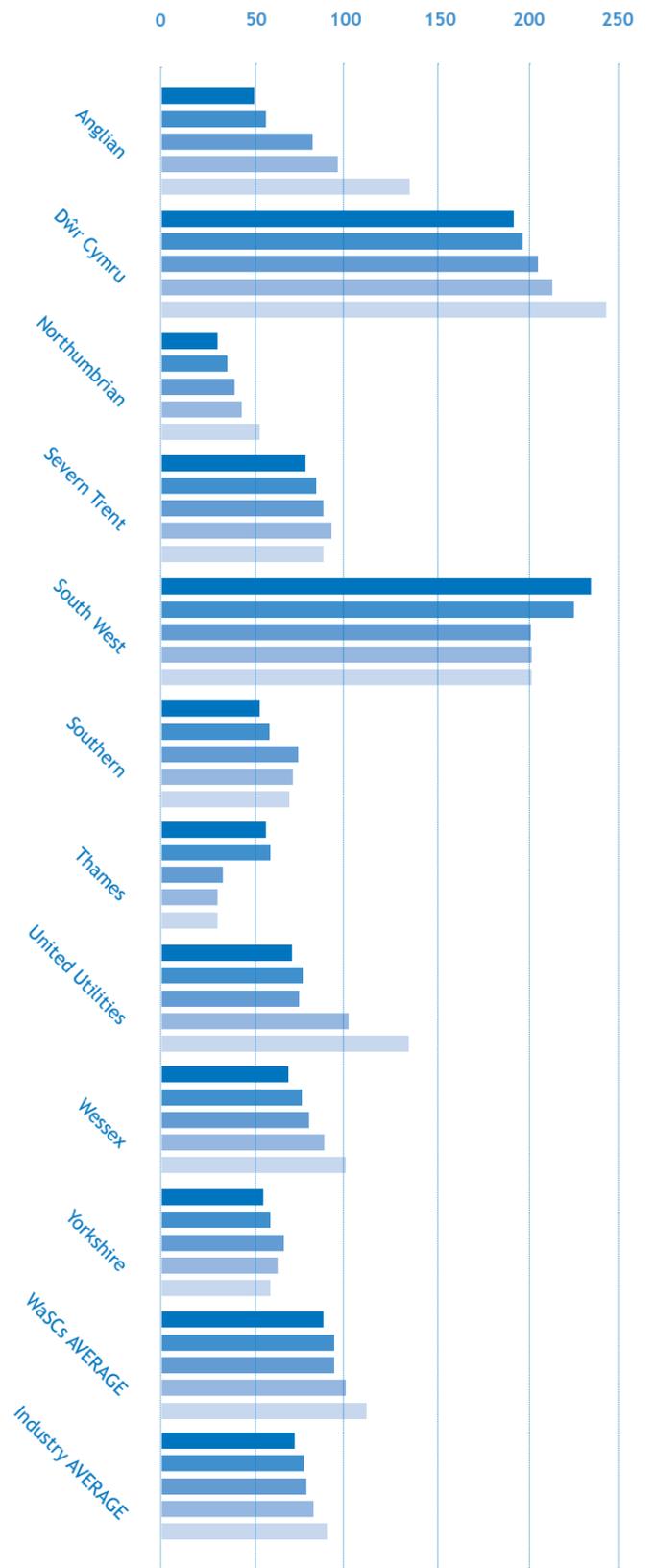
In spite of this, the overall number of customers receiving help through WaterSure continues to increase. In 2017/18 138,802 metered customers were supported, an increase of 16% on the previous year. Over the last 5 years the increase of customers registered on the WaterSure scheme has been 65.5%.⁷

A further 19,652 unmeasured customers were also supported under Dŵr Cymru's Welsh Water Assist scheme.

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

- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18

⁷ Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.



The financial value of support delivered through WaterSure

For the first time this year we asked companies to provide us with details of the monetary value of the support delivered through WaterSure and their social tariff schemes. The information provided to us is detailed below.

We are disappointed some companies were unable to provide this information for 2017/18. However, they have committed to provide this to us next year.

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

- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18

The financial value of support delivered through WaterSure

For the first time this year we asked companies to provide us with details of the monetary value of the support delivered through WaterSure and their social tariff schemes. The information provided to us is detailed below.

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Table 3: The Monetary value of the support provided through company WaterSure schemes

Water and Sewerage Companies	Value
Anglian ¹¹	£7,218,257
Dwr Cymru	£2,873,128
Northumbrian	£282,442
Severn Trent	£3,246,825
South West	Not provided
Southern	Not provided
Thames	Not provided
United Utilities	£4,860,847
Wessex	£1,289,498
Yorkshire	£2,717,600
Water only Companies	
Affinity	Not provided
Bournemouth	Not provided
Bristol	£76,808
Cambridge	£33,918
Dee Valley	£68,896
Essex & Suffolk	£715,216
Hartlepool	Not provided
Portsmouth	£14,841
South East	£171,984
South Staffs	£166,349
SES Water	£3,867

Insights from our Water Matters Research

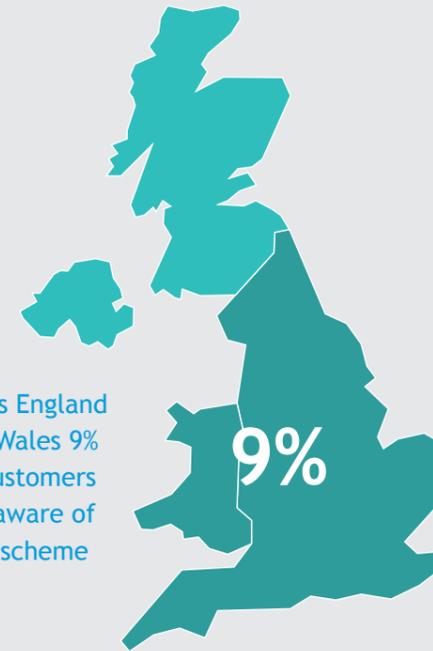
Customer awareness of the WaterSure scheme remains low. Across England and Wales 9% of customers are aware of the scheme. In Wales alone the position is better with 14% of those surveyed being aware of the scheme.

10% of customers said they had not previously heard of WaterSure, but would like to know more about it.

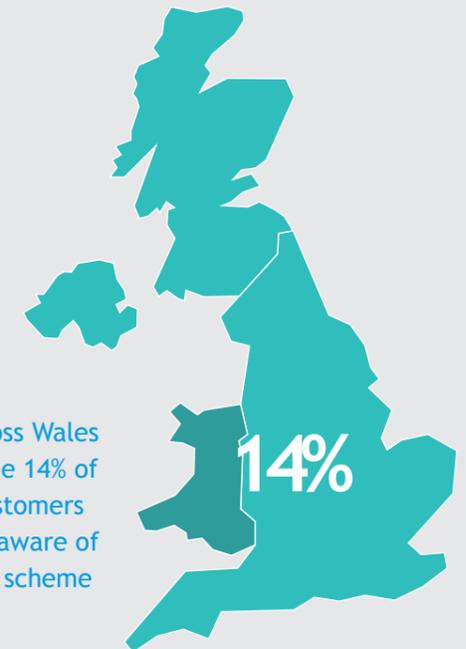
And a fifth of these are households with bill payers aged 29 and under (21%), a fifth are households on benefits (20%) and just under a fifth are households where the bill payer or someone else has a disability (18% and 16% respectively), suggesting they are more likely to need support. 31% of customers who consider their bills to be unaffordable would like to know more about the WaterSure scheme.

Overall companies have made very significant progress in growing the number of customers supported by the WaterSure scheme. However, our Water Matters research suggests that an information deficit still exists for some customers who might be eligible and that there is still scope for take-up of the scheme to be increased. Companies must do more to reach these customers to ensure they receive the help to which they are entitled. One way companies can do this, highlighted in our earlier research⁸, is to 'make every contact count' - using routine contact with customers to make them aware of the support available.

Across England and Wales 9% of customers are aware of the scheme



Across Wales alone 14% of customers are aware of the scheme



3.2 Social Tariffs

During the last six years we have worked with companies as they have developed and implemented social tariff schemes to provide lower bills to customers who might otherwise struggle to pay. Under the provisions of the Flood and Water Management Act these schemes are funded by customers through their bills (a small number of companies also make a financial contribution). Companies must consult CCWater on the development of such tariffs and test whether their proposed schemes are acceptable to customers. The freedom companies have to develop their own schemes means funding available to support customers.

At the end of 2017-18 there were 393,143 customers in England and Wales receiving help through social tariffs, a 51% increase on the 2016-17 figures and of 191% from 2015-16.⁹

Table 4: The number of customers per 10,000 household connections that are registered for customer-funded social tariffs¹⁰

Water and Sewerage Companies	2013-14	2014-15	2015-16	2016-17	2017-18
Anglian	N/A	N/A	5.27	21.63	26.75
Dwr Cymru	N/A	N/A	22.60	144.31	393.43
Northumbrian	N/A	N/A	6.91	19.57	27.66
Severn Trent	N/A	N/A	24.22	85.91	86.30
South West	15.10	36.53	56.35	84.06	105.97
Southern	N/A	N/A	48.84	139.64	226.65
Thames	N/A	4.92	34.70	55.33	87.16
United Utilities	N/A	N/A	41.55	96.24	144.12
Wessex	65.02	77.17	81.51	113.01	199.35
Yorkshire	N/A	N/A	39.77	56.90	62.71
Water only Companies	2013-14	2014-15	2015-16	2016-17	2017-18
Affinity	N/A	150.49	277.22	311.87	344.63
Bournemouth	N/A	N/A	N/A	N/A	11.91
Bristol	87.32	111.17	125.66	154.52	221.23
Cambridge	N/A	N/A	N/A	24.53	77.73
Dee Valley	N/A	N/A	N/A	10.80	39.40
Essex and Suffolk	N/A	N/A	3.76	6.82	11.97
Hartlepool	N/A	N/A	N/A	N/A	N/A
Portsmouth	N/A	N/A	N/A	93.77	176.19
South East	N/A	N/A	49.13	100.67	173.56
South Staffs	N/A	N/A	N/A	67.94	163.64
Sutton and East Surrey	N/A	106.02	210.38	213.63	294.13

⁹ Customers who are receiving help from both a water company and a water and sewerage company may have been counted twice within this figure.

¹⁰ Hartlepool began the introduction of a social tariff in 2017/18 but had not registered any customers by 31st March 2018.

The Financial Value of Support Delivered by the Social Tariff Schemes

As the value of the bill reductions available to customers through different social tariff schemes varies considerably data on take-up of schemes provides only a partial picture of the value of the support being provided. The table below details the monetary value of assistance, where companies have provided this.

We are disappointed some companies were unable to provide this information for 2017/18. However, they have committed to provide this to us next year.

Table 5: The number of customers registered for customer-funded social tariffs and the financial value of that support

Water and Sewage Companies	Households Supported	Total Value	Av Bill Reduction
Anglian ¹¹	7,713	£2.0m	£259
Dwr Cymru	57,188	£15.4m	£269
Northumbrian	3,378	£453,000	£134
Severn Trent	35,991	£7.8m	£218
South West	8,185	Not provided	
Southern	44,932	Not provided	
Thames	48,806	Not provided	
United Utilities	46,158	£9.3m	£201
Wessex	24,376	£3.2m	£131
Yorkshire	14,323	£1.2m	£84
Water only Companies			
Affinity	49,137	£3.5m	£71
Bournemouth	231	Not provided	
Bristol	13,707	£583,000	£43
Cambridge	1,037	£90,000	£89
Dee Valley	468	£25,000	£53
Essex & Suffolk	915	£107,000	£117
Hartlepool	N/A	N/A	N/A
Portsmouth	5,312	£105,000	£20
South East	16,548	£382,000	£23
South Staffs	9,094	£843,000	£97
Sutton & East Surrey	8,150	£741,000	£91

¹¹ Anglian reports that its Aquacare tariff (offering an alternative balance of standing and variable charges) also benefits customers by a further £7.7m

Insights from our Water Matters Research

Only 5% of customers across England and Wales are aware of their company's Social Tariff scheme (4% Wales only).

The support provided by social tariff schemes continues to grow rapidly. However our Water Matters research tells us that very few customers are aware that this help is available. The fact that over a quarter of customers would be unlikely to contact their company if they were worried about a bill suggests companies still have much to do to re-frame their relationship with customers, to become seen as a source of help in difficult times.



Bill
27%

of customers are unlikely to contact their water company if they are worried about a bill.

3.3 Water Direct

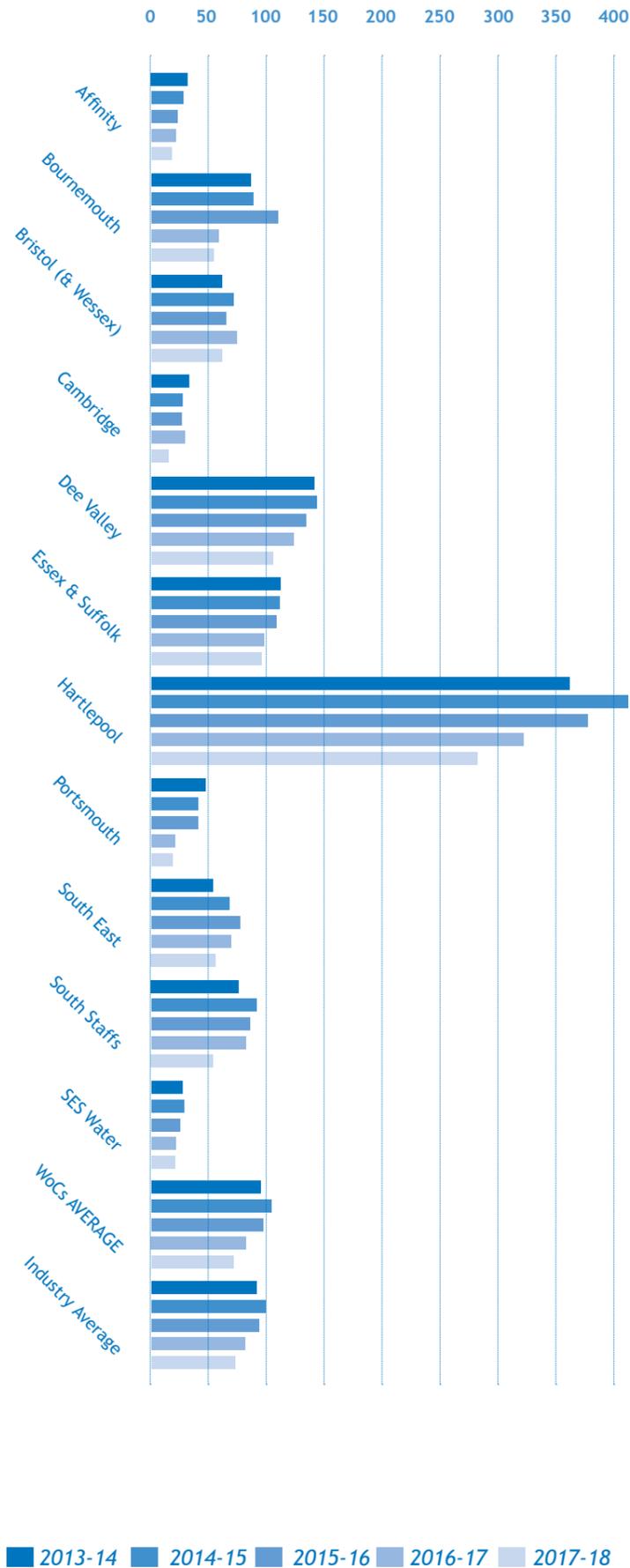
Water Direct is a government scheme administered by the Department for Work and Pensions (DWP) which enables some customers (usually those in arrears with water charges) to have payments taken directly from their benefits. Some customers find this helpful in managing their household budgets. Customers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

Charts 2a and 2b show the number of customers who are paying their water bill through Water Direct for each company. 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.

Overall, in the last year, there has been a 11% reduction in the number of customers that are paying their bills through Water Direct. The total now stands at 199,229. This is a continuation of the trend noted last year when take-up of the scheme reduced by 9%.

It is likely the reduced usage of the scheme is due, in part, to the increases in the number of households receiving help through social tariffs and 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.

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



For 2012-13 and 2013-14, per 10,000 connections is calculated from 2013-14 year end connections data as we had not collected the previous years' connections data.

3.4 Metering

The proportion of household customers who pay for services based on metered usage varies considerably between companies. In some regions metering has spread slowly - with meters only fitted to properties built or significantly altered since 1990 or where customers ask to switch. In other regions, where water resources are considered more stretched, companies have implemented universal metering programmes. Where this has resulted in bill increases companies have supported customers as they make this transition. Further information about metering can be found in our report 'Water, water everywhere?'¹²

Metering can be a way for some customers, particularly single people, couples and small families, to achieve bill savings. And for some may be the most effective way of improving the affordability of their bills.

Customers currently paying charges based on the rateable value of their property have the right to switch. 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.

As noted in our 'Living with Water Poverty' research¹³, some customers managing on tight budgets are nervous of switching from a fixed bill to one which can vary with consumption. Companies need to do more to overcome these concerns. We welcome the introduction of 'lowest bill' guarantee schemes (allowing customers to switch to a meter without the risk of a higher bill) by some companies to help address this issue.

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

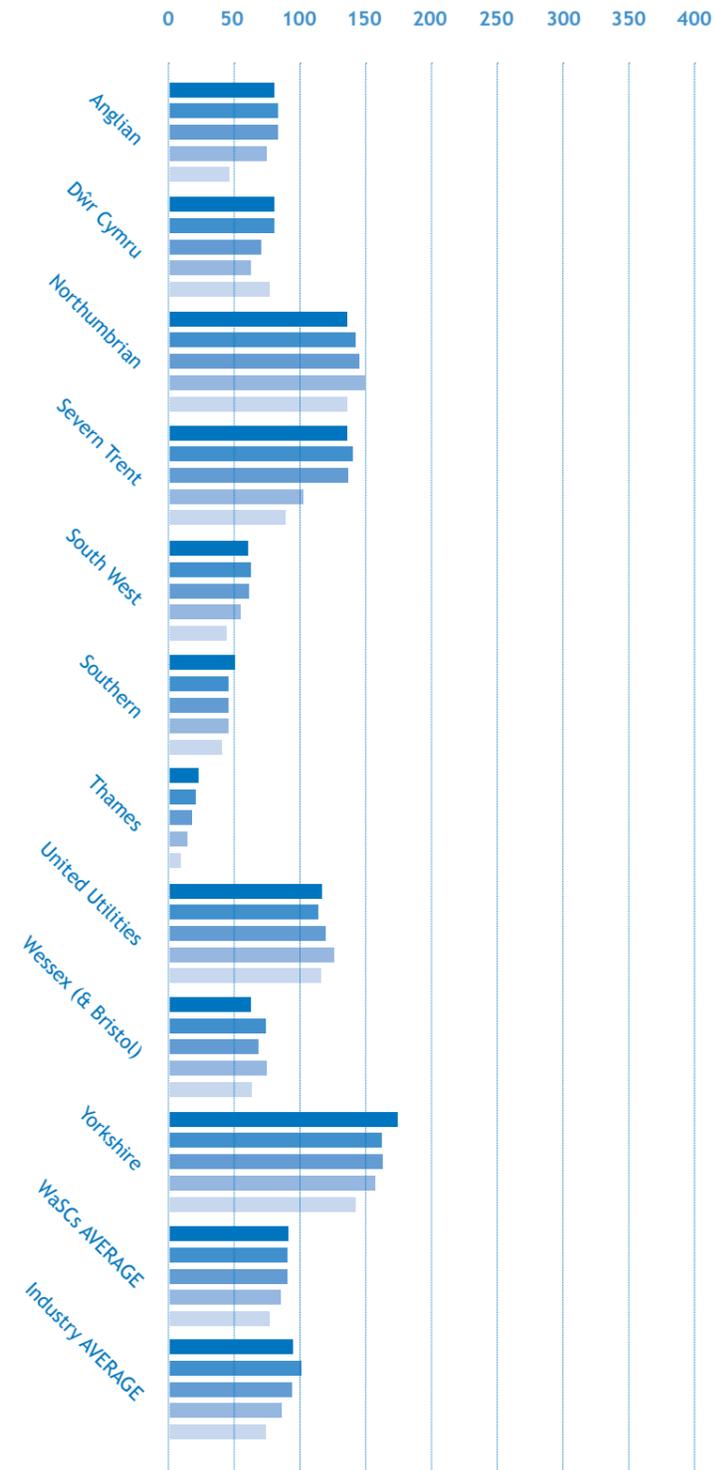


Chart 2b: The number of customers per 10,000 household connections that are registered on Water Direct (water and sewerage companies)

For 2012-13 and 2013-14, per 10,000 connections is calculated from 2013-14 year end connections data as we had not collected the previous years' connections data.

¹² <https://www.cwater.org.uk/wp-content/uploads/2018/08/Water-water-everywhere-delivering-resilient-water-and-waste-water-services-2017-18.pdf>

¹³ <https://www.cwater.org.uk/research/living-with-water-poverty-research-report-2014/>

Insights from our Water Matters Research

Just over two-thirds of unmetered customers in England and Wales are aware of the free meter option scheme (69%). However, only a minority of customers (27%) are aware that a meter can be fitted on a trial basis.

Only 7% of customers who have opted for a meter consider their bill to be unaffordable compared to 12% of customers in unmetered households.

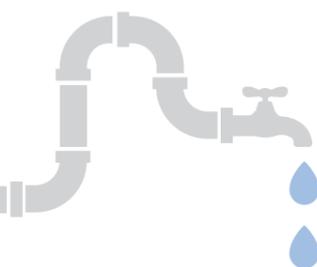
Companies need to do more to overcome the barriers which prevent customers realising the savings they could make by switching to a meter. They should do more to highlight the free trial periods and offer guarantees to protect customers from higher bills as a result of switching.

69%

Just over two-thirds of unmetered customers in England and Wales are aware of the free meter option scheme.

27%

However, only a minority of customers are aware that a meter can be fitted on a trial basis.



4. Challenges for the industry on affordability

In last year's report "Staying Afloat - customer vulnerability in the water sector - 2016-2017" we highlighted some key challenges which the sector needs to address if it is to move towards a position of universal water affordability. These challenges remain and we are continuing to press companies to address them.

Maximising take up of social tariffs -

Overall companies are continuing to make good progress in increasing the take-up of social tariff schemes. We expect to see this continue, with companies adopting innovative approaches to reach those customers who are hardest to reach.

What we will be doing:

CCWater will help drive this process by sharing insights from our customer research and good practice within the industry and other sectors. This includes bringing companies together to help identify solutions.

The Digital Economy Act 2017 includes provisions for information about the receipt of benefits to be shared with water companies where this will be used to help support customers who are struggling to pay. Companies are currently developing their approach to this issue with a view to arrangements commencing in 2019. We expect them to take full advantage of these powers in order to help customers.

What we will be doing:

We will continue to use our media and social media work to make more customers aware of the help that is available to them.

Social tariff funding limitations - during the last year we have worked with a number of companies as they have successfully gained their customers consent to increase social tariff funding. This will allow them to help more financially vulnerable customers. Despite this progress as it stands schemes still only have capacity to give help to around a quarter of the 3 million customers who need it.

We believe addressing the issue of the long term funding of social tariffs will be vital in ensuring the data sharing benefits of the Digital Economy Act are fully realised.

What we will be doing:

We will continue to press companies to do more to contribute to the funding of social tariffs from profits. CCWater's 2010 research¹⁴ 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. Linking qualifying criteria to the information which will be shared under the Digital Economy Act data sharing powers would also allow companies to apply bill reductions to customers in need automatically without need for an application process.

What we will be doing:

We will work with companies to help encourage greater consistency in the delivery of financial support measures, including by bringing companies together to share ideas and collaborate where this will benefit customers.

Non Financial Vulnerability

5. Addressing Non-Financial Vulnerability

Consumers can find themselves needing additional support to access a company's services such as communicating or receiving information in the formats that companies usually use or needing bottled water during a water supply incident. 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 meaningful.

5.1 Priority Services Registers

Priority services registers are one 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:

- Help reading a water meter;
- Registering a password to protect against bogus callers;
- Help during water supply interruptions; and
- Large print, Braille or talking bills.

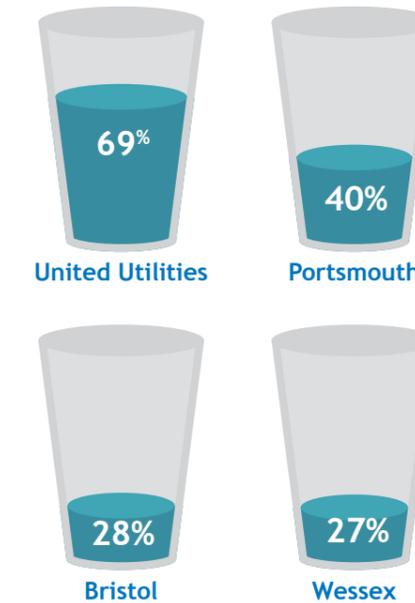
The schemes are open to anyone who needs extra help regardless of age, health or disability. Our latest research shows that 43% of customers are aware of these additional services¹⁵. Companies need to do more to raise awareness of the assistance available and deliver meaningful help when it's needed. This is particularly important during incidents such as March's severe cold weather - and the rapid thaw that followed, so that people who would otherwise struggle to cope get the help they need, such as bottled water delivered to their door, 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 last five years, from 249,918* in 2013-2014 to 344,164* in 2017-18. This is an increase of 37.71% across the period and companies are to be commended for promoting their schemes. Examples of company good practice in promoting their schemes can be found in our report "Vulnerability in the water sector" on our website.

The table below shows the annual % increase compared to the previous year

Year	% increase since previous year
2013-2014	11.30%
2014-2015	5.51%
2015-2016	3.73%
2016-2017	9.92%
2017-2018	14.60%

Four companies increased the number of customers signed up for priority services by over 25% since last year these are:



However, some companies have seen a decrease in the number of customers who have signed up for extra help, these are:

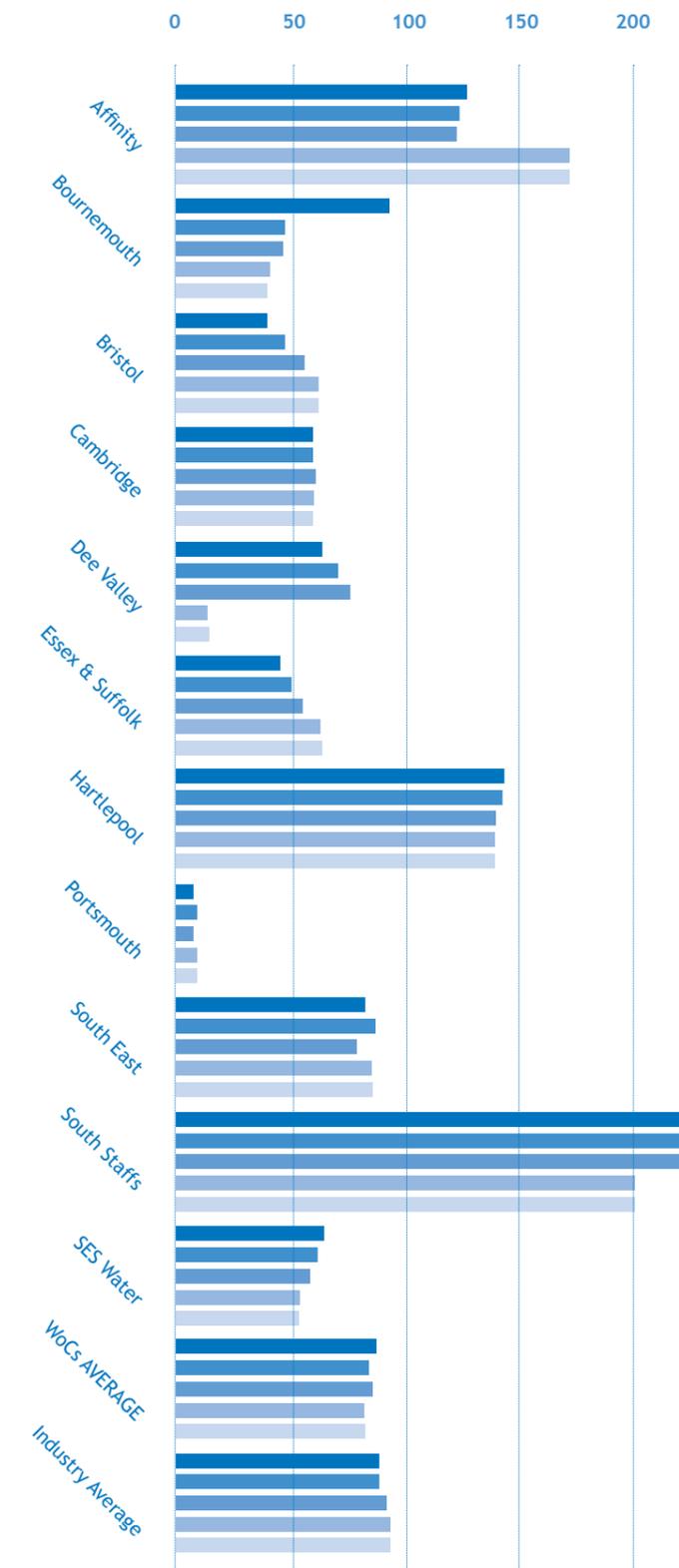
- Northumbrian Water* -9%
- Bournemouth Water* -3%
- Cambridge Water* -1%
- South Staffs Water* -1%

Companies need to keep their registers under review and update them where customers no longer need support. This can lead to the overall number of customers registered reducing.

We welcome the current initiative between water and energy companies to collaborate to ensure that in future customers who consent can be signed up to priority schemes across both sectors. This should help accelerate the number of customers registered for help.

Chart 3a: *The number of customers per 10,000 household connections that are included on priority service registers (water only companies)*¹⁶

For 2012-13 and 2013-14, per 10,000 connections is calculated from 2013-14 year end connections data as we had not collected the previous years' connections data.

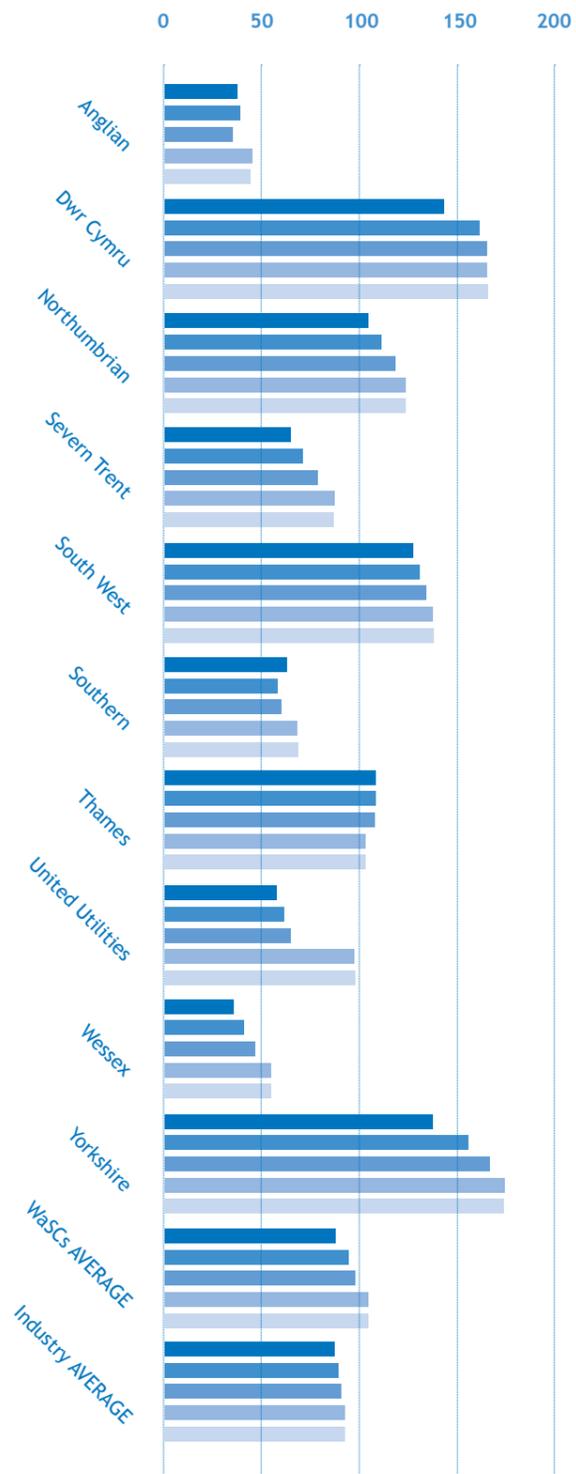


¹⁶ South East figures prior to 2017-2018 are revised estimated figures provided by the company

¹⁵ <https://www.ccwater.org.uk/research/water-matters-household-customers-views-of-their-water-and-sewerage-services-2017/>

* Customers who are receiving help from both a water company and a different sewerage company may have been counted twice within this figure if they are registered on both companies' schemes

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



For 2012-13 and 2013-14, per 10,000 connections is calculated from 2013-14 year end connections data as we had not collected the previous years' connections data.

5.2 Communication and engagement

Companies are continuing to develop effective collaboration partnerships with organisations to get the right help to the right people at the right time. However, this is a critical area that needs prioritising, with particular focus on identifying consumers who have a temporary need for additional support. Our research following March's severe cold weather - and the rapid thaw that followed - showed that 93% of customers who identified themselves as vulnerable during the severe weather did not get the tailored support they needed and 43% of all customers affected by supply interruptions did not recall receiving information from their water company.

Companies need to develop an effective understanding of the communication needs of all their customers and also segment their customer base to engage with and target the services to those most likely to benefit.

- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18

Insights from our Water Matters Research

The seven-year trend in awareness of priority services is increasing, but awareness remains low at 43%.

60-74 year olds are significantly more likely to be aware than 30-40 year olds and 75+ (48% vs 39% and 42%).

The following companies have the highest proportion of customers who are aware of priority services:

South West Water	52%
Portsmouth Water	51%
Hartlepool Water	50%

3%

3% of customers who said they were unaware of priority services would like to know more about them.

14%

Approximately 14% of households where someone has a disability want to know more about priority service schemes.

4%

Approximately 4% of households where someone has a disability are subscribed to priority service schemes.

5.3 Transient Vulnerability

Vulnerability should be considered as consumers in potentially vulnerable situations rather than vulnerable consumers; for example, a life event such as bereavement or a water company incident causing a loss of clean water supply can put consumers in a temporary situation where they need additional support.

Whilst priority service registers are effective when used for consumers who need more permanent additional support, they are less effective in identifying, recording and supporting consumers who need temporary support.

If consumers do not know what help is available or how to get access to additional support, then they can find themselves struggling and this is not acceptable.

Our research into consumers' experiences of the February/March 2018 freeze/thaw incidents¹⁷ revealed that 93% of those identifying themselves as vulnerable during those incidents, in the worst affected areas, felt they did not receive the support they needed. Examples of those who found themselves vulnerable at that time include those who have new born babies and those who are less mobile and therefore unable to get to the drop off points for bottled water. This also had a detrimental impact on their satisfaction with their company's service.



Companies need to rise to the challenge of finding effective ways to identify customers who need temporary support, proactively plan for what support is needed by co-designing with consumers and third sector organisations a process for getting the right support to consumers and delivering that support at the right time. Water and energy industries are already progressing well working together on making the process of registering for priority services and receiving the additional support more consistent and easier for consumers.

What we will be doing:

We will be pressing companies to give increased focus to transient vulnerability. We will bring them together to share ideas and to help achieve this.

5.4 Safeguarding

Water companies have an opportunity to take a broader role in society by helping to identify (through their day to day interactions) consumers who may need support from other organisations and signposting consumers to that support.

The Utilities Safeguarding Group has been formed to enable water, energy, telecoms and broadband to work together in collaboration with other national bodies and third sector organisations to design good practice in this area.

What we will be doing:

We will be working with companies to ensure they adopt this good practice.

6. Conclusions

Companies are expanding both the scope and reach of the assistance they provide to customers facing financial and wider vulnerability and have outlined how they plan to deliver this in their 2020-2025 Business Plans.

More financially vulnerable customers are receiving help with their bills than ever before, and we estimate that the current social tariff and WaterSure schemes have the future potential to give support to around 750,000 households. However, as our customer research indicates that around 3 million households in England and Wales find their water charges unaffordable, that would leave around three quarters of those who need help without it. We will continue to press for a longer term solution to the funding of social tariffs to be implemented in order to ensure we achieve universal water affordability.

As highlighted in our recent 'Vulnerability in the water sector' report companies are making good progress in providing services which meets the needs of customers, whatever their circumstance. However our research into customers' experiences of the February/March 2018 freeze/thaw incidents¹⁸ showed they can fall short when challenged by an incident which results in many customers temporarily finding themselves in need of additional support.

Companies need to improve their focus and actions relating to the transient impacts of vulnerability. This will ensure that more customers than ever are aware of the additional support available and also getting the help to the people who need it, when they need it. We will be pressing companies to make these improvements.

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 are pleased that the sector has adopted the consistent term 'priority service register' as this is also consistent with the branding used in other utility sectors.

Water companies have now submitted their business plans for 2020-25 to the regulator Ofwat. We welcome the fact that the plans recognise further progress is needed on in ensuring water services are accessible to all and are proposing new, specific commitments relating to affordability and vulnerability.

We will be looking closely at company plans to look for innovation and good practice. We will also be providing challenge and pressing for improvements where we consider plans to be insufficient in delivering effective support for consumers.

¹⁷ <https://www.ccwater.org.uk/wp-content/uploads/2018/06/SYSTRACWater-Freeze-Thaw-Research-Final-Report.pdf>

¹⁸ <https://www.ccwater.org.uk/wp-content/uploads/2018/06/SYSTRACWater-Freeze-Thaw-Research-Final-Report.pdf>

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