



CCWater Leakage Study

Research into customer perceptions of
leakage: Report.
FINAL REPORT

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LONDON OFFICE

Laystall House, 8 Rosebery Avenue
London, EC1R 4TD, United Kingdom
T +44 (0) 20 7843 9777
F +44 (0) 20 7843 9779
E info@spafuturethinking.com
W www.spafuturethinking.com

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1. Executive Summary

1.1. Objectives

- 1.1.1. SPA Future Thinking was commissioned by the Consumer Council for Water (CCWater) to undertake a programme of research to assess the views of water customers in England and Wales towards the issues involved with leakage management.
- 1.1.2. The objectives of the research were to:-
- add value to the current dialogue on price setting, drought, demand management and resilience;
 - encourage companies to put in place visible leakage management strategies that show to customers that they take the issue seriously;
 - understand how to encourage customers to think about how they use water;
 - develop evidence-based policies on leakage;
 - consider how CCWater can work with the water industry to develop constructive messages.

1.2. Approach

- 1.2.1. SPA Future Thinking conducted a three-phase research programme comprising:-
- Phase 1 - Twelve standard focus groups with water customers
 - Phase 2 – A further twelve standard focus groups with water customers using refined stimulus materials
 - Phase 3 - Quantitative survey of 1,891 water customers in England and Wales

1.3. Main findings

- 1.3.1. Leakage is *spontaneously* cited as a challenge for the water industry by only one in five customers (22%).
- 1.3.2. However, when prompted, leakage is identified by a majority of water customers (69%) as needing to be a priority for water companies and for 28%, it is the top priority.
- 1.3.3. Water customers do make an effort to conserve water with three-quarters claiming all household members try not to waste water and half that they have purchased something to help them use less.

- 1.3.4. There is some scepticism as to the impact that household water conservation can have against the wider leakage issues.
- 1.3.5. The general perceptions of water customers (before exposure to research material) is that water companies are not doing enough about leakage and should be devoting more resources to leakage management; most uninformed customers think that better leakage management would lead to reductions in bills over time.
- 1.3.6. There is a lack of awareness about the investments water companies have made towards leakage management.
- 1.3.7. Research material showing example water company information on leakage¹ does have some impact on customer views but does not overwhelmingly shift customer opinion regarding the perceived importance of dealing with leakage; or the impact greater devotion of resources may have on other services or customer bills.
- 1.3.8. After seeing this information, the proportion citing leakage as an area to be prioritised by the industry increased (from 69% to 74%).
 - 1.3.8.1. Over half (53%) of the 603 respondents not initially citing leakage, before seeing information, do mention it following exposure to the material.
- 1.3.9. Once informed, fewer respondents, although still a majority of 72%, say that water companies should devote more resources to addressing leakage. There is also greater acknowledgement that water companies have been making investments in leakage management, with this rising from 23% to 53%.
 - 1.3.9.1. During qualitative stages, learning the volume of water lost to leakage was a surprise to many leading to a demand for more investment, despite also learning the extent of progress in lowering leakage over the past twenty years.
- 1.3.10. If a water company's leakage levels rose it would be likely to have an impact on customer perceptions of their own water conservation and while 23% would be encouraged to save more water, 45% would have a worse opinion of their water company as a result.
- 1.3.11. Most customers are not willing to pay more for leakage to be reduced. The majority of water customers would prefer water companies to increase leakage management by either diverting resources from other service areas (such as improving the water environment) or

¹ Research stimulus material is included in the report Appendices. Material included information around how and why leakage occurs and is dealt with; statistics regarding leakage levels; and how water and sewerage companies may need to prioritise leakage repairs and maintenance according to their impact

maintaining current levels of leakage if a greater investment would mean bill increases.

- 1.3.12. Only a minority of customers (15%) closely study material included with their water bills.
- 1.3.13. To be convinced that a water company is doing enough to deal with leakage, the most powerful arguments are customer experience and observation:-
 - 54% say reporting a leak and seeing it fixed promptly
 - 53% seeing leakage levels are below Ofwat's target
 - 52% a gradual reduction over time in level of leakage in their area
 - 48% seeing a sign saying water company is aware of leak and dealing with it.
- 1.3.14. Furthermore, water customers would most value information from their water company on how to report a leak (48%) and guidance on how households can reduce water consumption (44%).

England and Wales comparisons

- 1.3.15. Overall, perceptions and reactions of water consumers are consistent for water customers living in England or Wales, however there are some areas where opinions differ. Compared with customers in England, those in Wales are:-
 - more likely to spontaneously state increased costs/price rises as being a challenge to the water industry (26% versus 18%);
 - less likely to cite leakage as a priority for water companies before exposure to information (60% versus 70%);
 - more likely to trust information from their water companies regarding leakage (37% versus 29%);
 - less inclined to study material which is received with their water bills (8% versus 15%); and
 - more likely to prefer keeping their water bills down even if it means no reduction in leakage and no service improvements (25% versus 18%).

1.4. Conclusions

- 1.4.1. The findings show that when uninformed customers are asked what concerns they have about the water industry, they are most likely to mention leakage levels and infrastructure maintenance.
- 1.4.2. While information about leakage can produce some movement in opinion, informed water customers are still likely to believe that leakage should be a key priority for water companies and one which requires further investment.
- 1.4.3. Few customers are likely to be persuaded by communications that:-
- water companies are doing all they can to address the issue of leakage AND
 - it will be inappropriate and too expensive to reduce leakage further AND
 - customers should accept restrictions on usage/take steps to reduce their usage of water without companies demonstrating that they are doing more to reduce leakage.

1.5. Recommendations

- 1.5.1. CCWater could consider the following actions as a result of the research insight:-
- encourage water companies to maintain current leakage management activities to meet and exceed Ofwat limits wherever possible
 - encourage Ofwat to continue to take into account non-economic arguments in setting leakage targets as water customers consider ethical and sustainability arguments against wastage to be important
 - work with water companies to:-
 - improve their visibility when inspecting infrastructure/investigating leaks
 - increase feedback to customers who report leaks
 - interact with customers to provide information about leakage management and encourage leak reporting (through SMS, twitter etc)
 - educate customers on how to report leaks
 - inform households how to conserve water
 - offer general information on the causes of leaks and leakage statistics for their local area.

2. Background and Objectives

2.1. Background

- 2.1.1. SPA Future Thinking was commissioned by the Consumer Council for Water (CCWater) to undertake a programme of research to assess the views of water customers in England and Wales towards the issues involved in leakage management.
- 2.1.2. A further area of interest is whether greater prioritisation of leakage management and/or better communication regarding leakage would encourage customers to conserve water.
- 2.1.3. CCWater wishes to understand whether better informed customers would be more accepting of leakage and leakage levels or whether there is an overriding desire to see leakage reduced further.
- 2.1.4. Impartial research was required to help CCWater present customer views from an informed standpoint and indicate whether communications regarding leakage can make customers better-informed and how this affects their views.
- 2.1.5. At the time the research took place there were no hosepipe bans or areas of drought in England or Wales; water resources were generally stable and normal for the time of year despite some extremes in the previous 12 months.
 - 2.1.5.1. A dry winter in 2011/2012 led to hosepipe bans, mainly in the south-east of England, in spring 2012, before extremely wet weather in the summer.

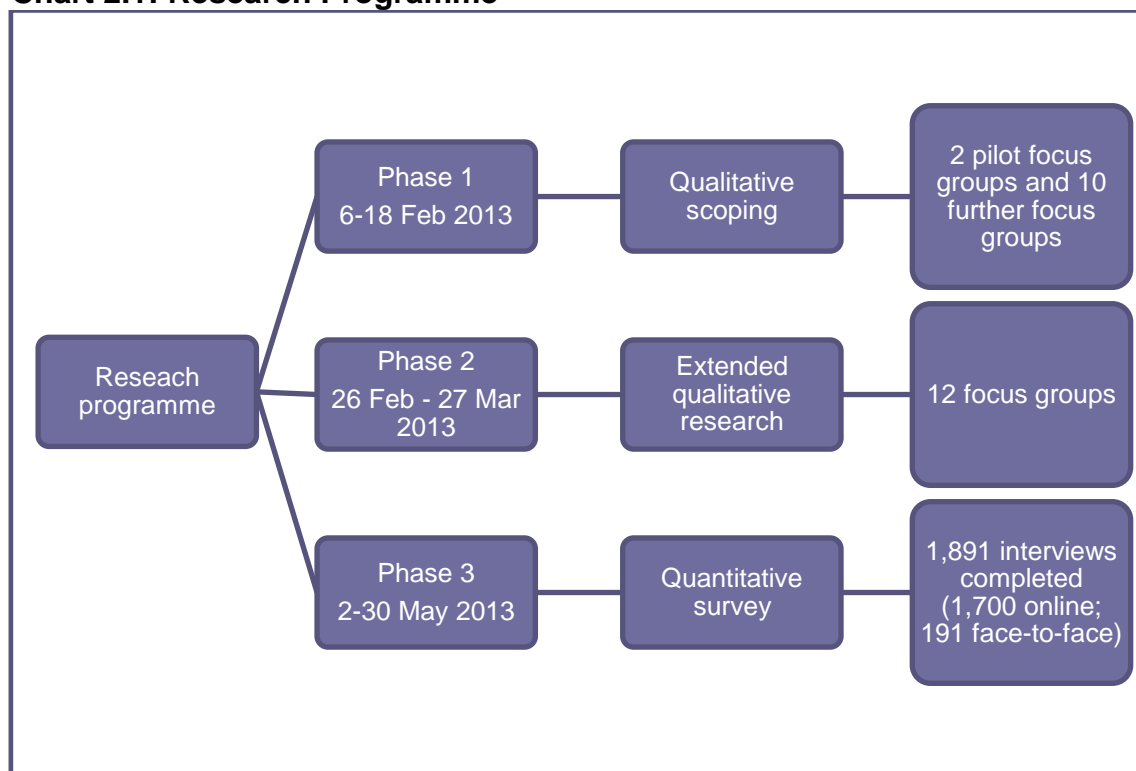
2.2. Objectives

- 2.2.1. The core research objectives were:-
 - Add value to the current dialogue on price setting, drought, water demand management and supply resilience;
 - Encourage companies to put in place visible leakage management strategies that show to customers that they take the issue seriously;
 - Understand how to encourage customers to think about how they use water;
 - Develop evidence-based policies on leakage;
 - Consider how CCWater can work with the water industry to develop constructive messages.

2.3. Approach

2.3.1. A three-stage, phased research programme was adopted to explore the issues around customers' views on leakage management. The research map comprised:-

Chart 2.1: Research Programme



2.3.2. The phase one qualitative research was carried out to provide initial insight into the range of customers' experiences, attitudes and perceptions of leakage management. Stimulus which was used within the sessions was modified and refined both during phase 1 and in advance of phase 2.

2.3.3. The results of the qualitative research were then used to inform the quantitative phase.

2.3.4. The quantitative survey was designed to provide statistically robust results to allow CCWater to thoroughly determine customer views towards leakage management and the appetite for and understanding of communications and information around the issue.

2.3.5. The survey was predominantly conducted via an online methodology with a nationally representative sample of adults aged 18+ however a face-to-face booster survey was simultaneously undertaken to ensure the inclusion of non-internet users within the final sample.

Phase 1&2 – Qualitative focus groups

2.3.6. Twenty four focus groups were completed between February – March 2013 and the design of the qualitative research is detailed below.

Table 2.2: Qualitative Focus Group Composition

	Water Company	Location	Criteria
Phase 1	South Staffordshire	Sutton Coldfield	Aged 30-49; C2DE; children in home
	Severn Trent	Sutton Coldfield	Aged 50-69; ABC1; no children in home
	Sembcorp Bournemouth	Poole	Aged 70+; ABC1; no children in home
	Wessex	Poole	Aged 50-69; C1C2; mix with/without children in home
	Cambridge	Cambridge	Aged 30-49; ABC1; children in home
	Northumbrian	Hexham	Aged 30-49; ABC1, no children in home
	Hartlepool (Anglian)	Hartlepool	Aged 70+; DE; No children in home
	Anglian	Newmarket	Aged 50-69; ABC1; mix with/without children in home
	Sutton & East Surrey	Sutton	Aged 16-19; C1C2; non decision maker
	Affinity Water Central	Watford	Aged under 30; ABC1; no children in home
	Affinity Water East	Harwich	Aged 70; C1C2; mix with/without children in home
	Dee Valley	Wrexham	Aged 30-49; C2DE; mix with/without children in home
Phase 2	Essex and Suffolk	Eye	Aged 50-69; C2DE; mix with/without children in home
	Southern	Southampton	Aged 30-49; ABC1; children in home
	Portsmouth	Portsmouth	Aged under 30; C2DE; mix with/without children in home
	Bristol	Bristol	Aged 16-19; C1C2; non decision maker
	South West	Kingsteignton, Devon	Aged 30-49; ABC1; mix with/without children in home
	South East	Ashford	Aged under 30; C1C2, no children in home
	Affinity Water South East	Folkestone	Aged 30-49; C2DE; children in home
	Yorkshire	Leeds	Aged under 30; C1C2; mix with/without children in home
	United Utilities	Manchester	Aged 50-69; DE; no children in home
	Dŵr Cymru Welsh Water	Cardiff	Aged under 30; C2DE; children in home
	Dŵr Cymru Welsh Water	Cardiff	Aged 50-69; ABC1; no children in home
	Thames	London	Aged under 30; ABC1; mix with/without children in home

- 2.3.7. Focus groups were recruited by SPA Future Thinking.
- 2.3.8. The qualitative research was illustrative, not looking to produce statistics but to identify the range of views within particular groups and identify key areas to be further explored through the survey. Participants may have provided views which are based on incorrect information or expectations; these are reported to illustrate the views and understand the perceptions of the public even if incorrect or misguided.
- 2.3.9. Some quotations from the discussions have been included within this report. These should not be interpreted as defining the views of an entire group but have been selected to provide an insight into a particular body of opinion.
- 2.3.10. The discussion guide is included within the appendices, as is the summary qualitative report produced prior to the Quantitative Survey.

Phase 3 – Quantitative Survey

- 2.3.11. The quantitative fieldwork was carried out using a mixed methodology. Surveys were largely achieved through an online panel provided by Toluna with a face-to-face booster sample to ensure representation of those without internet access.
- 2.3.12. In total 1,891 interviews were achieved across England and Wales in May 2013.

Sample

- 2.3.13. Quotas were set during the interviewing based on water and sewerage company region, age and gender. Data was weighted to owner-occupier profile by age and region.

Table 2.3: Final Sample Composition

	Interviews completed
TOTAL	1,891
Approach	
Online	1,700
Face-to-face	191
Region	
England	1,719
Wales	172

Questionnaire

2.3.14. The questionnaire was designed in consultation with CCWater and centred on the following themes:-

- Existing perceptions of the water industry
- Attitudes towards leakage before deliberation on information on leakage
- Attitudes towards leakage after deliberation on information on leakage
- Preferences for communications.

2.3.15. The survey was soft-launched online and face-to-face with a small sample to test the questionnaire and response rate. This was with real respondents and the data was collected as per the 'live' survey. After the soft launch, we reviewed the data received before rolling the project out across the remaining sample.

2.3.16. A copy of the final questionnaire is included in the appendices.

Interpretation of data

2.3.17. It should be remembered results are based on a sample of water customers and not the entire population. This means all data are subject to sampling tolerances.

2.3.18. The table below shows the statistical reliability of results based on a sample size of 1,891 and likely sub-sample populations.

Table 2.4: Statistical Reliability

	Approximate reliability of results applicable to percentages at or near these levels		
Base Size	10% or 90%	30% or 70%	50%
1,891 (<i>total sample</i>)	±1%	±2%	±2%
1,700 (<i>England sample</i>)	±2%	±2%	±2%
191 (<i>Wales sample</i>)	±4%	±7%	±7%
1,288 (<i>Reducing leaks a priority before seeing material</i>)	±2%	±3%	±3%
603 (<i>Reducing leaks not a priority before seeing material</i>)	±3%	±4%	±4%

- 2.3.19. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' categories, or multiple answers. Throughout the report, an asterisk (*) denotes any value less than half a percent but greater than zero.
- 2.3.20. Throughout the report, we highlight some of the key differences between sub-groups of respondents where these are statistically significant.
- 2.3.21. Within the report, we have also made use of verbatim comments from the qualitative research phases to illustrate a particular viewpoint. It is important to be aware that these views do not necessarily represent the views of all individuals. It must also be remembered that qualitative research is designed to be illustrative and does not look to produce statistics, but to identify the range of views within a particular group. In addition, it is important to bear in mind that we are dealing with customer perceptions rather than facts.

3. Existing perceptions of the water industry

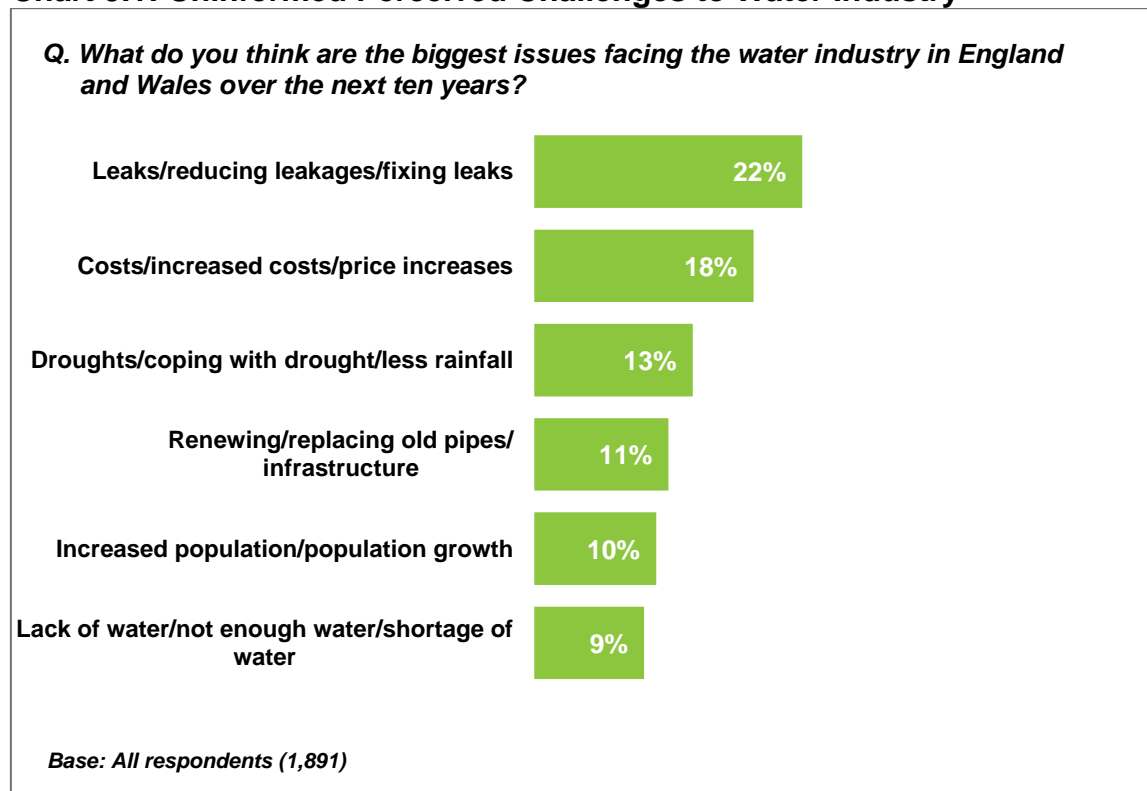
Leakage is spontaneously identified as an issue for the water industry by a fifth of customers

- When prompted with a list of potential issues, three out of ten – the highest proportion – rate leakage as the top priority for the water industry
- There is a relatively high level of scepticism about information which water and sewerage companies may provide although younger people show greater appetite for such communications

3.1. Perceived challenges within the water industry

- 3.1.1. One in five respondents spontaneously cites leakage as a current challenge to the water industry (22%). While leakage is the most frequently mentioned challenge, it should be remembered that for 78% it is not something which immediately comes to mind.
- 3.1.2. A further 18% identify costs associated with water services as an issue and 13% droughts/less rainfall.

Chart 3.1: Uninformed Perceived Challenges to Water Industry

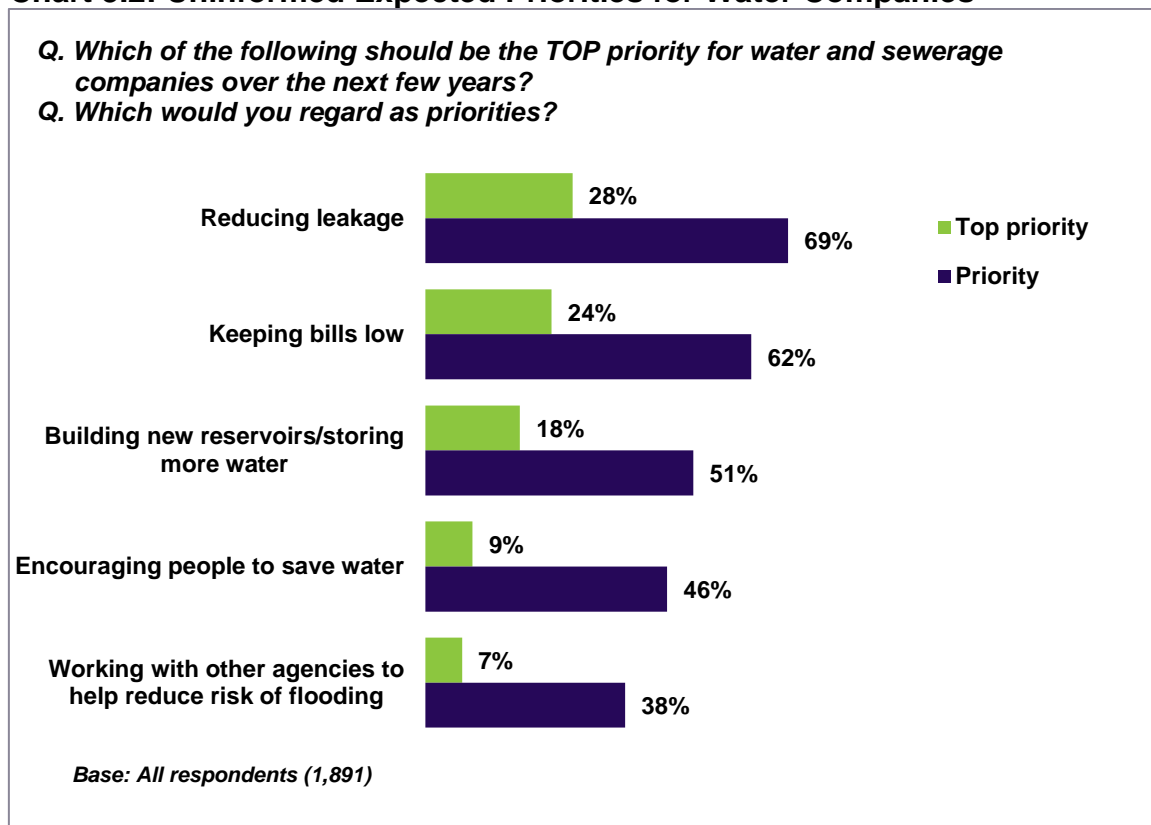


- 3.1.3. Some demographic sub-groups are more likely to identify leakage as a challenge, although there is likely overlap between them:-
- ➔ those aged 55+ (particularly in comparison to those 16-34: 27% versus 10%)
 - ➔ those who own their properties (25%).
- 3.1.4. Qualitative participants were not so likely to spontaneously identify leakage as a particularly salient concern but did tend to cite it as a priority after the subject being introduced.
- 3.1.5. Customers in Wales are more likely to mention the challenge of costs and price increases than those in England (26% versus 18%).

3.2. Water company responsibilities

- 3.2.1. Exploring the priorities of water companies, around seven in ten customers, when prompted, say leakage should be a priority for the water companies and three in ten that it is the most important priority.
- 3.2.2. Although this expectation of water companies may not be based on an informed understanding of current leakage levels or water company activity, there is a clear assumption by customers that leakage levels need to come down.

Chart 3.2: Uninformed Expected Priorities for Water Companies



Profiling

- 3.2.3. As shown in Chart 3.3, customers who are more likely to cite reducing leakage as a priority fit a certain profile. They tend to be older customers, those who have recently noticed a leak in a public place and those who are more cynical regarding large organisations.

Chart 3.3: Customer Profile of Leakage Prioritisers vs. Non-Prioritisers



Base: All respondents (1,891)

- 3.2.4. Although leakage is the most commonly mentioned priority by respondents in Wales, a lower proportion identifies it than among customers in England (60% versus 70%).
- 3.2.5. Those aged 16-34 are more likely to state *keeping bills low* and *encouraging people to save water* as priorities than leakage (66% and 48% respectively compared with 45% saying leakage).
- 3.2.6. Qualitative research supported this overall view with many water customers believing that water companies are not currently doing enough regarding leakage.

"I don't know if they do anything to prevent [leakage]...it's more reactive instead of proactive."

Female, under 30, ABC1, Affinity Water Central

"They only really maintain the pump stations don't they and make sure you've got a supply coming to you. You don't regularly see them walking up the street popping the covers up do you and checking the valves that they operate and work."

Male, 30-49; C2DE, South Staffordshire Water

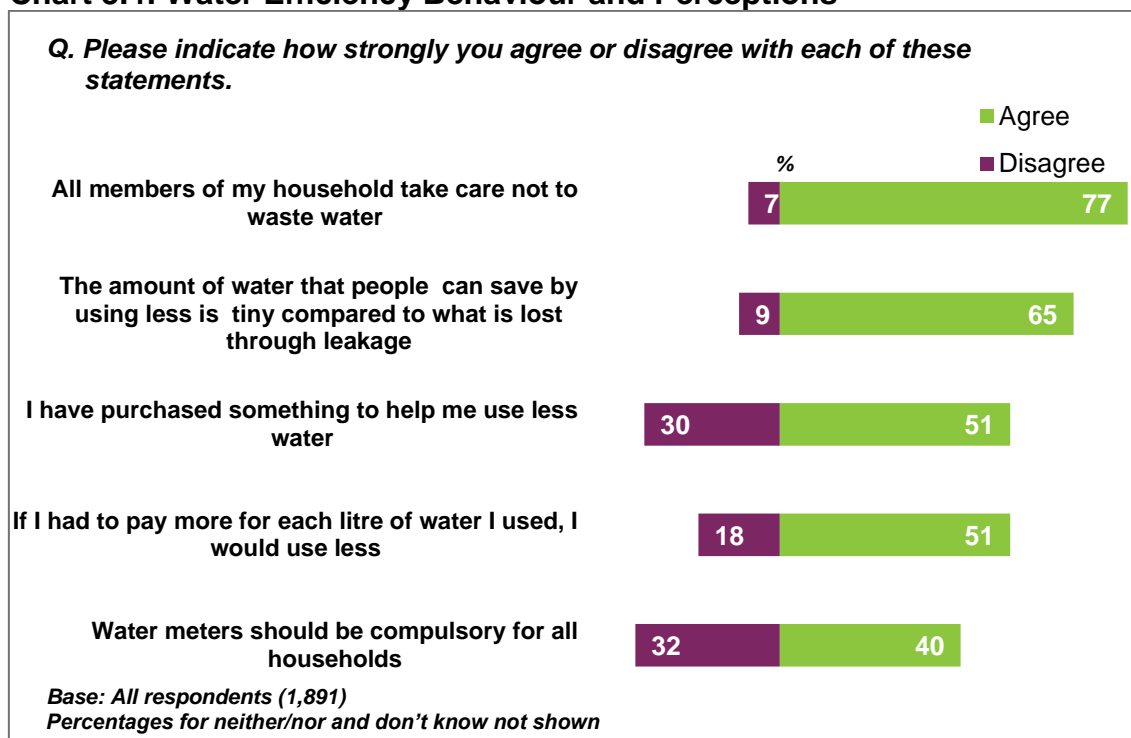
3.3. Water economy

- 3.3.1. The research shows that customers perceive themselves to be, on the whole, conscious of their water usage and make efforts to monitor and curb wastage. Three-quarters claim all household members make efforts not to waste water and half that they have purchased something to help them use less (see chart 3.4).
- 3.3.2. A dislike of waste amongst qualitative participants was often the main motivation for personally saving water and many said they would do what they thought was right regardless of actions their water company took or failed to take to manage leakage.
- 3.3.3. Attitudes towards water meters are more mixed with 40% stating they should be compulsory and 32% saying they should not. Economic factors also play a part in views on water use with half (51%) stating that if the price per unit was higher, they would be likely to lower their usage.
- 3.3.4. Despite generally positive attitudes towards saving water within the home, two-thirds believe their efforts have minimal contribution to the overall churn of water. Their perception is that the amount that can be saved by people using less water is tiny compared to what is lost through leakage.

“Purely based on the figures that were released in the news that I don't remember, but just thinking wow they're high. Me cutting out running a tap for 90 seconds, I know it'll be a lot of us doing that, but I don't think it would equate to what they waste in a day.”

Male, under 30; ABC1, Affinity Central

Chart 3.4: Water Efficiency Behaviour and Perceptions



3.3.5. Respondents who were inclined to say reducing leakage should be a priority for water companies (before seeing stimulus material) were also those who show a greater tendency for saving water, through purchasing water saving devices and household members being conscious of their usage.

3.3.6. Interestingly, perceptions of whether water meters should be compulsory do not vary between those who chose to have a meter installed and those for whom it was already in place (63% each agree). However those who do not have a water meter are considerably more sceptical about the idea of obligatory metering (just 21% agree).

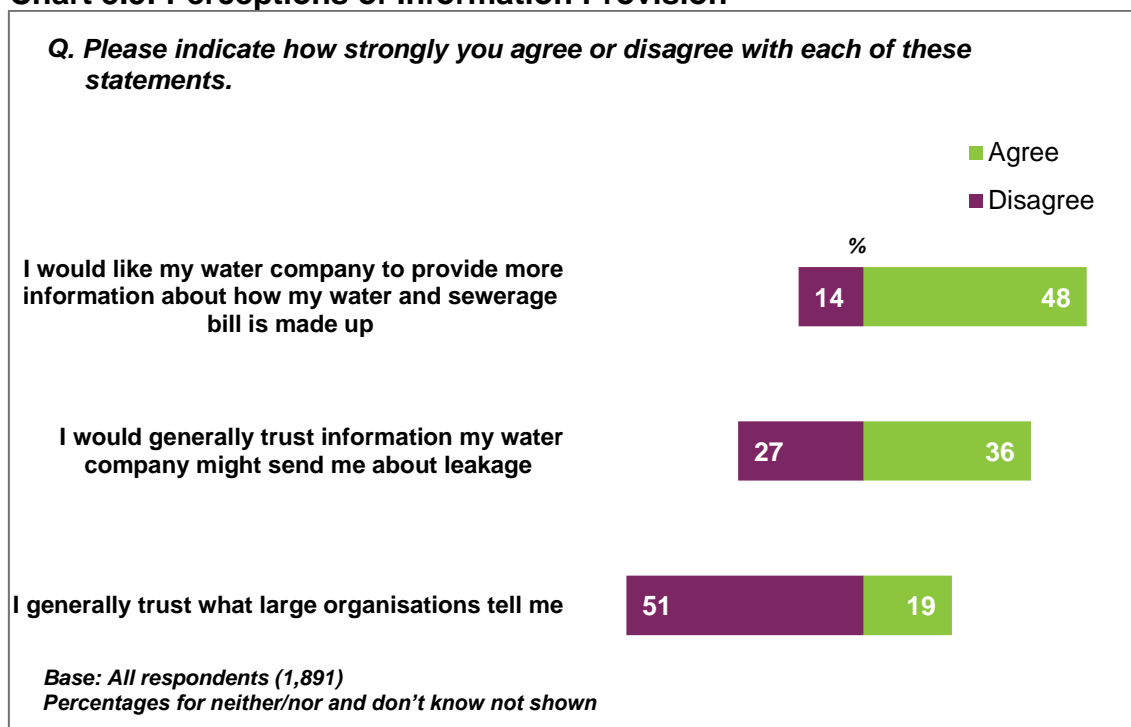
3.4. Perceptions of information provision

3.4.1. Suspicion of information from large organisations is prevalent with just 19% saying they tend to trust such communications.

3.4.2. Trust of information from water companies is more positive; however it is still just 36% who say they would be likely to believe information regarding leakage.

3.4.3. Nearly half say they would like their water company to provide information on how their bill is made up.

Chart 3.5: Perceptions of Information Provision



- 3.4.4. Younger customers are more likely to say both that they would appreciate more information on how their bill is made up and that they would generally trust information from their water company on leakage (56% and 44% agreeing respectively).
- 3.4.5. Respondents in Wales are more likely to trust leakage information from their water company than those in England – 37% compared with 29% respectively.

4. Attitudes towards leakage pre-exposure to material

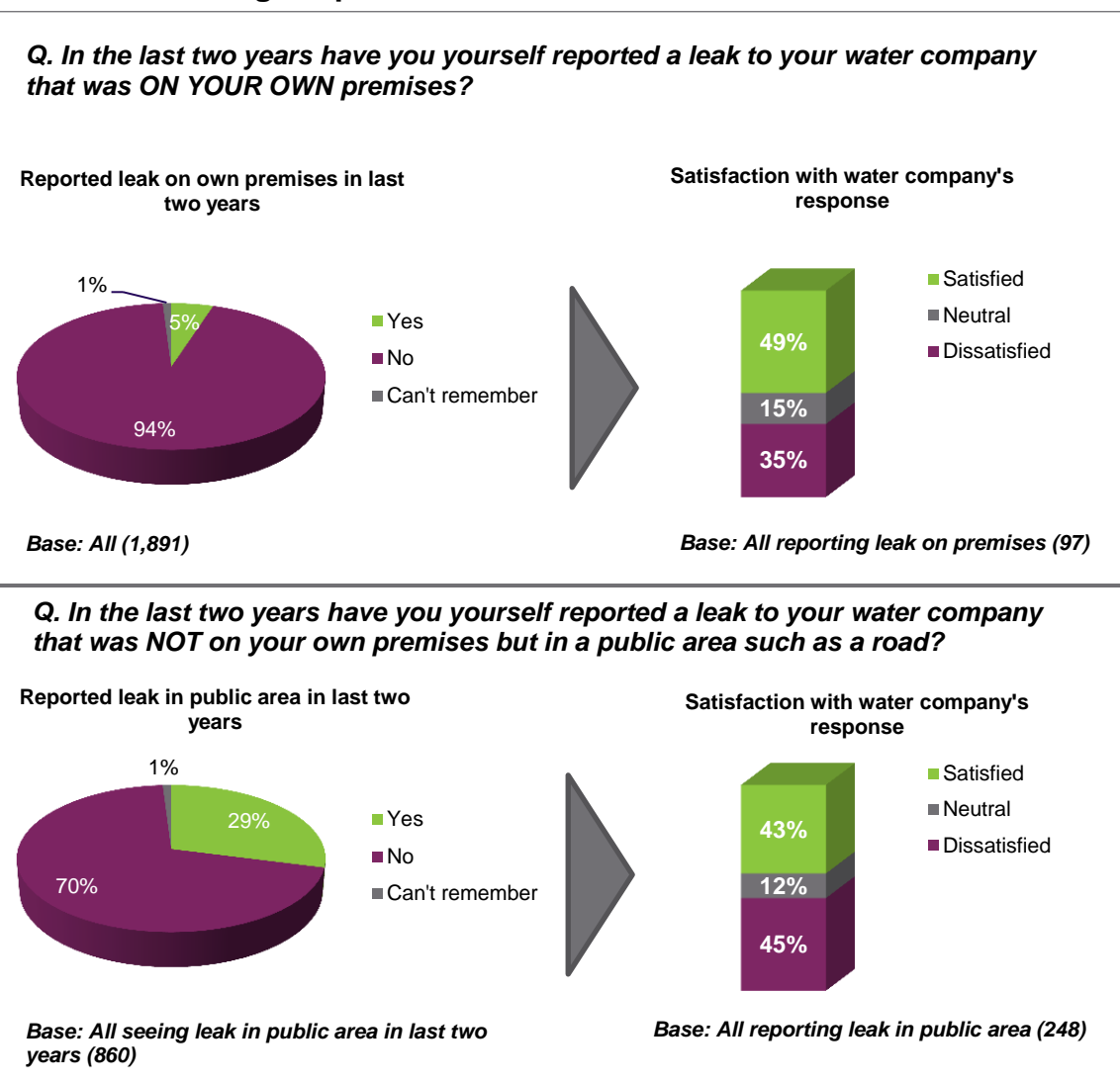
Water customers' general perception is that water companies are not doing enough regarding leakage

- Although nearly half the respondents had witnessed a leak in a public place, less than a third of these actually reported it.
- Most expect water companies to be devoting more resources to leakage management and are unsure whether investments have been recently made.
- Customers assume that if companies were to do more to address leakage this would not result in higher bills.

4.1. Experience of reporting leaks

- 4.1.1. Just five per cent of respondents had reported a water leak on their own premises within the last two years. Among these, half were satisfied with the response received from the water company.
- 4.1.2. Nearly half of respondents (46%) recalled seeing a leak in a public place within the last two years; 12% had witnessed a public leak on at least three occasions.
- 4.1.3. Among those observing a leak in a public area, less than a third reported it (29%). Perceptions of the water company response when a leak has been reported are mixed, with similar proportions satisfied and dissatisfied (43% and 45% respectively).

Chart 4.1: Leakage experience and satisfaction



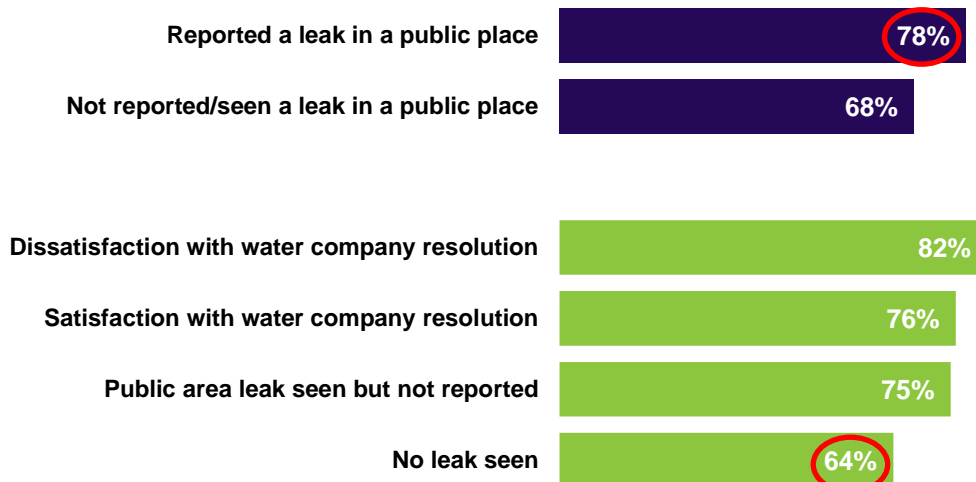
4.1.4. As shown in Chart 4.2 a correlation is evident between experiences and reporting of leakages in a public place and expectations of water company priorities.

4.1.5. Those reporting a leak are significantly more likely to identify leakage as a priority for water companies compared to those who have not reported or seen a leak (78% versus 68%). Those not seeing a leak in a public area in the last two years are the least likely to cite leakage as a priority (64%).

Chart 4.2: Sub-group analysis of impact of leak experience

Sub-group analysis: Experience of leaks in public places influencing identification of leakage as a priority

% citing leakage as a priority



Base: All respondents (1,891)

78% = Significantly different at 95%

- 4.1.6. Within the qualitative research stages, it was also common for those who had experienced issues around leakage such as delayed resolution, negative contact with water companies; or observation of long-term leaks, to be more cynical regarding water companies dedication to dealing with leakage issues and meeting or exceeding their obligations.

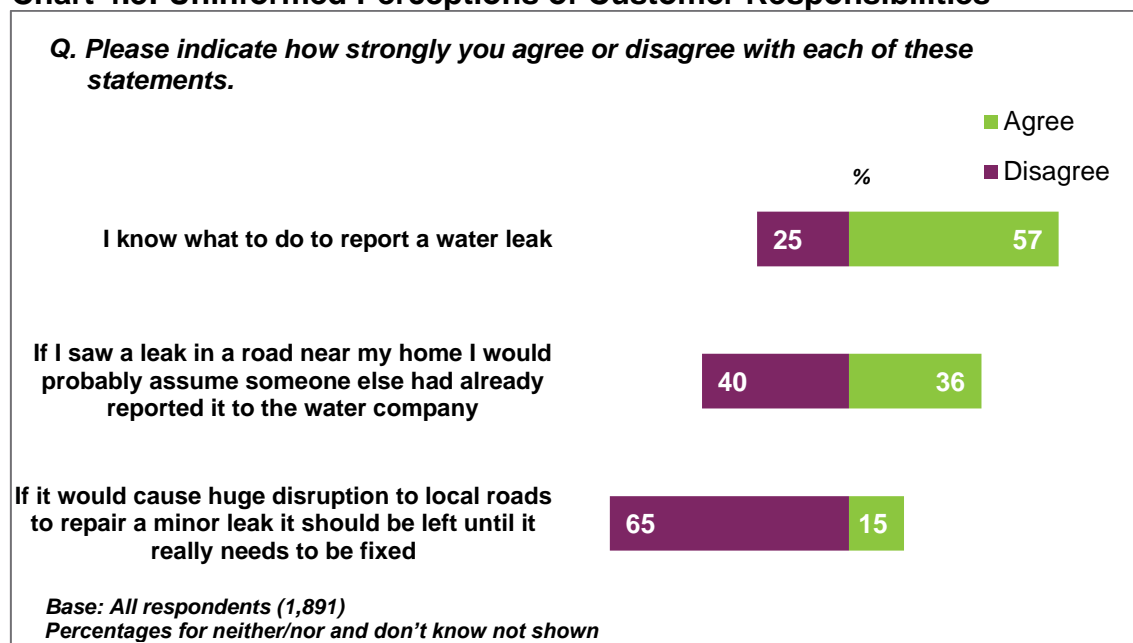
"I worry about replacing pipes because not so long ago where I lived there was a major burst and major flood that affected lots of households. I started thinking about all the cutbacks that companies are making and was that due to cutbacks?"

Female, 30-49; C2DE, South Staffordshire Water

4.2. Perceptions of customer responsibilities towards leakage

- 4.2.1. Over half of respondents think they would know what to do to report a water leak but over a third say they would probably assume someone else had already reported it (36%).
- 4.2.2. The majority of customers understand the need for disruption to deal with leaks; two-thirds claim that minor leaks should not be left until urgent even if it means major disruption to local roads.
- 4.2.3. Those who are less confident in knowing what to do to report a leak are younger customers and those who are private renters (40% and 33% disagreeing respectively). It is also younger respondents who would tend to assume someone else has taken responsibility for reporting a leak.

Chart 4.3: Uninformed Perceptions of Customer Responsibilities

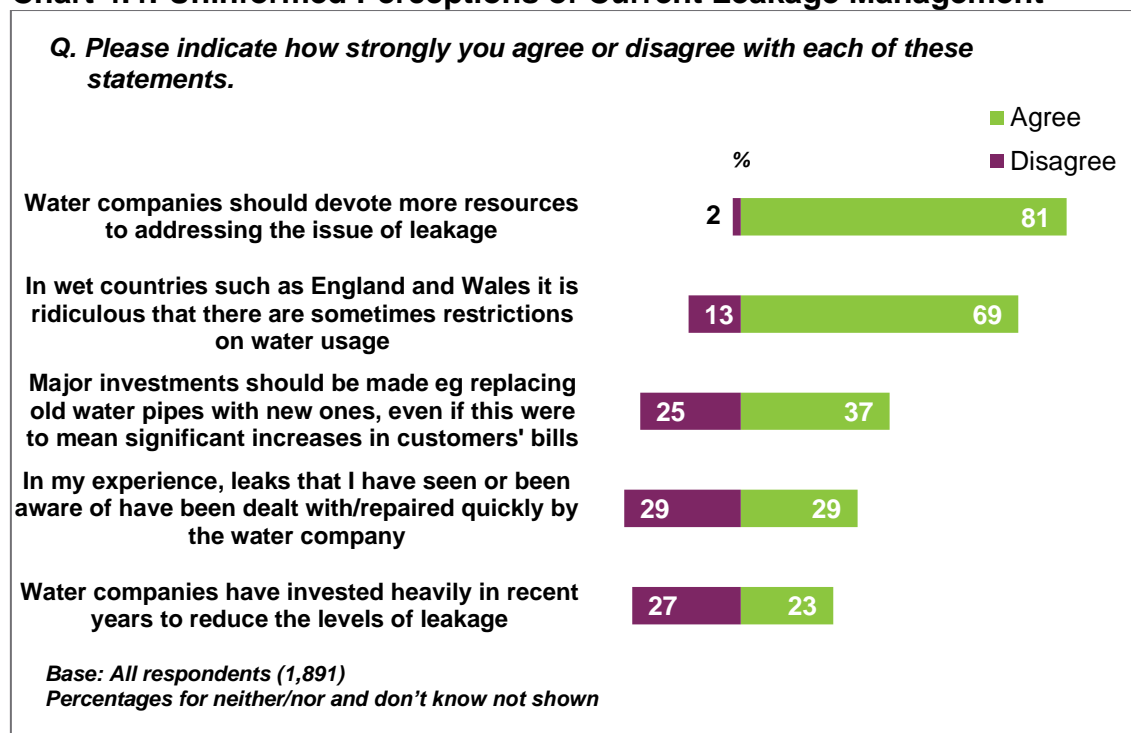


- 4.2.4. Understandably those who say dealing with leaks should be a priority are significantly more likely to say a minor leak should be dealt with even if major disruption is likely (70% disagreeing minor leaks should be left).

4.3. Perceptions of current leakage management

- 4.3.1. Four in five respondents say that *more* resources should be dedicated to addressing leakage. This rises to 90% among those aged 55+ and drops to 66% among 16-34 year olds).
- 4.3.2. However less than two in five say they would like to see major investments in leakage management if it meant significant increases to their bills (37%).
- 4.3.3. Views are divided on whether water companies have made significant investments to reduce leakage and similarly for respondent experience of leaks being repaired quickly. Believers of large organisation information are more likely to believe there has been significant investment (43% versus 16% of sceptics).
- 4.3.4. The majority of customers (69%) do not understand why water restrictions are sometimes imposed in countries which have a high level of rainfall such as England and Wales.

Chart 4.4: Uninformed Perceptions of Current Leakage Management



- 4.3.5. Qualitative research endorsed the survey findings, identifying a widespread misconception that reducing leakage would result in lower bills and little appreciation that it could cause bills to rise. This was despite a general belief that water companies should be doing more towards leakage management.

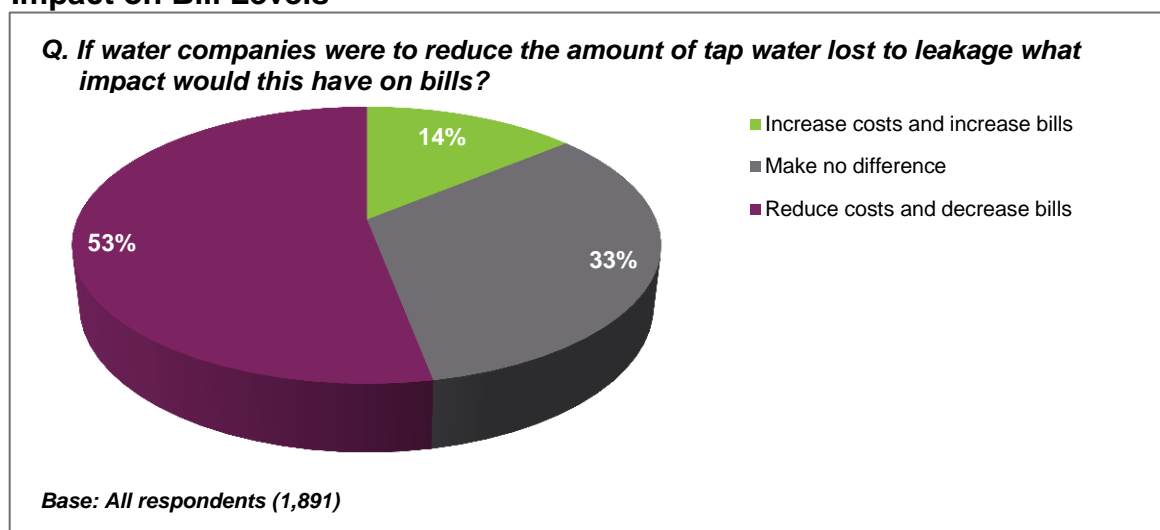
“But this year, if they had 10% leakage and they have spent all this money on infrastructure and repairing pipes, but your bill comes in next year and they have reduced it down to 6% it makes you feel they are doing something, when they are telling you they are spending millions and millions of pounds doing it.”

Female, 50-69, ABC1, Severn Trent Water

4.4. Expectations of water companies

- 4.4.1. From a relatively uninformed standpoint on how water companies deal with leakage and the costs/processes involved, over half believe their bills would come down if water companies reduced the current amount of leakage. This compares with just 14% that think there would be a cost implication for the company and the customer.

Chart 4.5: Uninformed Perceptions of Increased Leakage Management Impact on Bill Levels



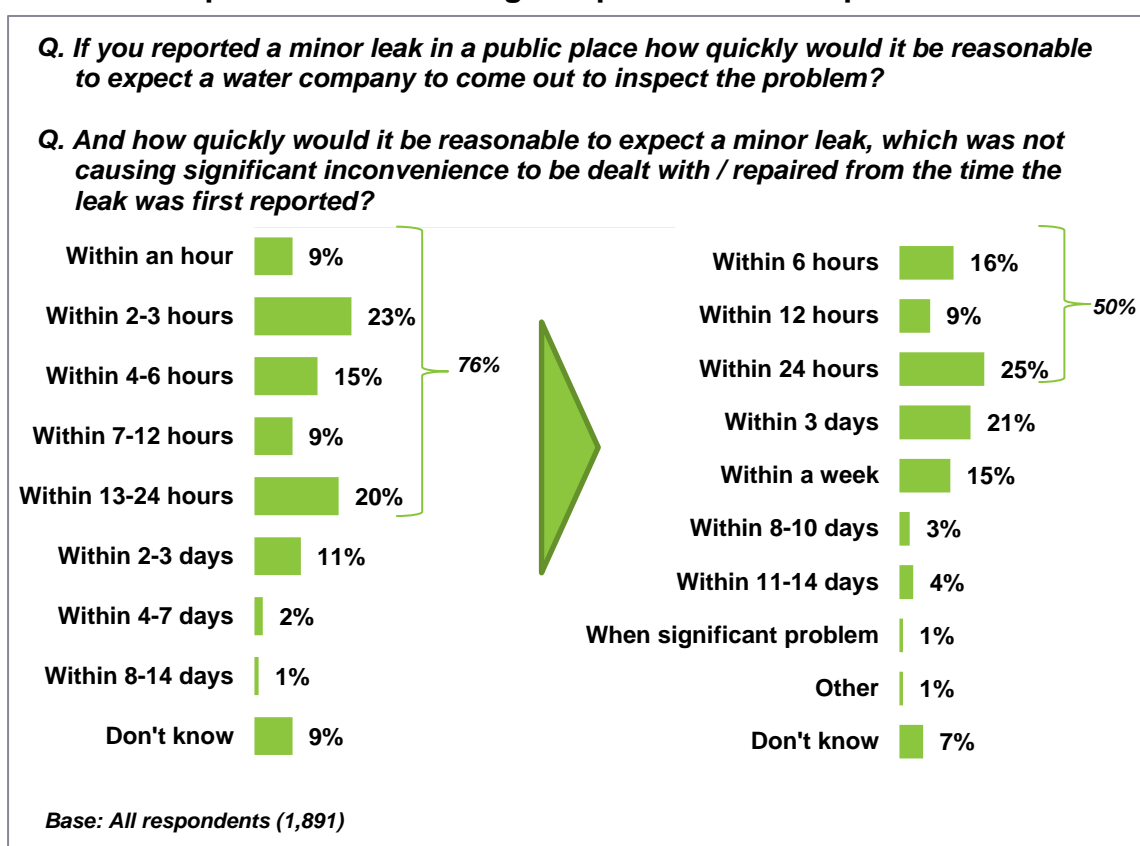
- 4.4.2. A few demographic differences in perceptions of the impact of water companies further reducing leakage are evident:-

- ➔ those without internet access are more likely to say bills will increase (22%)
- ➔ those who are working are more likely to say bills will reduce than those who are not working (56% versus 46%)
 - and those not working are consequently more likely to suggest that reducing leakage would not make a difference to bills (39% versus 30%)

- those aged 65+ are more evenly divided over whether bills would decrease or there would be no difference (45% and 43% respectively).

- 4.4.3. Three-quarters of respondents think it is a reasonable expectation for water companies to inspect minor leaks within 24 hours (a third within 2-3 hours). A higher proportion of those aged 65+ say leaks should be inspected within 24 hours in comparison with those aged 16-34 (81% versus 65%).
- 4.4.4. When it comes to resolving a minor leak, half believe it should also be within 24 hours (50%).

Chart 4.6: Expectations of Leakage Inspection and Response



- 4.4.5. If reporting a leak, the majority (54%) think it is reasonable to expect a water company to keep them informed of action and resolution.

5. Attitudes towards leakage post-exposure to material

Water customers generally accept that some levels of leakage are inevitable

- Despite greater understanding of current water and sewerage company investment to leakage management as a result of information, customers continue to believe that more resources should be targeted to this area.
- Seeing information on leakage issues is more likely to raise awareness of leakage as an issue that requires attention among those not identifying it previously than to alleviate the anxiety of those spontaneously citing it as a priority.

5.1. Interpretation of water company information

- 5.1.1. Respondents were shown one of two examples of material which might be sent to them by their water provider explaining aspects of leakage management. This example stimulus material is included in the Appendices.
- 5.1.2. Respondents within the online survey were not allowed to proceed to the next screen within a certain time limit to ensure they had taken enough time to read the information in full. From the material shown, 86% correctly identified that Ofwat has set limits on leakage which take account of the fact it may be expensive to significantly reduce the current level.
- 5.1.3. Those without internet access were significantly more likely to misinterpret the information with 27% saying they believed Ofwat has stipulated a complete elimination of leakage (compared with 12% average).

5.2. Initial reactions to information

- 5.2.1. Before exposure to information, respondents demonstrated positive attitudes towards saving water; particularly household members not wasting water (77%) and purchasing water saving items (51%). Having seen the example information, over half (52%) say they could not take messages on conserving water seriously if a significant volume of water is lost to leakage.

5.2.2. However, water customers do acknowledge that leakage will always be unavoidable, with seven in ten accepting that *some* level of leakage is inevitable.

5.2.3. Qualitative participants also generally accepted that some level of leakage is unavoidable.

"No company can guarantee that there will never be a leak. No electric company can guarantee that they're never going to turn the electric off because well I don't know it's an act of nature, snow or whatever so they can't really say. Nothing is 100% foolproof is it?"

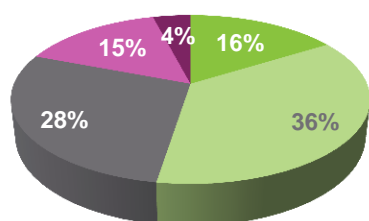
Male, 50-69, ABC1, Welsh Water

5.2.4. The proportion disagreeing that some leakage is inevitable rises amongst those living in Wales and those who are more cynical regarding information from large organisations (14% and 12% respectively versus 9% average).

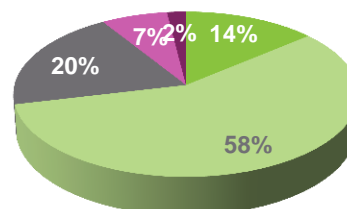
Chart 5.1: Informed Reactions to Water Efficiency and Leakage Levels

Q. Please indicate how strongly you agree or disagree with each of these statements.

It is impossible to take seriously messages to conserve water when so much water is being lost through leakage



We should accept that some leakage is inevitable



■ Strongly agree ■ Tend to agree ■ Neither/nor
■ Tend to disagree ■ Strongly disagree

Base: All (1,891)

5.3. Comparing informed opinions

- 5.3.1. In Chart 5.2, we show where, if at all, perceptions are affected by exposure to information.

Conserving water

- 5.3.2. Attitudes towards water restrictions and the value of saving water remain relatively unchanged following consideration of the information.
- 5.3.3. The majority still do not consider water restrictions to be reasonable in wet countries and there is only a slight reduction in the proportion stating that the volume of water saved through customers using less is tiny (59% compared with 65% pre-exposure).

Dealing with existing leaks

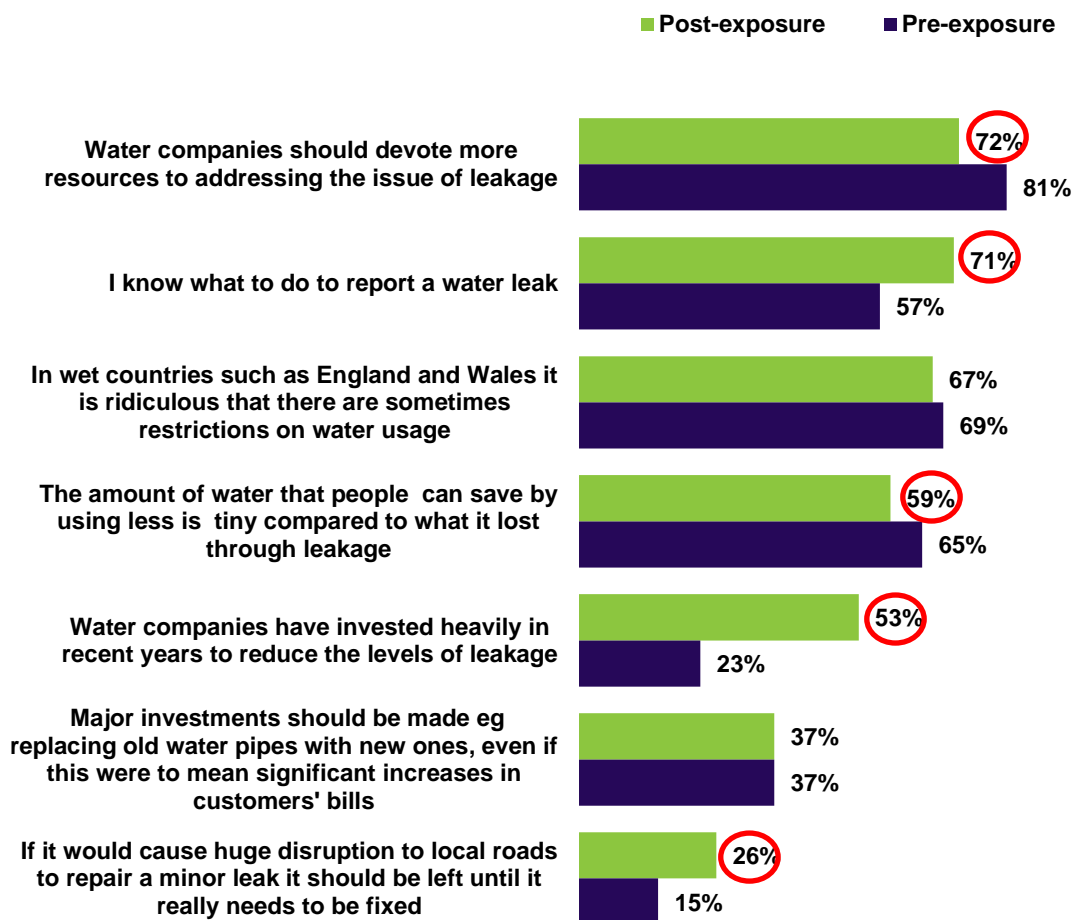
- 5.3.4. More water customers say they would know what to do to report a water leak (rising from 57% to 71%). Although those aged 16-34 remain more likely to disagree with this (21% compared with 12% average).
- 5.3.5. Where dealing with a minor leak may cause major disruption, there is greater understanding from respondents that it could be left until it needs to be fixed, although this is still only cited by a quarter (26% compared with 15% pre-exposure).

Leaks management

- 5.3.6. There is far greater acknowledgement that water companies are investing to manage and reduce leakage as a result of the material (53% versus 23%). However nearly three-quarters still say that water companies should be devoting more resources to dealing with leakage (72%).
- 5.3.7. While most continue to request greater investment from water companies, the proportion expecting their bills to increase as a result is unchanged. The same proportion (37% pre- and post-exposure) agrees that such investment by water companies would result in significant increases in customer bills.

Chart 5.2: Comparison of Informed and Uninformed Perceptions

% Agreement with statements

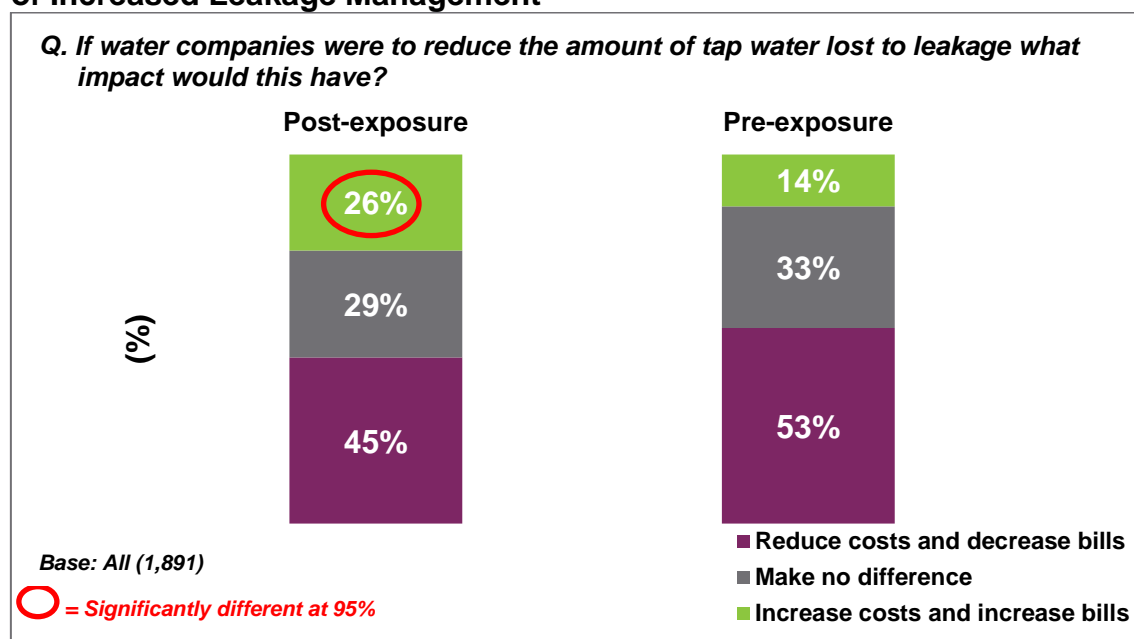


Base: All respondents (1,891)

○ = Significantly different at 95%

- 5.3.8. There is some movement in the perception of cost and billing impact of reducing leakage following sight of material. However more water customers still believe that either costs and bills would reduce or there would be no difference than believe there would be an increase in expenditure.
- 5.3.9. Those who are aged 65+ are most likely to be influenced by the material that further reductions in leakage would result in increased costs and subsequently increased customer bills (rising from 12% to 25%).

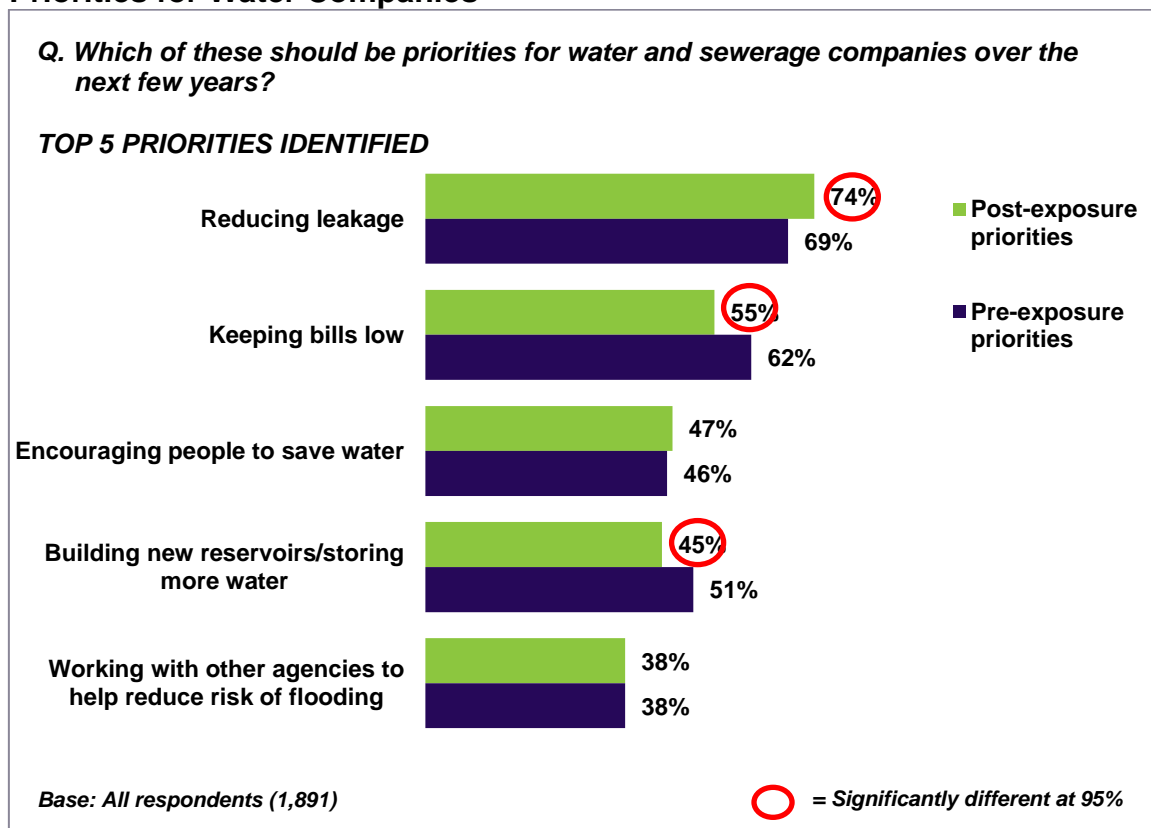
Chart 5.3: Comparison of Informed and Uninformed Perceptions of Impact of Increased Leakage Management



Perceptions of water industry priorities

- 5.3.10. The rank order of water company priorities remains largely unchanged by exposure to information regarding leakage. In fact, a higher proportion of respondents are prompted to say that reducing leakage should be a priority (74% compared with 69% previously).
- 5.3.11. Information does have an impact on attitudes towards customer costs with 55% now saying companies should focus on keeping bills low compared with 62% pre-exposure.

Chart 5.4: Comparison of Informed and Uninformed Perceptions of Priorities for Water Companies



5.3.12. Over half (53%) of those who did not initially say that reducing leakage is a priority, say that it should be a priority following exposure. In contrast, just 16% of those citing leakage as a priority prior to material exposure did not identify it post-exposure.

5.3.13. From the qualitative stages, this was often explained when respondents had no previous awareness of leakage or experience of seeing leaks and therefore the material actually introduced them to the potential issue and the actual volume of water loss could often be very shocking to customers.

"I think we all accept a certain level. But I'm surprised at how much there is. I didn't realise it was that much of an issue I guess, because I came thinking, yeah I'm happy with my water?"

Female, under 30; ABC1, Affinity Central

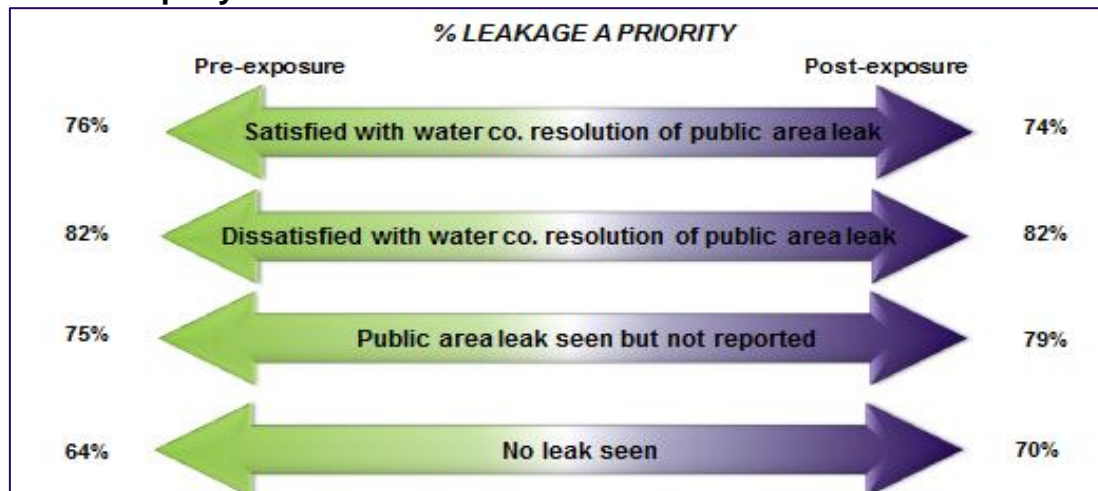
"You don't realise how much like 25% of all water is lost on leakage, 75% of water loss is in roads or other places, you don't realise the volume of it."

Female, Aged 70+; DE, Hartlepool Water

5.4. What impact does experience of leakage have on post-exposure views?

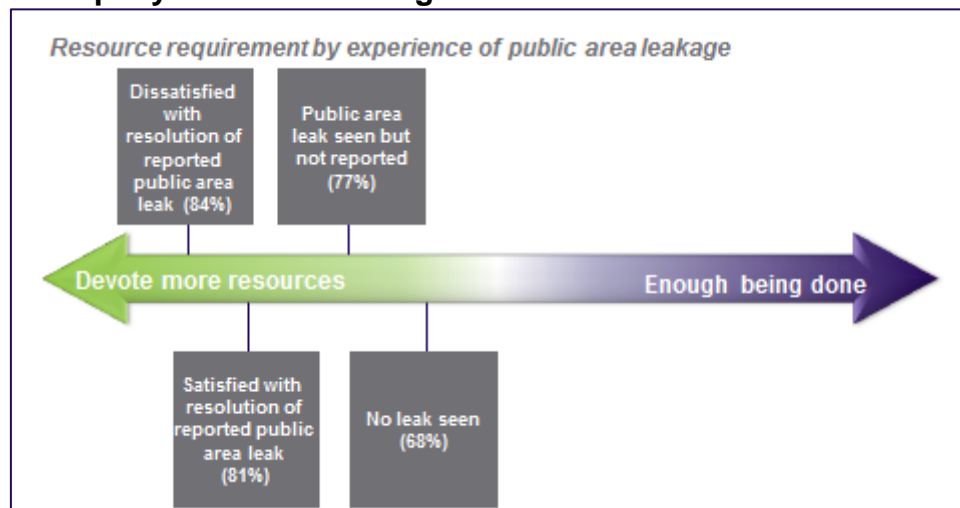
- 5.4.1. The majority of customers continue to state that leakage should be a priority regardless of their experience of seeing a leak in a public area. Those dissatisfied with the resolution of a reported leak remain more likely to say it should be a priority.

Chart 5.5: Impact of Leakage Experience on Informed Perceptions of Water Company Priorities



- 5.4.2. Those experiencing leaks in public places also continue to be the most likely to say that water companies should devote more resources to dealing with leakage even after seeing material.
- 5.4.3. The only significant shift in opinion is among those who have seen a leak but not reported it, falling from 88% to 77%.

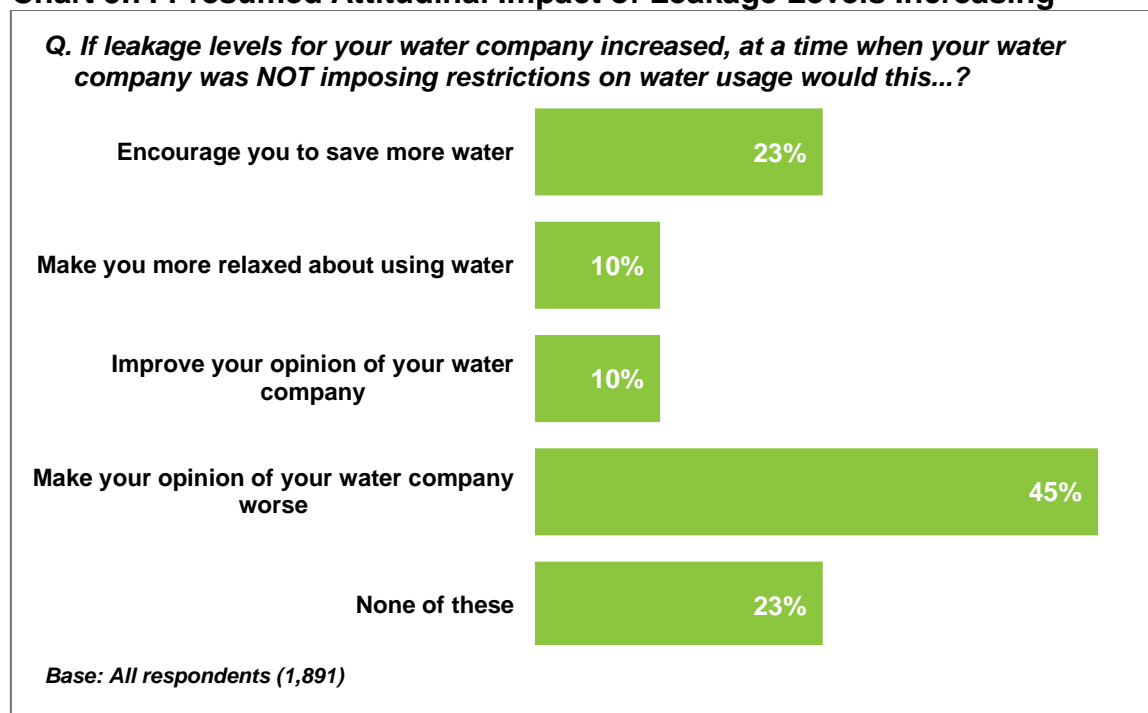
Chart 5.6: Impact of Leakage Experience on Informed Perceptions of Water Company Resource Management



5.5. Understanding the impact on customers

- 5.5.1. If their water company had increased levels of leakage, a quarter would feel a social responsibility to save more water themselves. However nearly half (45%) say it would make their opinion of their water company worse.
- 5.5.2. Those in rented accommodation are more likely to claim they would be encouraged to save more water (28%) in comparison with owner-occupiers (21%).
- 5.5.3. Higher proportions of older people and high earners believe their opinion of their water company would be negatively affected if leakage levels rose.

Chart 5.7: Presumed Attitudinal Impact of Leakage Levels Increasing



- 5.5.4. Acting on water company messages to save more water if leakage levels were rising was a very difficult concept for qualitative participants to reconcile.

"I think that's a really hard concept for a lot of people to get their head around because, especially the way we are at the moment with save the planet, save the world, do this, do that, save water, and it's a natural resource. And then all of a sudden there's an education on actually we're just going to let it leak, but it's really important for you in your home to turn off the tap and do this. You're like well why is it okay for you guys to do that but it's not for me"

Female, under 30; ABC1, Affinity Central

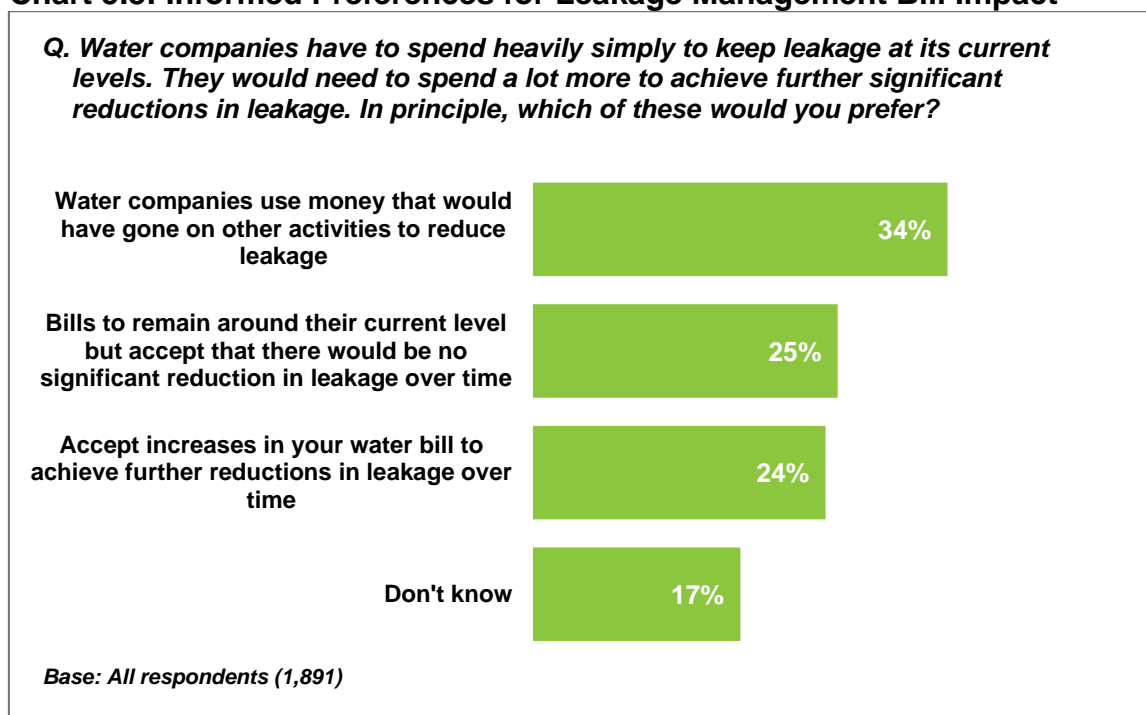
“They want us to accept that there is leakage, but at the same time they want us to do something about our water usage. They’re saying we can’t do any more than we’re doing but we’re expecting you to do more”

Female, 30-49; ABC1, South West

5.6. Preferences for potential bill impacts of water company leakage management

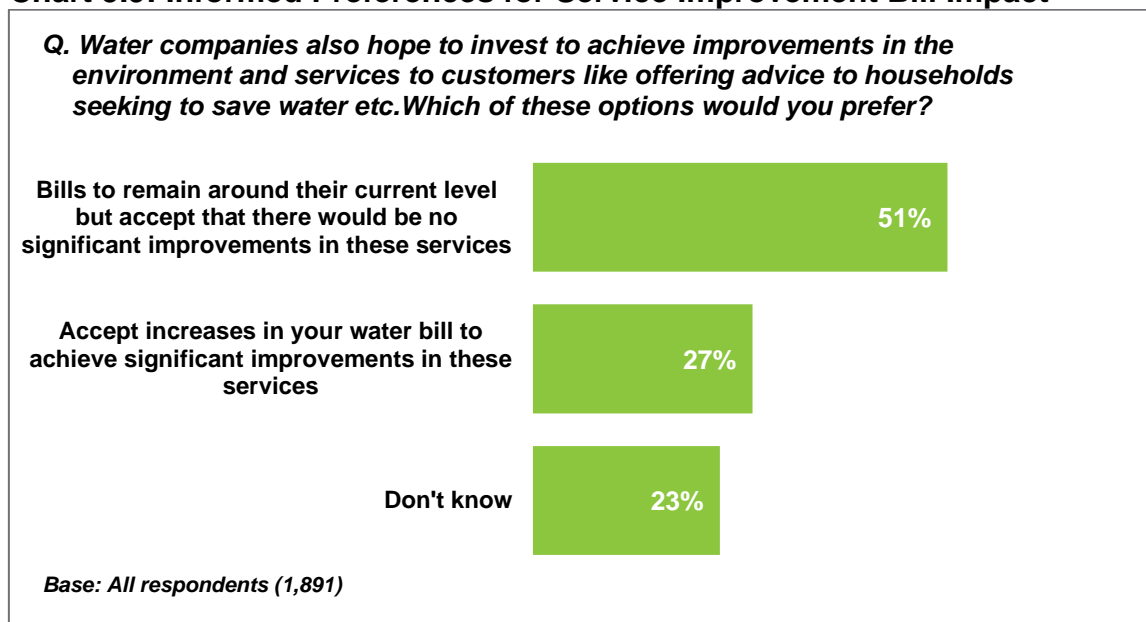
- 5.6.1. Although there is no clear majority, diverting money from other investment activities to further reduce leakage, receives the highest approval from water customers (supported by 34%).
- 5.6.2. Opinions are divided on other options, with a quarter each stating either that bills remain the same with no significant reduction in leakage or accepting bill rises to achieve further leakage reductions.

Chart 5.8: Informed Preferences for Leakage Management Bill Impact



- 5.6.3. Similarly, water customers show much greater inclination for keeping bill levels the same rather than achieving improvements in other service areas as well. A similar proportion to those accepting increases to deal with leakage would also accept a bill rise to improve services (24% and 27% respectively).
- 5.6.4. The majority however would prefer bills to remain stable with no service improvements.

Chart 5.9: Informed Preferences for Service Improvement Bill Impact



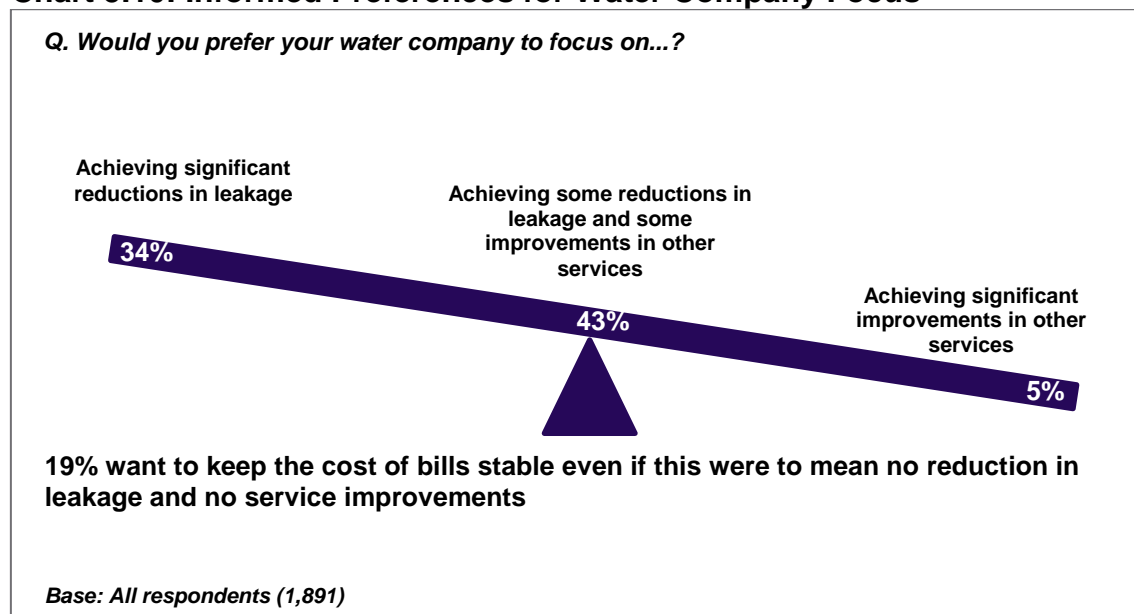
5.6.5. Sub-groups more likely to accept a rise in bill levels to address leakage are those:-

- with a household income of £50,000 per annum or more;
- identifying leakage as a priority prior to material;
- aged 55+

5.7. Water company focus

- 5.7.1. Two in five would like to see a balance between achieving improved services and reductions in leakage (43%). However, a third are likely to say there should be focus on reducing leakage over improvements to other services (34% versus 5%).

Chart 5.10: Informed Preferences for Water Company Focus



- 5.7.2. A significantly higher proportion of customers in Wales compared with England would prefer to see bills kept stable even if this resulted in no reduction in leakage and service improvement (25% compared with 18%).
- 5.7.3. Qualitative participants were similar in their perceptions of prioritising resources for leakage over other services viewing leakage management as paramount.

6. Informing water customers about leakage

Water customers are unlikely to pay close attention to information received with their bills

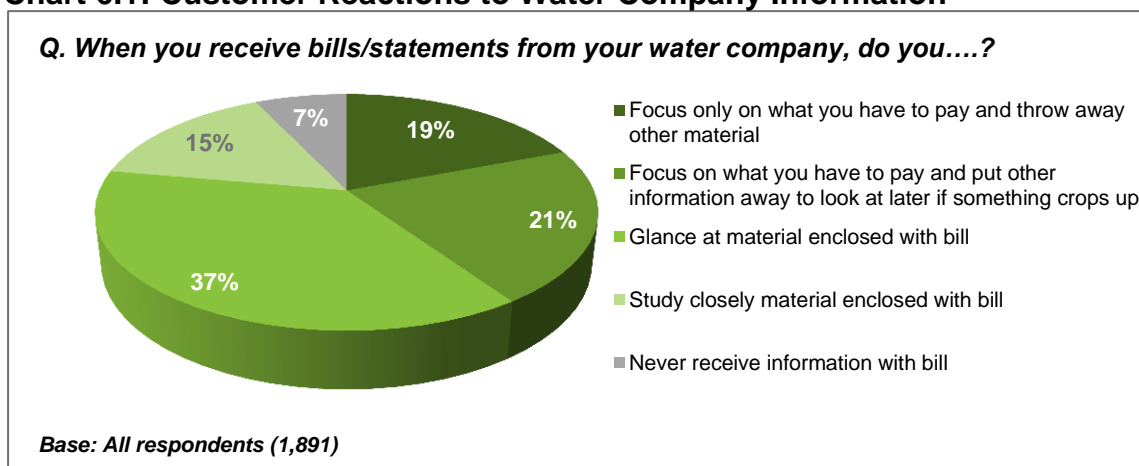
- Only a minority (15%) study information from their water and/or sewerage company.
- Customers are most likely to accept and acknowledge water and/or sewerage company action on leakage through observation of local leakage levels and reactions to reporting a leak themselves.
- The most sought after information is practical advice on how to report a leak and how to save water as a household.

6.1.1. A core aim of this research is to establish whether company information on leakage management will make a difference to customer perceptions of water company action and the leakage issue in general. We have found that customers, after having the opportunity to consider data and information on leakage levels and management still believe that water companies should be doing more to address the issue.

6.2. Information absorption

- 6.2.1. Just 15% of respondents claim they study closely anything which is included with their bill (dropping to 8% among respondents in Wales). At the other end of the scale, 19% say they only pay attention to their actual bill and no enclosures.
- 6.2.2. The majority, (58%) say they keep information for future reference or glance at material however this does not indicate how likely they are to actually absorb the subject matter of the material.

Chart 6.1: Customer Reactions to Water Company Information



6.3. Preferences for information

6.3.1. Overall, positive customer experience and observation is the most likely factor to persuade customers that a water company is doing enough to deal with leakage, including aspects such as:-

- reporting a leak and seeing it fixed promptly
- levels of leakage which are below those set by Ofwat
- seeing a gradual reduction in leakage in their area over time
- seeing sign by leak in road saying water company is aware and dealing with it.

6.3.2. When asked what would be most likely to convince them that water companies are doing enough to address leakage issues receiving information with bills about the actions of the water company is cited by the most customers. However as noted in section 6.2, just 15% of respondents say they study closely anything which is included with their bill.

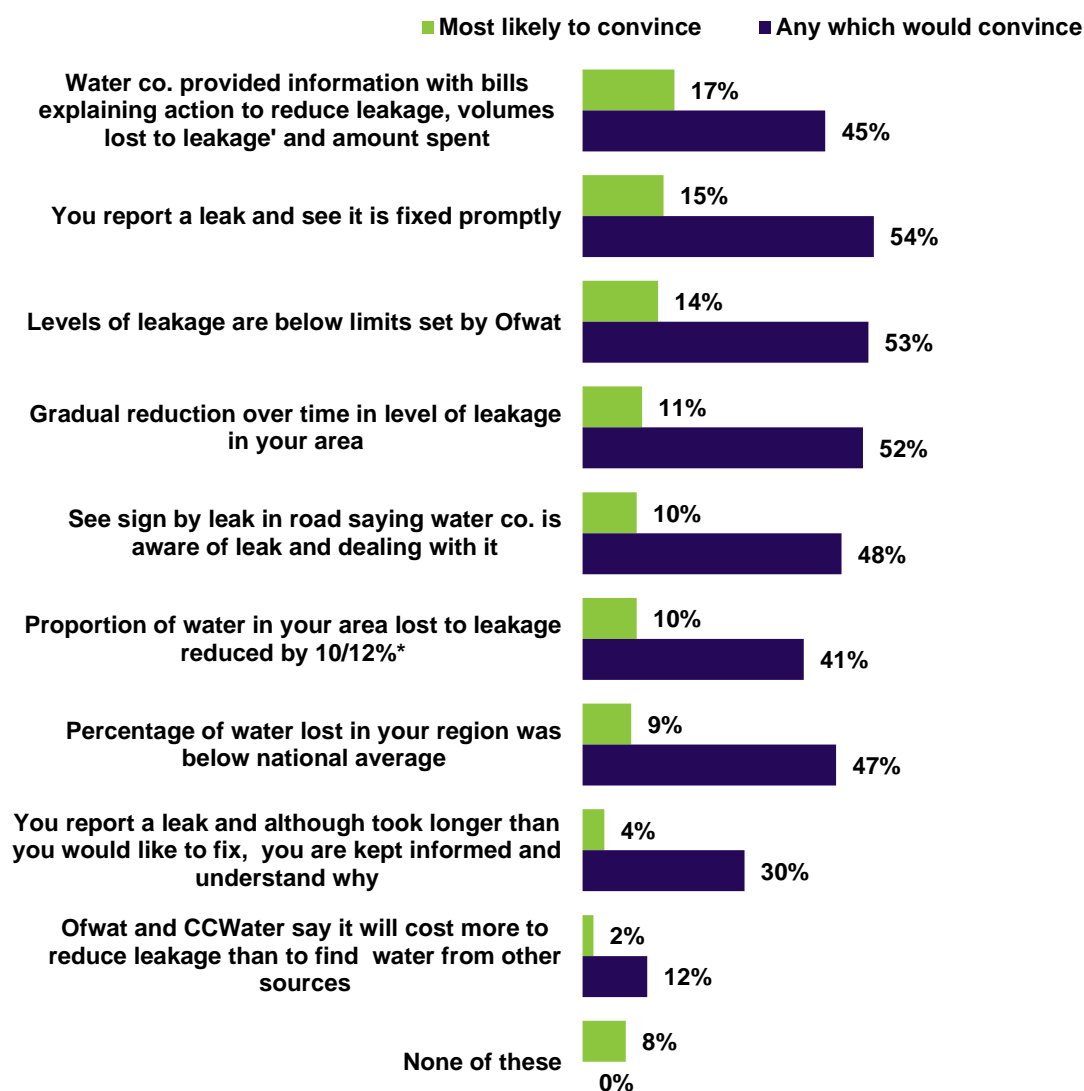
“When I looked back and saw the last 3 page leaflet that they sent through saying what they were doing, I just filed it thinking I’ll read that some time, and I haven’t.”

Male, Aged 70+; ABC1, Sembcorp Bournemouth Water

6.3.3. We found the most cynical members of qualitative groups to be those who had experienced poor response to leaks or had witnessed re-occurring leaks; therefore it is no surprise that reporting a leak and seeing a resolution is the most frequently cited aspect.

Chart 6.2: Reactions to Potential Leakage Management Activities

Q. Which of these would convince you that your water company was doing enough to address the issue of leakage?



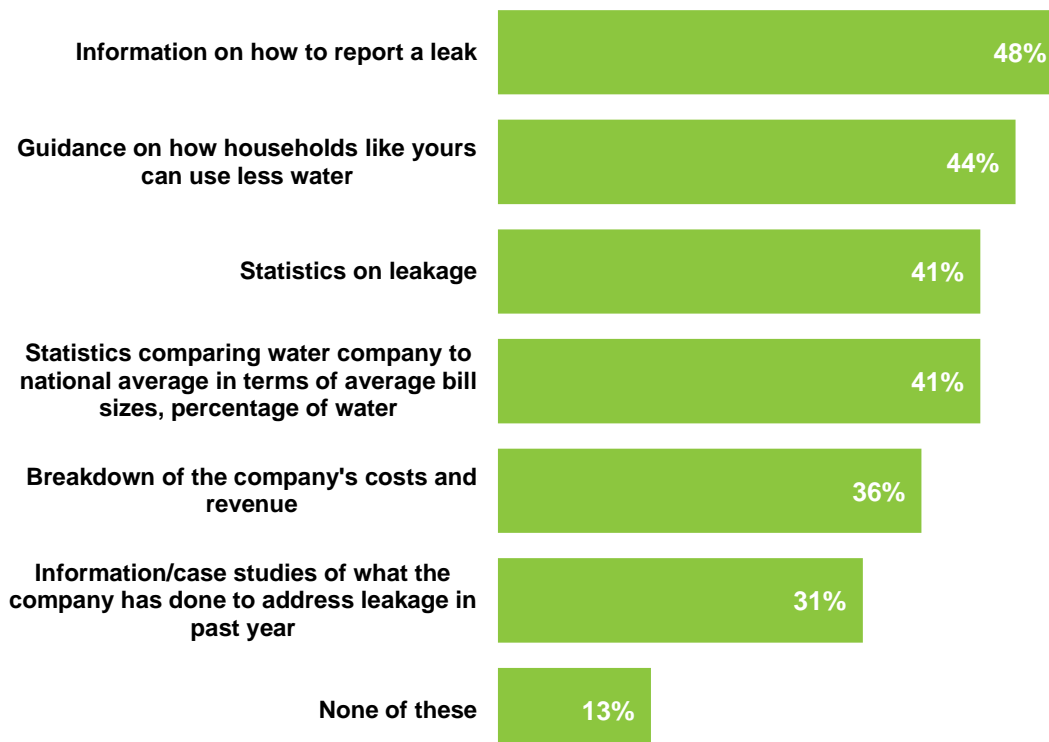
Base: All respondents (1,891)

** Sample split, half asked in relation to 10% saving, others 12%)*

- 6.3.4. Further expanding on the communications which water companies could send to water customers, customers were asked to state a preference for information content. Respondents favour factual and usable/digestible information such as how they can report a leak, how they can save water and statistics on leakage.
- 6.3.5. Water customers show less inclination for receiving information or case studies detailing the actions which the water company has taken towards leakage management (31%).

Chart 6.3: Preferences for Information from Water Company

Q. Which of the following types of information, if any, that might be included with a bill/statement from your water company would you personally like to receive and to read?



Base: All respondents (1,891)

6.3.6. Compared to the aggregate figures in Chart 6.3, some sub-groups are more inclined towards hearing information about water company action including:-

- those identifying leakage as a priority prior to exposure to material (34% versus 24% of those not spontaneously mentioning it)
- those aged 55+ (35%)

7. Conclusions and Recommendations

7.1. Conclusions

- 7.1.1. Leakage is an issue which water customers are aware of and do believe to be a significant challenge to the water industry. The overall spontaneous view is that water companies could be doing more to address the problem without having a cost impact to customers.
- 7.1.2. Information has some impact on opinions in regards to acknowledgement of the actions which water companies have taken. However, it does not change opinion that customers want more to be done to address leakage levels and in cases where it has not previously been judged as a priority, can actually sway people to consider it to be the greatest issue facing the water industry.
- 7.1.3. Information on the potential costs and bill impacts of reducing leakage lead to some customers realising that prices would rise if companies increase their leakage management resource; but more still maintain bills should reduce if leakage levels are more heavily addressed.
- 7.1.4. Although preferences for types of communication from water companies are given by respondents, in reality, when asked about the attention paid to information included with bills, few actually study such communications and it is unlikely that many would become more informed by such a provision.
- 7.1.5. Information which is deemed of most impact and use to customers is practical guidance on how to report leaks and how to better manage their own water use.
- 7.1.6. Attitudes towards household water conservation are generally positive however they could be affected by a water company emphasising customer responsibility while it fails to address high levels of leakage levels itself.
- 7.1.7. Combining findings from the qualitative and quantitative stages, it appears that communications to water customers may help in improving understanding of water company actions and reasons for leakage but is unlikely to actually lead to greater acceptance of leakage and leakage levels.
- 7.1.8. CCWater required insight into whether communications regarding leakage can make customers better-informed and change their views.

- 7.1.9. The research has found that while information can produce some movement in opinion, water customers still believe leakage to be a key priority for water companies which requires further attention.
- 7.1.10. Few customers are likely to be persuaded by communications that:-
- water companies are doing all they can to address the issue of leakage AND
 - it will be inappropriate and too expensive to reduce leakage further AND
 - customers should accept restrictions on usage/take steps to reduce their usage of water without companies demonstrating that they are doing more to reduce leakage.

7.2. Recommendations

- 7.2.1. The following actions may therefore be more appropriate for CCWater:-
- encourage water companies to maintain current leakage management activities to meet and exceed Ofwat limits
 - encourage Ofwat to continue to take into account non-economic arguments in setting leakage targets as water customers consider ethical and sustainability arguments against wastage as important.
- 7.2.2. There is opportunity for CCWater to work with water companies to interact and educate customers in certain areas which may naturally lead to a better understanding of leakage management overall. Such actions include:-
- raising visibility of the water company when inspecting infrastructure/investigating leaks (through signage and livery)
 - educating customers on how to report leaks
 - increasing interaction with customers who do report leaks to update them on the outcome
 - using technology to interact with customers to encourage discussion of and reporting of leaks (i.e. using SMS or twitter to inform customers of forthcoming works or disruption and receiving reports of leaks.)
 - providing education and information about how households can better conserve water
 - offering general information on the causes of leaks and leakage statistics for their local area.

Appendices

CCWater Leakage Groups

Topic Guide

Introduction/Housekeeping (3 minutes)

- Explain role of Consumer Council for Water and that we are interested in exploring people's views of issues affecting water industry, individuals introduce themselves briefly including number of people in household

Issues facing water and sewerage industry/concerns they have as customers for water and sewerage services (10minutes)

- What issues concern people as water/sewerage service consumers? What concerns them regarding their water supply or their sewerage service, or the company(ies) providing these services?
- In this section individuals can make reference to their completed questionnaires when discussing the issues that concern them. (We want to see what prominence is given by different groups to leakage)
- The moderator will write these down (e.g. on a flip chart) then ask the full group to state which of the problems/issues concern them most and why to obtain provisional list. (This will give us an indication of the relative saliency of leakage relative to issues such as pricing, value for money, security of supply, metering etc)

Saving water (5 minutes)

- What do people think about the idea of saving water? What if anything do they personally do to save water and what motivates them to do this?
- What communications do they see encouraging them to save water
- How do they react to these?
- What if anything encourages them to save water
- What, if anything, discourages them from saving water
- Moderators to check who has water meter and whether this affects their willingness to save water

Self-completion questionnaire (5 minutes)

- At this point people will fill in a short self-completion questionnaire regarding their views of leakage, whether companies should do more to deal with leakage and what they expect the likely impact to be on their bills and their willingness to save water if companies were to do so

Leakage - unprompted understanding (10minutes)

- How many included Leakage as a priority?
- How big an issue is leakage? Why does it matter/not matter? What influences people's views about this subject e.g. press coverage, water company websites? What are the consequences of leakage?
- Whose responsibility is it for dealing with leakage from customer supply pipes? Has anybody ever had a leak from the water supply at their home? What happened? Were they satisfied with this?
- Whose responsibility is it for dealing with water mains leaks? Has anybody seen a leak e.g. in the road and NOT reported it, if so, why did they not report it?
- Has anybody ever reported a leak to a water company/council?
- What did they expect to happen? What actually happened?
- How easy is it for water companies to identify/deal with leakage?

- What do water companies do to reduce/prevent leakage? Should they do more? Why? Is it more important for water companies to reduce leakage or to help consumers/businesses reduce water consumption? Why?
- What else should they be doing? Is there an acceptable/reasonable level of leakage? How could that be calculated?
- Would their views about leakage be the same if we had a couple of wet summers and winters or if we had dry summers and winters which resulted in restrictions, water companies urging customers to save water and lots of media coverage about water and leakage? Would leakage become a bigger issue if we had dry summers and winters?

Provide a general statement about what companies are currently doing regarding leakage (10 minutes)

This will include information on what causes leaks, and what companies do to address leakage

- What do people think of the information they have seen? How understandable is this information? How helpful? If not understandable/helpful, why not?
- Which information is most striking? Why?

- What makes information useful to them as a consumer?

Hand out the two page document starting 'Leakage levels have reduced' (and if you have company specific info, hand this out

too). Also hold in reserve the info about profits and if people raise this subject, hand out info on profits (15 mins)

- Respondents will be asked to state
 - Anything that is UNCLEAR in what they have read and why
- What do people think about what they have just read?
- Are they surprised leakage levels have been falling?
- Do any of these statistics make them think more should be done about leakage? Why?
- Do any of these statistics make them think enough is being done about leakage? Why?
- Has any of the information they have seen changed their mind about water companies and leakage?
- What other information would they find helpful in understanding the issue of leakage?
- What did they think of the idea that it could cost more to reduce leakage than to obtain an equivalent volume of new or recycled water? Does this make sense? What do they see as the implications of this?
- **SAY With population growth and climate change it may become difficult to find new sources of water and it is possible that the Government/Environment Agency will prevent water companies from taking additional water from rivers and underground resources because of the damage to the environment. Companies will be left with limited options i.e. customers will be asked to conserve water (with advice on how to do this), companies may apply to meter all its customers; the companies spend more on tackling leaks which means increased maintenance, pipe repairs and replacement which could increase bills.**
- How do you feel about this? If you were being asked to conserve water would you expect companies to spend more on tackling leaks?
- If water companies were to increase their expenditure on leakage, would they prefer to see water bills rise (if so what rise would they be prepared to accept) or would they rather see some potential service improvements be delayed (ie there might be less money available to improve telephone call handling, make environmental improvements beyond agreed levels, run campaigns to advise people about saving water etc)

- If they accepted a certain level of leakage was inevitable/reasonable how, if at all, does this affect their willingness to save water
- Could messages about saving water still be persuasive if water companies are not expected to increase their efforts to deal with leakage? Why/why not?

Communication (10 minutes)

- What messages or information, if any, would people like to see regarding leakage?
- Which channels/media would they be most likely to pay attention to (or would they have been at the start of this session)? Would they prefer to see info from their water company or someone else eg the government, Ofwat, CCWater? Who?
- What messages, if any, might convince them saving water was worthwhile AND that a degree of leakage was acceptable or at least unavoidable.

Sum up/close/final self-completion questionnaires (5 minutes)

In this phase the moderator will briefly sum up views expressed and check with respondents whether they think this was a fair summary. Respondents will be encouraged to add comments related to leakage at this stage.

Finally respondents will be asked to revisit the questions they completed about one third of the way through the session and assess whether their views have changed at all, and if so, which information/material caused their views to change. They will also fill in a questionnaire about what might convince them their water company was doing enough about leakage.



Survey Title: CCWater Leakage
Job No/Initials: 1334

QA Do you, or any of your close friends/family, work now, or have ever worked, in any of the following industries or occupations or types of organisations? **PLEASE TICK ALL THAT APPLY**

Market Research	1	CLOSE
Water/Sewerage company/services	2	CLOSE
Company undertaking sub-contracted work for water/sewerage companies	3	CLOSE
Water regulators/consumer groups	4	CLOSE
Environment agency	5	CLOSE
None of these	6	CONTINUE

Q1 Are you the person in your household solely or jointly responsible for dealing with bills such as your water bill?

Yes, sole responsibility	1	GO TO Q2
Yes, joint responsibility	2	GO TO Q2
No	3	CLOSE

This survey is being conducted on behalf of the Consumer Council for Water which represents the interests of water customers in England and Wales.

Q2 Which company provides you with your tap water (i.e. the name of the company on your water bill)?

Anglian Water Services Ltd	1
Dwr Cymru Cyfyngedig (Welsh Water)	2
Northumbrian Water Ltd	3
Severn Trent Water Ltd	4
South West Water Ltd	5
Southern Water Services Ltd	6
Thames Water Utilities Ltd	7
United Utilities Water Plc (North West Water)	8
Wessex Water Services Ltd	9
Yorkshire Water Services Ltd	10
Bournemouth Water Plc (Sembcorp)	11
Bristol Water Plc	12
Cambridge Water Company Plc	13
Cholderton & District Water Company Ltd	14 CLOSE
Dee Valley Water Plc	15
Essex & Suffolk Water	16
Affinity Water Southeast Ltd (formerly Veolia Water Southeast/ Dover and Folkestone)	17
Hartlepool Water Plc	18
Portsmouth Water Plc	19
South East Water Plc (including Mid Kent Water Plc)	20
South Staffordshire Water Plc	21
Sutton & East Surrey Water Plc	22
Affinity Water East Ltd (formerly Veolia Water East/Tendring Hundred)	23
Affinity Water Central Ltd (formerly Veolia Water Central/Three Valleys Water)	24
Don't know	25 CLOSE

Q3 Do you have a water meter?

Yes	1 GO TO Q4
No	2 GO TO Q5
Don't know	3 GO TO Q5

Q4 Did you...

- | | |
|---|---|
| Choose to have the water meter installed | 1 |
| Move into a home where the water meter was already in place | 2 |
| Or were you obliged by the water company to have a meter | 3 |
| Can't remember | 4 |

Q5 What do you think are the biggest issues facing the water industry in England and Wales over the next ten years? **PLEASE WRITE IN**

Q6 Which of the following should be the **TOP** priority for water and sewerage companies over the next few years? **ROTATE ORDER**

- | | |
|---|----|
| Improving the water environment (e.g. cleaner rivers/less water taken out of rivers) | 1 |
| Building new reservoirs/storing more water | 2 |
| Encouraging people to save water | 3 |
| Reducing smells from sewage treatment works | 4 |
| Improving the colour and taste of drinking water | 5 |
| Reducing leakage | 6 |
| Reducing flooding in homes from sewers | 7 |
| Keeping bills low | 8 |
| Improving water pressure | 9 |
| Working with other agencies to help reduce the risk of flooding from extreme rainfall Better customer service (e.g. Answering the phone more quickly) | 10 |
| Don't know | 11 |

Q7 Which others would you regard as priorities? **PLEASE SELECT UP TO THREE ANSWERS** (List as Q6 but without answer selected at Q6)

Q8 Please indicate how strongly you agree or disagree with each of these statements (Rotate Order)

- | | |
|----------------------------|---|
| Agree strongly | 1 |
| Tend to Agree | 2 |
| Neither Agree nor Disagree | 3 |
| Tend to Disagree | 4 |
| Disagree strongly | 5 |

- a) I would like my water company to provide more information about how my water and sewerage bill is made up
- b) Water meters should be compulsory for all households
- c) I generally trust what large organisations tell me

- d) I have purchased something to help me use less water e.g. water butt or water efficient washing machine
- e) In wet countries such as England and Wales it is ridiculous that there are sometimes restrictions on water usage
- f) I know what to do to report a water leak
- g) If I saw a leak in a road near my home I would probably assume someone else had already reported it to the water company
- h) Water companies should devote more resources to addressing the issue of leakage
- i) If I had to pay more for each litre of water I used, I would use less
- j) The amount of water that people can save by using less is tiny compared to what is lost through leakage
- k) All members of my household take care not to waste water
- l) Water companies have invested heavily in recent years to reduce the levels of leakage
- m) In my experience, leaks that I have seen or been aware of have been dealt with/repaired quickly by the water company
- n) If it would cause huge disruption to local roads to repair a minor leak it should be left until it really needs to be fixed
- o) Major investments should be made eg replacing old water pipes with new ones, even if this were to mean significant increases in customers' bills
- p) I would generally trust information my water company might send me about leakage

Q9 If water companies were to reduce the amount of tap water lost to leakage what impact would this have? (PLEASE CHOOSE ONE ANSWER)

- a) Increase their costs and could result in an increase in my bill
- b) Reduce their costs and could result in an decrease in my bill
- c) Make no change to my bill

Q10a In the last two years have you yourself reported a leak to your water company that was ON YOUR OWN premises?

- | | | |
|----------------|---|-------------------|
| Yes | 1 | GO TO Q10b |
| No | 2 | GO TO Q11 |
| Can't remember | 3 | GO TO Q11 |

Q10b Please describe what happened (on the last occasion) when you reported a leak on your premises eg.what did they tell you, how quickly the company dealt with the problem? **PLEASE WRITE IN**

Q10c So overall how satisfied were you with your water company's response when you reported a leak on your own premises?

Very satisfied	1
Fairly satisfied	2
Neither satisfied nor dissatisfied	3
Rather dissatisfied	4
Very dissatisfied	5

Q11a In the last two years have you yourself seen a leak that was NOT on your own premises but in a public area such as a road?

Yes (on at least 3 occasions)....	1	GO TO Q11b
Yes (once or twice)	2	GO TO Q11b
No	2	GO TO Q13
Can't remember	3	GO TO Q13

Q11b In the last two years have you yourself reported a leak to your water company that was NOT on your own premises but in a public area such as a road?

Yes	1	GO TO Q12
No	2	GO TO Q13
Can't remember	3	GO TO Q13

Q12a Please describe what happened (on the last occasion) when you reported a leak in a public place e.g. how quickly the company dealt with the problem? **PLEASE WRITE IN**

Q12b So overall how satisfied were you with your water company's response when you reported a leak in a public place?

Very satisfied	1
Fairly satisfied	2
Neither satisfied nor dissatisfied	3
Rather dissatisfied	4
Very dissatisfied	5

Q13 If you reported a minor leak in a public place how quickly would it be reasonable to expect a water company to come out to **inspect the problem**?
(A minor leak is unlikely to be disruptive and may be evident via water slowly seeping out from under the ground.)

Within an hour	1
Within 2-3 hours	2
Within 4-6 hours	3
Within 7-12 hours	4
Within 13-24 hours	5
Within 2-3 days	6
Within 4-7 days	7
Within 8-14 days	8
Other expectations (SPECIFY)	9
Don't know	10

Q14a And how quickly would it be reasonable to expect a minor leak, which was not causing significant inconvenience to be **dealt with/repaired from the time the leak was first reported**?

Within 6 hours of it being reported	1
Within 12 hours	2
Within 24 hours	3
Within 3 days	4
Within a week	5
Within 8-10 days of being reported	6
Within 11-14 days of being reported	7
Would not expect it to be repaired until it caused significant problems	8
Other expectations (SPECIFY)	9
Don't know	10

Q14b If you reported a leak would it be reasonable to expect the water company to offer to keep you informed of what was happening, and to tell you when the leak was fixed?

- | | |
|------------|---|
| Yes | 1 |
| No | 2 |
| Don't know | 3 |

Q15a Please read the information about leakages then answer questions about what you have read – SHOW STIMULUS (there will be 2 versions of the stimulus shown)

Q15b Which of these statements is true? PLEASE CHOOSE ONE ANSWER

- a) Ofwat has instructed water companies to eliminate leakage completely
- b) Ofwat has set limits on leakage which take account of the fact it may be expensive to significantly reduce current levels of leakage
- c) Ofwat has told water companies not to worry about leakage

IF RESPONDENT CODES b) GO TO Q16a. IF a) or c) IS CODED they will see the text, 'PLEASE LOOK AGAIN AT THE INFORMATION TO FIND THE CORRECT RESPONSE. They will be routed back to Q15a.

Q16 What, if anything, surprised you in what you read? **PLEASE WRITE IN**

Q17 I would like you to state how strongly you agree or disagree with the following statements. Some statements you will have seen before; we are interested in whether your views have changed as a result of seeing the information

- | | |
|----------------------------|---|
| Agree strongly | 1 |
| Tend to Agree | 2 |
| Neither Agree nor Disagree | 3 |
| Tend to Disagree | 4 |
| Disagree strongly | 5 |

- a) In wet countries such as England and Wales it is ridiculous that there are sometimes restrictions on water usage
- b) Water companies should devote more resources to addressing the issue of leakage
- c) The amount of water that people can save by using less is tiny compared to what it lost through leakage
- d) Water companies have invested heavily in recent years to reduce the levels of leakage
- e) It is impossible to take seriously messages to conserve water when so much water is being lost through leakage
- f) We should accept that some leakage is inevitable

- g) I know what to do to report a water leak
- h) If it would cause huge disruption to local roads to repair a minor leak it should be left until it really needs to be fixed
- i) Major investments should be made eg replacing old water pipes with new ones, even if this were to mean significant increases in customers' bills

Q18 If water companies were to reduce the amount of tap water lost to leakage what impact would this have? (Please choose one answer)

- a) Increase their costs and could result in an increase in my bill
- b) Reduce their costs and could result in an decrease in my bill
- c) Make no change to my bill

Q19 If leakage levels for your water company increased, at a time when your water company was NOT imposing restrictions on water usage would this...(please select all that apply)?

- | | |
|---|---|
| Encourage you to save more water | 1 |
| Make you more relaxed about using water | 2 |
| Improve your opinion of your water company | 3 |
| Make your opinion of your water company worse | 4 |
| Or none of these | 5 |

Q20 Which of these should be priorities for water and sewerage companies over the next few years? (ROTATE ORDER -PLEASE CHOOSE UP TO 4 ANSWERS)

- Improving the water environment (e.g. cleaner rivers/less water taken out of rivers)
- Building new reservoirs/storing more water
- Encouraging people to save water
- Reducing smells from sewage treatment works
- Improving the colour and taste of drinking water
- Reducing leakage
- Reducing flooding in homes from sewers
- Keeping bills low
- Improving water pressure
- Working with other agencies to help reduce the risk of flooding from extreme rainfall
- Better customer service (e.g. Answering the phone more quickly)
- Don't know

- Q21 Water companies have to spend heavily simply to keep leakage at its current levels. They would need to spend a lot more to achieve further significant reductions in leakage. In principle, which of these would you prefer..(CHOOSE ONE ANSWER)
- a) Bills to remain around their current level but accept that there would be no significant reduction in leakage over time
 - b) Accept increases in your water bill to achieve further reductions in leakage over time
 - c) Water companies use money that would have gone on other activities (such as improving the water environment) to reduce leakage.
 - d) Don't know
- Q22 Water companies also hope to invest to achieve improvements in the environment and services to customers like offering advice to households seeking to save water etc. Which of these options would you prefer?
- a) Bills to remain around their current level but accept that there would be no significant improvements in these services
 - b) Accept increases in your water bill to achieve significant improvements in these areas
 - c) Don't know
- Q23 Would you prefer your water company to focus on.
- a) Achieving significant reductions in leakage
 - b) Achieving significant improvements in other services
 - c) Achieving some reductions in leakage and some improvements in other services
 - d) Holding down the cost of bills even if this were to mean no reduction in leakage and no service improvements

Q24 Which, if any of these, would be most likely to convince you that your water company was doing enough to address the issue of leakage? **PLEASE CHOOSE ONE ANSWER**

1. The proportion of water in your area lost to leakage reduced to 12% (NOTE HALF THE SAMPLE WILL SEE 'below 10%')
2. If the percentage of water lost in your region was below the national average
3. You report a leak and see it is fixed promptly
4. You report a leak and although it took longer than you would like to fix, you are kept informed and understand why
5. You see a sign by a leak in the road saying your water company is aware of the leak and is dealing with it
6. There is a gradual reduction over time in the level of leakage in your area
7. Levels of leakage are below the limits set by Ofwat
8. Ofwat and the Consumer Council for Water say it will cost more to reduce leakage than to find water from other sources
9. Your water company provided information with their bills explaining what they had been doing about reducing leakage, the volumes of water currently lost to leakage' and how much they had spent on it compared to other things
10. None of these

If 'None' GO TO Q26

Q25 Which, if any of these, would convince you that your water company was doing enough to address the issue of leakage? **PLEASE SELECT ALL THAT APPLY (NOTE – answer from Q24 would not appear)**

1. The proportion of water in your area lost to leakage reduced to 12% (NOTE SUGGEST HALF THE SAMPLE WILL SEE 'below 10%')
2. If the percentage of water lost in your region was below the national average
3. You report a leak and see it is fixed promptly
4. You report a leak and although it took longer than you would like to fix, you are kept informed and understand why
5. You see a sign by a leak in the road saying your water company is aware of the leak and is dealing with it
6. There is a gradual reduction over time in the level of leakage in your area
7. Levels of leakage are below the limits set by Ofwat
8. Ofwat and the Consumer Council for Water say it will cost more to reduce leakage than to find fresh water from other sources
9. Your water company provided information with their bills explaining what they had been doing about reducing leakage, the volumes of water currently lost to leakage' and how much they had spent on it compared to other things
10. None of these

Q26 When you receive bills/statements from your water company do you...

1. Focus only on what you have to pay I and throw away any other material enclosed without looking at it
2. Focus on what you have to pay and put any other information away in order to look at it later if something crops up
3. Glance at any other material enclosed with the bill
4. Study closely any material enclosed with the bill
5. Or do you never receive information with your bill

Q27 Which of the following types of information, if any, that might be included with a bill/statement from your water company would you personally like to receive and to read? **TICK ALL THAT APPLY**

1. Breakdown of the company's costs and revenue
2. Information on how to report a leak and what you should then expect to happen
3. Information/case studies of what the company has done to address leakage in the past year.
4. Statistics on leakage
5. Statistics comparing your water company to the national average in terms of average bill sizes, percentage of water lost to leakage, breakdowns of costs etc
6. Guidance on how households like yours can use less water
7. None of these

Q28 I would now like to ask you some classification questions so we can group the answers we get. In which of these age groups do you fall?

16-24	1
25-34	2
35-44	3
45-54	4
55-64	5
65+	6
Prefer not to say	7

Q29 Does the chief income earner in your household work...

Full time (30+ hours per week)	1
Part time (8-29 hours)	2
Not working (0-7 hours)	3
Student	4
Prefer not to say	5

Q30 In which of these bands is your total household income before tax?

£15,000 or less	1
Over £15,000 up to £20,000	2
Over £20,000 up to £30,000	3
Over £30,000 up to £50,000	4
Over £50,000	5
Prefer not to say	6

Q31 Which of these applies to you? PLEASE SELECT ONE ANSWER...

Married/living with partner	1
Single	2
Separated/Divorced/Widowed	3
Prefer not to say	4

Q32 How many adults (aged 16+), **including yourself**, live at home?

One	1
Two	2
Three	3
Four or more	4
Prefer not to say	5

Q33 How many children under 16 are there living at home?

One	1
Two	2
Three	3
Four or more	4
Prefer not to say	5

Q34 Which of these applies to your home?

Owned outright	1
Owned with a mortgage	2
Rented from a private landlord	3
Rented from a local authority or housing association.	4
Rented through your employer	5
Rented from a landlord with the local authority or DWP paying for rental charges	6
Owned outright	7

Stimulus Option 1

Water Leakage Information

Most 'leakage' is lost through gradual corrosion of pipes or connections.

Minor leaks from joints and corrosion holes can be hard to identify and to fix although water companies have been investing in new technology and equipment to enhance their ability to identify leaks.



For the larger leaks, water companies typically have job assessment processes so their scheduling teams can plan the repairs. This may include liaising with the Highway Authority.

Water can also be lost to water main bursts.

Companies work to prevent mains bursts from occurring.

But just as you would not rip down the walls of your home to periodically check the pipes behind them, water companies are not able to invasively inspect the extensive network of underground pipelines by frequently digging them up. In most cases, this would actually increase the risk of pipelines rupturing.

Pipelines can be in service for over 80 years. Unexpected bursts can happen to pipelines of any age due to:

- Ground movement and soil conditions
- Weather events (especially frost)
- Corrosion of iron main pipes

Fixing a burst water main is complicated. This process can take some time depending on the location of the rupture, the time of day and weather conditions at the time.

Q. How can I help my water company address leakage?

A. Information on numbers to call to report suspected leaks on your own property or in public places can be found on your water bill or by looking on your water company website. You may even be able to report the leak directly through the website. Please do contact your water company if you notice or suspect a leak. Sometimes water companies are not made aware of leaks straight away because everyone assumes someone else will report it. Water Companies' call centres are UK based and well manned so you should get through quickly. They can also let you know what happens regarding the link.

Q. Why does my water company not fix all leaks straightaway?

A. Leaks are prioritised depending on factors such as amount of water being lost and the risk to people/property. Delays may be caused because permission has to be sought from the Highway Authority before leaks in roads can be excavated and repaired. If all leaks were given top priority this would require water companies to employ far more staff and this might cause bills to rise.

Q. Is the problem of leakage getting better or worse?

A. As a result of investment by water companies, levels of leakage nationally have reduced by around 35% since 1994. However, water companies are keen to achieve further reductions in leakage where this can be managed cost-effectively.

Q. How can I be sure whether the level of leakage in my water region is reasonable?

A. The industry regulator, Ofwat, sets maximum limits on the amount of water that companies can lose through leakage and almost all water companies operate within these limits. Ofwat's limits recognise that companies have reached the point where achieving further reductions in leakage would be more expensive than producing more water from existing or new sources.

Stimulus Option 2

Water Leakage Information

Most 'leakage' is lost through gradual corrosion of pipes or connections.

Minor leaks from joints and corrosion holes can be hard to identify and to fix although water companies have been investing in new technology and equipment to enhance their ability to identify leaks.

For the larger leaks, water companies typically have job assessment processes so their scheduling teams can plan the repairs. This may include liaising with the Highway Authority for permission to open the road where a repair has to be carried out in the highway or public footpath. Leaks that are affecting customer supplies are prioritised over those that are not.

Water can also be lost to water main bursts. Companies work to prevent mains bursts from occurring.

But just as you would not rip down the walls of your home to periodically check the pipes behind them, water companies are not able to invasively inspect the extensive network of underground pipelines by frequently digging them up. In most cases, this would actually increase the risk of pipelines rupturing.

Pipelines can be in service for over 80 years. Unexpected bursts can happen to pipelines of any age due to:

- Ground movement and soil conditions
- Weather events (especially frost)
- Corrosion of iron main pipes

Fixing a burst water main is complicated. This process can take some time depending on the location of the rupture, the time of day and weather conditions at the time.

Leakage levels have reduced

Over the last 15-20 years, water companies have made considerable efforts and invested heavily to reduce leakage.

As a result, leakage nationally is now around 35% lower than its peak of 1994-95.

But a lot of water is still lost through leakage

The England and Wales averages for the percentages of water supply that are lost to leaks are

- Around 15% lost in pipes which are the responsibility of the water companies
- Around 5% lost on customers premises or through customer supply pipes

Nationally around 20% of water is lost, in different water company areas the figure ranges from 14% to 26%. In your water company area the figure is around x%

The level of leakage varies across companies for a number of reasons including the age/condition of pipework and weather

Ofwat, the industry regulator, takes these factors into account when setting limits on how much water companies can lose through leakage. Most water companies operate within the leakage limits set by Ofwat.

Achieving further reductions in leakage will be challenging

Water companies invest and spend heavily simply to keep leakage at its current levels..

Water companies prioritise certain leaks over others. If each leak were to be repaired urgently, water companies would need to employ far more staff.

Ofwat instructed water companies to give their customers best value for money by only reducing leakage when it makes sense to do so, taking into account the social, environmental and economic impact of leakage.

A key factor water companies need to take into account when addressing leakage is whether the cost of reducing leakage would be greater than the cost of obtaining an equivalent volume of 'new' water.

Levels of leakage have been reduced to the point where significant extra spending would be needed to reduce leakage still further. Therefore, spending more money on tackling leakage beyond the level where it is financially justified could result in consumers paying more for their water.



CCWater Leakage Study

Summary Report of Qualitative Study

Prepared for: CCWater
Ref: jn1485/SL
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LONDON OFFICE

Laystall House, 8 Rosebery Avenue
London, EC1R 4TD, United Kingdom
T +44 (0) 20 7843 9777
F +44 (0) 20 7843 9779
E info@spafuturethinking.com
W www.spafuturethinking.com

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Executive Summary

This document summarises findings of a qualitative programme of 24 focus groups undertaken in advance of and to feed into a quantitative survey of 1,900 water consumers.

Although leakage was not a major top-of-mind concern, it was considered a key priority after prompting. Leakage was also felt to fall within the broader and more salient issue of meeting future demand for water.

For many consumers, before seeing information on leakage, initial perceptions were that companies were NOT doing enough regarding leakage and if they were to do more, this would NOT result in customers paying more, and could even result in them paying less.

After seeing information on leakage people responded from a more knowledgeable standpoint and many individuals changed their minds on the relevant issues. In particular, over half realised and accepted that reducing leakage further would result in increased costs and possibly increased bills.

Furthermore, about half believed their water companies to be doing enough regarding leakage but a substantial minority still believed too little was being done. Over half wanted more to be spent on tackling leakage even if it meant higher bills or delays in service improvements.

The challenge for CCWater in representing the views of consumers is that some prioritise keeping bills low, while others focus more on sustainability, and believe reducing leakage is an important element in this.

The qualitative research suggested that relatively few water customers can be simultaneously persuaded that:

- Water companies are doing all they reasonably can to address leakage AND
- It would be inappropriate and too expensive to achieve further significant reductions in leakage AND
- (Following a dry spell) households should accept restrictions on usage and/or take steps to reduce their usage of water.

The quantitative research will provide statistically robust evidence in this regard, but the qualitative research suggests that neither CCWater nor water companies should attempt to communicate this combination of arguments.

Many qualitative respondents claimed they would be interested in reading brief information about what their water companies were doing about leakage and there may be value in testing messages which:

- Emphasise that water companies view leakage seriously and are investing to address the problem
- Explain how members of the public can report leaks
- Mention, (in passing rather than as the main subject of the communication), that achieving further significant reductions in leakage may be costly

The quantitative research will test how consumers' knowledge and views regarding leakage change in response to seeing different messages, and this will guide CCWater's stance on leakage, and any advice they may offer water companies in terms of how they communicate with the general public on this subject.

1. Introduction

Previous research for CCWater (and water companies) has indicated that consumers are concerned about leakage.

SPA Future Thinking is undertaking qualitative and quantitative research for CCWater into consumer perceptions of leakage, exploring consumer views before and after being provided with more information on leakage, in particular the fact that achieving further reductions in leakage will be potentially expensive.

Research will help CCWater present consumer views from an informed standpoint and indicate whether communications regarding leakage can make consumers better-informed and change their views.

2. Research Programme

An initial qualitative research programme preceded a quantitative survey of consumers to be conducted in May 2013.

24 focus groups were conducted in February/March 2013 with at least one group in every water company area.

A range of ages, social grades and household types were covered across the 24 groups which included two groups with teenage non-decision makers.

Groups with South Staffordshire Water and Seven Trent Water customers acted as a pilot and changes were made to the stimulus material following this pilot. Topic guides, self-completion questionnaires and stimulus remained largely the same for the remaining 22 groups:

Pre group

- Self-completion questionnaire on issues related to water/sewerage

During Group

- Initial discussions on issues facing water industry/saving water
- First self-completion questionnaire on customer priorities and leakage
- Generic material shown on what water companies are doing about leakage followed by discussion
- Company specific information and generic statistics related to leakage shown and explanation of why it could cost more to reduce leakage
- Discussions of material seen and possible communications regarding leakage

Post Group

- Second self-completion questionnaire on leakage to test how views had changed
- In about half the groups an additional questionnaire with new questions on leakage was administered

3. Findings

3.1 Challenges facing the water industry

Meeting future demand for water was seen as the biggest challenge facing water companies over the next ten years

Before attending focus groups respondents completed short questionnaires which included an unprompted question on what they felt were the major issues facing the water industry over the next ten years.

Many focussed on the challenge of meeting future demand for water and the pressure a rising population may impose on scarce resources.

There were also many comments related to climate change, flooding and droughts.

Costs faced by water companies and prices paid by customers rarely featured in the spontaneous concerns expressed by the over 30s, but pricing issues were more salient among young decision-makers under thirty.

There were few direct references to leakage although the over 50s in particular, often mentioned ageing pipeworks/infrastructure.

3.2 Views before information on leakage presented

Before seeing information on leakage, discussions with respondents and self-completion exercises revealed:

- ➔ Leakage is considered a major issue (although not as top-of-mind as sustainability)
- ➔ There is a widespread misconception that reducing leakage would result in lower bills and little appreciation that it could cause bills to rise

In the first twelve groups, people saw a list of possible issues/priorities for water companies. This included 'reducing leakage' but made no reference to customer bills. In this phase, reducing leakage was rated as a high priority by 84% of qualitative respondents at an early stage of their groups and this was the highest rated priority ahead of encouraging customers to save water (73%),

making environmental improvements beyond agreed standards (65%) and building new reservoirs (57%).

When 'keeping bills low' was added to the list of possible issues, this emerged as the single top priority (particularly in groups with young household decision-makers), but the rank order of other priorities was retained with reducing leakage still regarded as the most important service improvement.

Indeed, among the over 30s, leakage rivalled lower bills as the most desired improvement.

Around two-thirds of consumers believed, before seeing information about leakage, that water companies were not focussing enough on reducing and addressing leakage, their views being based on:

- Seeing unattended leaks
- Media reports
- Lack of awareness of what their water company was doing in this regard

Some believed that wasting treated water through leakage was adding unnecessary expense to their bills and one in three expected their water bills to fall if water companies were to focus more on reducing leakage. Less than one in four (23%) expected an increased focus on leakage to result in their bills rising (due to the extra costs associated with reducing the level of leakage).

Some respondents had made active efforts to save water (for example in purchasing water butts) and many others tried to avoid wasting water (for example, by turning the tap off when cleaning their teeth). A dislike of waste was often the main motivation and many said they would do what they thought was right regardless of actions their water company took or failed to take.

There were not large numbers claiming that they would be more relaxed about using water if they became aware their water company had reduced its efforts regarding leakage. However, over two in five claimed that if their water company increased its efforts to reduce leakage they would be encouraged to control the water they used during hot, dry spells.

3.3 Views after information on leakage presented

After seeing information on leakage, just over half concluded that an increased focus on leakage was likely to lead to increased water bills.

However, almost half continued to believe that too little was being done about leakage and most would rather that bills rose or service improvements be delayed than that leakage continued at its current rates.

Having been exposed to and discussed the same material, within and across groups, respondents often expressed diametrically opposed views, some taking a pragmatic approach and accepting current levels of leakage, others claiming too much water was being lost and that this should be addressed.

In terms of what would convince them enough was being done about leakage, people would regard first hand evidence that leaks were being attended to and repaired as more powerful than claims by water companies that they were doing what they could do regarding leakage.

After the two pilot groups showed respondents did not respond well to statistics which failed to deliver an overall story, in the remaining 22 focus groups respondents were shown:

- A generic sheet of information on what water companies were doing to address leakage
- A 2-sided fact sheet which included a mix of generic and company specific information to argue:
 - Leakage levels have reduced
 - A lot of water is still lost through leakage, but
 - Achieving further reductions in leakage will be challenging (and could even result in consumers paying more for their water)

Certain elements of what they saw encouraged people to feel water companies were doing enough about the problem of leakage, while other information had the reverse effect. People were encouraged to think enough was being done by:

- Information on what companies were doing about leakage
- Being persuaded that we should always expect some leakage
- Statistics showing the situation was getting better and/or that their area was better than others

- ➔ Arguments that water companies would have to work very hard to effect further improvements and that company costs will increase and the prices paid by consumers may rise if more is done

Statistics showing the volume of water lost (3 billion litres of water a day in England and Wales) and especially the percentage lost (20% including 15% lost in pipes which are the responsibility of the water company) had the reverse effect. These encouraged many to think too little was being done and there were numerous individuals who were broadly accepting of most of the arguments that enough was being done but who balked at the actual amount or percentage of water being lost.

Some of those whose region appeared to be losing a higher than average percentage of water also felt their water company could do more, but overall, views of whether their water company was doing enough did not correlate very strongly with the percentage of water lost by their area.

In some groups, most notably those with teenagers, respondents started with no or little understanding that leakage might be an issue and the session created that awareness. Therefore, some were more likely to consider leakage to be a serious issue after the group than before.

The net impact of seeing information on leakage was for the proportions believing:

- ➔ Their water company to be doing enough about leakage to rise from 34% to 49%
- ➔ That bills were likely to increase if their water company focused more on leakage to rise from 23% to 55%

The fact that, even after material was shown and groups had discussed the idea, only 55% believe an increased focus on leakage could result in an increase in water companies' bills suggests many people had a poor understanding and acceptance of the arguments presented.

There was some confusion and reluctance to accept the arguments but moderators' impressions from their sessions, confirmed by responses to other self-completion questions, was that understanding of the arguments was higher than the 55% figure suggested.

Nevertheless, there was some confusion. Teenagers tended not to have strong views on this subject, nor to carry much negative baggage in terms of their perceptions of water companies, but their self-completion questionnaires often revealed apparently inconsistent responses suggesting they had not fully understood the arguments.

In adult groups, some continued to believe that reducing the amount of water lost to leakage could result in lower costs and bills, while others appeared to

understand the arguments but disputed whether in practice this would lead to higher bills. Some took a long-term view arguing that eventually infrastructure improvements would help reduce bills.

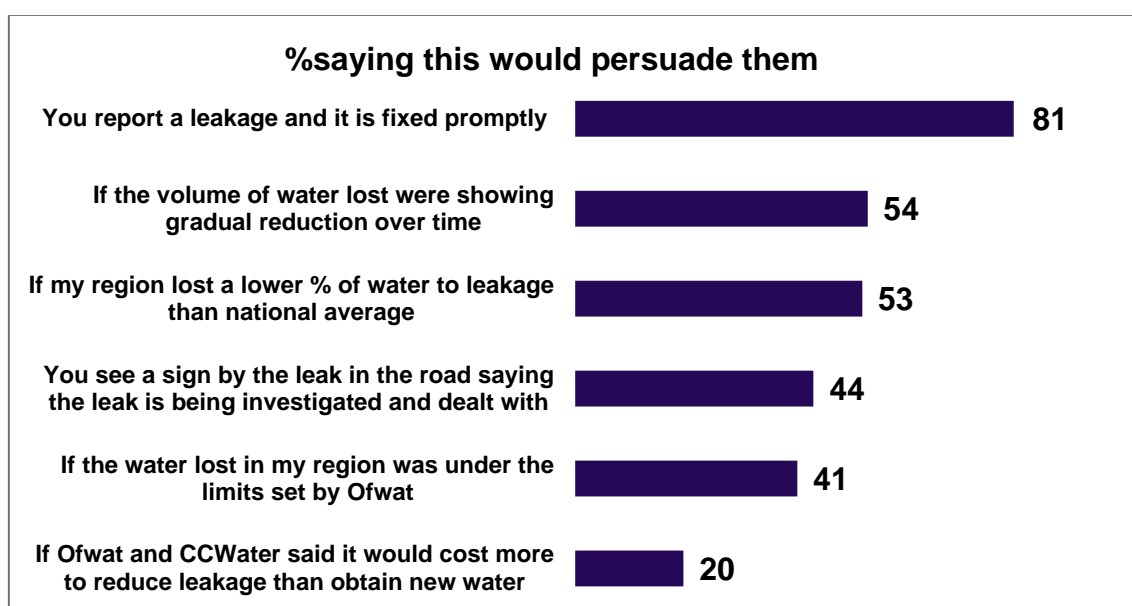
While understanding and acceptance of the argument that reducing leakage would increase costs was likely to be greater than the figure of 55% suggested, it was nevertheless clear that this was a challenging argument to put across. In reality the numbers who will accept such an argument could be even lower than this because:

- Many people (arguably most people) will fail to absorb communications on this subject such as bill inserts from their water company
- Hostile media activity could cause people's views to harden regarding water companies and acceptable levels of leakage

In most of the later focus groups respondents were asked what would persuade them their water company was doing enough to address the issue of leakage. Reflecting the factors that influenced their initial perceptions of leakage people place great credence on first-hand evidence. Most people would be convinced their water company was doing enough to address the issue of leakage if they reported a leak that was fixed promptly.

People were less likely to be convinced by statistics and arguments. In particular, only 20% would be persuaded that their water company was doing enough to address the issue of leakage if Ofwat or CCWater said it would cost more to reduce leakage than to obtain new water.

What would persuade people that their water company was doing enough about leakage (prompted)



3.4 Who are/are not persuaded enough is being done about leakage

Those who dispute that their water company is doing enough to address the issue of leakage include a number of distinct groupings including those who:

- Have seen unattended leaks and remain unconvinced by statistics/arguments
- Are mistrustful or sceptical about information provided and who need more detail to convince them
- Have not fully understood the arguments presented
- Have understood the arguments but believe that current levels of leakage are unacceptably high, particularly if pressure on water supplies means consumers are faced with restrictions on their water usage

There were some broad generalisations regarding regional differences in attitudes:

- People living in Southern/Eastern England tended to be more concerned about leakage than those in Wales or Northern England
- Those whose water company had a high proportion of leakage were more likely to feel more should be done than customers of companies with a lower proportion lost
 - Although this was NOT a strong correlation
- People living in an area where customers had been critical of their water company, such as South West England, were less likely to accept arguments about their company doing enough about leakage

Overall, however, regional differences in attitudes and response to material shown were not easily predicted by factors such as the levels of rainfall and leakage in an area.

Demographic differences were also evident. Teenagers were poorly informed and did not engage well with the subject, their self-completion questionnaire revealing inconsistent responses.

Older adults, especially the over 70s, showed a greater degree of willingness than younger adults to accept water company arguments that they were doing enough about leakage.

More affluent ABC1s were a little more inclined than struggling C2DEs to look beyond the size of their water bill and consider issues such as long-term sustainability.

Those on a metered supply were more likely to be already taking steps to reduce their water usage than those on a unmetered supply. Some were also more willing to countenance restrictions on usage, but others argued that if they had accepted a metered supply, they should be able to use as much water as they were willing and able to pay for.

The qualitative research suggested that region, demographics and whether on a metered supply were all relatively poor at predicting or explaining differences in responses to the material shown.

There appeared to be a number of attitudinal groups (with some overlaps between them) that help explain responses.

Agree water companies are doing enough

Those who accept that enough is being done about leakage include the following distinct groups

→ Pragmatists

- Probably the largest of the three groups, they understood the arguments presented and took the pragmatic view that it could cost too much to achieve further significant reductions in leakage, (this group was not skewed towards any demographic group).

→ Acceptors

- More passive in acceptance of arguments than the pragmatists, they lack the inclination or ability to really challenge the arguments presented (they tend to be elderly or teenagers).

→ Those concerned about their bills

- Do not want to risk paying more (they tend to be younger, poorer adults).

Do not accept enough is being done

There was a greater variety among those who dispute enough is being done about leakage, with these respondents having a range of characteristics and reasons. Some respondents could be easier to persuade than others.

	Description	What could be done to persuade them
Concerned about percentages/volumes lost	→ Probably the largest of the eight non-acceptor groups they are broadly accepting of most arguments regarding what water companies are doing about leakage but feel the percentage lost is simply too high	→ Difficult to fully persuade them while percentage lost is so high
Environmentalists	→ Like the Pragmatists, have understood the arguments but they draw the opposite conclusion, that for reasons of long-term sustainability, more should be done to reduce leakage. They tend to be ABC1s	→ Open to argument but difficult to persuade as they have formed/retained this view AFTER hearing and understanding arguments
Big Society Supporters	→ Similar to the Environmentalists but they believe society benefits from people acting together in a common cause (such as preserving water supplies) and do not want people to have a justification (water lost through leakage) not to play their part	→ As per environmentalists
Confused	→ Have not really understood the arguments	→ Repeated messaging could influence some, but many people lack the inclination or ability to absorb sometimes complex messages

	Description	What could be done to persuade them
Disappointed Customers	→ Have seen leaks take a long time to be attended/repaired	→ They are not likely to be persuaded by statistics/arguments. They could be persuaded by positive experiences when they see leaks (especially if they report them). But those who rarely see leaks may continue to be influenced by historic perceptions
Cynics	→ Mistrustful of large organisations such as water companies and their default mode is to disbelieve what they are told	→ They are very unlikely to be persuaded
Sceptics	→ Whereas the Cynic is prejudiced, the Sceptic is open-minded, but they have doubts. For example they may question how Ofwat can calculate limits on leakage and whether companies in a non-competitive market can be motivated to bring leakage down as low as they can	→ Potentially persuadable through well-reasoned arguments backed by statistics
Demanders of Detail	→ Similar to the Sceptic as they are open-minded but want more information before they are willing to accept that enough is being done about leakage. These respondents are usually ABC1s (several of the Bournemouth 70+ ABC1s were in this category)	→ They want to see information such as breakdowns of expenditure and companies with other water comparisons. In theory, these customers are persuadable. In practice, they may want more and more information, find the weakest element of that information and remain unpersuadable

3.5 What communications work well?

Many respondents claimed they would welcome receiving short and punchy communications from their water companies regarding leakage.

Some focus group respondents suggested water companies should invest in TV campaigns to put across their views. Perhaps more plausible were the suggestions water companies should have temporary stands in shopping centres or country shows etc. where they can answer questions from the public and put across their views. However, much of the discussion assumed communications would be in the form of bill inserts.

Many respondents said that on receipt of a bill they simply checked what they needed to pay/the amount of the bill and disregarded inserts or letters included with the bill.

Nevertheless, most respondents also claimed they would read short, punchy material on leakage, especially if it was interspersed with photos, pictures or graphics.

Material would be more effective if the use of statistics, especially statistics which gave the reader no context or frame of reference, were minimised. However, a small minority of potential respondents welcomed the idea of seeing detailed information and those individuals should be referred to (water companies') websites where this information should be available.

In general, arguments (possibly in Q and A format) are more likely to be persuasive than statistics.

A key issue is what can and should be communicated. Telling customers what a water company is doing about leakage is relatively straightforward and while a few of the respondents suggested companies should focus on addressing leakage, not telling their customers what they were doing, this was a minority view. Many felt water companies should be doing more to inform customers what they were doing.

The argument that water companies had reached the point where it could be expensive and unwise to achieve further significant reductions in leakage is a more challenging one to put across.

The research might have indicated:

- Consumers overwhelmingly believed too little was being done about leakage before seeing information
- But after seeing information they concluded that enough was being done, and water companies should not seek further reductions in leakage due to associated costs

Such results would have led us to recommend that water companies 'educate' their customers regarding leakage, and why they should stop worrying that leakage figures appeared to be high.

However, while many respondents did express these views, just as many continued to believe water companies should do more, even if it were to result in increased bills or delays in other service improvements.

Results from the qualitative research suggest it would be unwise for CCWater to encourage water companies to actively put across the message that it would be impractical and too expensive to achieve further reductions in leakage.

However, it may still be beneficial for water companies to address the kinds of questions customers may have about leakage.

The kind of questions, customers (especially the Sceptics and the Demanders of Detail might want answered about leakage) include the following:

- What should I do if I see a leak in the road?
- What should I do if I suspect a leak under my property?
- Why is leakage so high?
- What are companies doing about it?
- Why aren't all leaks fixed quickly?
- Is it better to invest in new pipes/infrastructure rather than to seek to repair old pipes?
- What do companies spend on addressing leakage (relative to other areas of expenditure)?
- Why don't companies simply use profits to tackle leakage properly?
- Will my bills come down if leakage is reduced?
- Will having a metered supply make it easier for water companies to identify leaks on customers' properties?

4. Quantitative Research

The qualitative research summarised in this report will be followed by a quantitative study conducted through online interviewing, with a face-to-face booster to ensure the view of adults with no online access are included. Quantitative research will be conducted among household decision-makers so will exclude teenagers living at home who, on the evidence of the qualitative research, are less engaged with the issue of leakage than adult bill payers.

The quantitative study will provide robust statistical evidence of:

- Initial (unprompted) views regarding leakage
- How those views change in response to respondents seeing information about leakage

The extent views change depending on whether respondents see:

- Information which argues that achieving further reduction in leakage will be challenging and potentially expensive
- Information which focusses more on what companies are doing about leakage, makes less use of statistics and which only suggest in passing (in a Q and A section) that achieving further reductions in leakage will be challenging

Together with the qualitative research this will enable CCWater to represent customer views regarding leakage from a fully informed standpoint and to assess what kinds of communication are most effective in informing consumers about issues concerned with leakages.