



Beneath the Surface: Customers' Experiences of Universal Metering



On behalf of Consumer Council for Water and
Southern Water

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Foreword from Tony Smith, Chief Executive of CCWater and Matthew Wright, Chief Executive Officer, Southern Water

In summer 2016, CCWater and Southern Water jointly commissioned research into customers' experiences of Southern Water's Universal Metering Programme (UMP). Under the programme, which ran from 2010 to 2015, more than 400,000 water meters were fitted across Southern Water's water supply area, covering parts of Hampshire, Kent and Sussex.

This research builds on an earlier study from 2013¹. It examines the customer experience of the metering journey, from the moment they found out about metering through to their metered bill and how metering subsequently affected their water saving attitudes and behaviours. We view it as important that this research, and other insight on customers' views, inform the development of future compulsory metering programmes.

Around half of all households across England and Wales now have a water meter. This is weighted towards London and the South East where compulsory metering is being rolled out. This region is classified as water stressed and resources are under most pressure due to population growth, the impact of climate change and tightening environmental standards.

Metering in general, and compulsory metering in particular, poses the challenge of balancing fairness and affordability of charges and the long term need for reliable and sustainable water supplies. Metering is a fundamental change in consumers' relationship with water, as they move from flat rate charges to paying for the volume of water they use. This research found that customers' water saving habits were largely driven by their desire to reduce their bills. However, for some households where the anticipated financial benefits of water saving habits didn't materialise, these activities tailed-off. This

¹ <http://www.ccwater.org.uk/wp-content/uploads/2013/12/The-Customer-Impact-of-Universal-Metering-Programmes.pdf>

suggests that more will need to be done to maintain focus on water efficient behaviour over time and offer customers more innovative approaches to reducing water use.

Water metering is part of the solution to reducing demand for water but it must be part of a coherent strategy to achieve the level of social and behavioural change in water use secured by public health programmes in road safety and smoking cessation or achieved in relation to household recycling.

Most respondents in this research had a good experience of Southern Water's metering process. They felt the communication was clear and effective and the installation process efficient. Those that saw bill increases were less happy but there is clear evidence that those experiencing genuine financial issues were well supported. The overriding concern of most customers was about the financial impact and the predictability of their water bill. The lesson to be learnt is that for future metering programmes early communication, direct contact on the door step or over the phone and responsiveness to individual needs can help create a positive customer experience.

Southern Water will use this research to inform its ongoing communication with its metered customers and any future metering activity. Lessons from this research are relevant across the business to improve and deliver a more engaging and positive experience for all our customers.

CCWater will continue to work with water companies to ensure that metering is rolled out in a fair and consumer friendly way. We will continue to facilitate the sharing of experience and good practice and ensure that consumers' views are well represented as metering policies and programmes are developed.

Tony Smith, CEO CCWater Matthew Wright, CEO Southern Water

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1. Executive Summary

Background

The Consumer Council for Water (CCWater) and Southern Water commissioned qualitative research to provide comprehensive insight into household consumers' experiences and views about Southern Water's Universal Metering Programme. The objective was to identify the lessons learned in order:

- to improve the customer experience of compulsory metering programmes;
- and assist CWater to develop robust, consumer-focused policies in order to represent consumers' interests in this area.

Method and sample

Qualitative research was conducted with three household customer groups: those who were metered, those who were not metered for practical reasons, and those who were not metered due to their own reluctance to be metered. In total, five focus groups sessions, with a typical duration of two hours, and 40 individual depth interviews, with a typical duration of one hour, were conducted across a range of locations in the South of England during July and August 2016.

1.1 Metered customers: those who successfully had a meter installed

A satisfactory process overall

For a majority of research participants, installation of their water meter (whether inside or outside their property) was a quiet success. Even the very small number who experienced leaks were satisfied with the process, due to swift action taken by Southern Water. Metered customers consistently reported feeling well informed about the installation process and satisfied with communications. Their key questions were: "*How does the installation process work?*" and "*What will the financial impact be?*"

Successfully targeted communications

Tailored written messages about water meters successfully reached their target audiences (for example, those who were concerned about the transition from rated bills to metered bills successfully found information about the changeover tariff²). Customers who had concerns reported using the telephone support available. Most customers who contacted Southern Water by telephone to ask for help, reported that they were happy with the response they received, and that their enquiry needs were met (for example, regarding financial support).

Impact of water saving advice

The impact of the water saving advice and devices (including Southern Water's water efficiency Home Saver Checks) was limited. There were two groups of consumers identified by the research who felt willing and able to exercise control over their water usage:

- **Environment:** the first customer type was a small more affluent, 'altruistic' group, who had been motivated by environmental concerns to save water *prior* to metering; and
- **Financial Savings:** the second small group were motivated to save water due to concerns about bill increases. This group failed to maintain water saving behaviour over time because the bill savings they had anticipated were not realised.

² The Changeover Tariff was put in place to help customers make the change to metered charges. It is aimed at assisting customers facing a bill increase as a result of moving from unmetered to metered charges. They are also available to customers moving from unmetered to assessed charges. Customers must contact Southern Water to go on to the Changeover Tariff. It introduces metered charges in steps over the first two years following the switch to metered charging, which gives the customer time to budget appropriately and review their water use. The difference between what the customer has paid while on the Changeover Tariff and what they would have paid on the normal metered tariff does not have to be repaid.

Improving the impact of water saving advice

Consumers reported that they wanted to hear new advice about water saving, beyond what they perceived as common sense things such as turning off the tap while brushing teeth. The personalised nature of the Home Saver Check was perceived as a key benefit, but none of the group of research participants who had taken up the Home Saver Check had seen a notable decrease in their water bills since implementing the suggested actions, which was key to maintaining behaviour.

Attitudes towards Southern Water

There were a range of attitudes towards Southern Water, with the most positive among customers who had saved money by having a water meter or by accessing financial support. Negative attitudes towards the water company were found among customers who had experienced significant bill rises as a result of having a meter which had led to financial difficulties, particularly for those already in debt to Southern Water.

Attitudes towards metering

Overall, metering was largely regarded as a progressive necessity; metered customers understood metering as an efficient method of recording individual water usage, and an equitable method of billing, and some metered customers felt that metering would have a positive environmental impact in terms of water saving.

1.2 Consumers' metering concerns: 2013 vs 2016

1.2.1 Persisting issues

Some concerns about metering raised in research conducted 2013, *The Customer Impact of Universal Metering Programmes*³ were still concerns in 2016:

- **Bill increases: in this research, the group concerned about bill increases and the predictability of bills remained concerned about the financial impact of metering over time.**

³ <http://www.ccwater.org.uk/wp-content/uploads/2013/12/The-Customer-Impact-of-Universal-Metering-Programmes.pdf>

In future, consider repeating the support on offer. The research identified that customers needing financial support were often reacting to information (such as their first metered bill), therefore information about the support available should be to be communicated consistently and reinforced throughout the customer journey. In addition, the most vulnerable may need help from a third party to enable them to access support options.

In future, consider personalised communications. The research identified that a personalised intervention (e.g. a direct communication from the water company) is likely to have most impact e.g. *“We notice that your bill has increased this month ... we have a range of support options”*.

In future, consider using more accessible language for engaging consumers in a conversation about water usage. The research identified that amongst customers who are new to metering, there was little concept of what a cubic metre of water equates to in terms of their water use. A more familiar measurement such as, for example, the number of baths in a cubic metre, would provide a more accessible reference point for consumers.

- **Reassure that the meter is working properly:** in this research, amongst those concerned about bill increases, some wanted reassurance that their meter was working properly and wanted it to be accessible in order for them to read it themselves and monitor their water consumption.

In future, consider post-installation information follow up on working meters. Participants who had a metered fitted reported that, in future, communications could be improved to include information for customers who were concerned and wanted reassurance that their meter had been fitted properly and that it was continuing to work properly.

1.2.2 Issues that did not persist over time

Some concerns about metering raised in research conducted in 2013 dwindled over time:

- **Saving water for reduced bills:** in this research, initially, those who were concerned about bill increases and who were motivated to exercise control over their water consumption (as well as the environmentally motivated group) wanted to know which ways of saving water would be best and most efficient. However, in 2016, if bill savings were not realised, interest in these issues faded amongst those who were concerned about bill increases.
- **Higher bills for vulnerable customers:** Among those who were concerned about bill increases there was a vulnerable group who had high water usage (e.g. due to health reasons). This group were initially worried about the financial impact of metering, but were more likely to be eligible for support options from Southern Water. The group who were able to access financial support tended to find that their concerns had been addressed. Those who were not eligible to access financial support were less likely to feel positive about Southern Water.

1.4 Unmetered customers: those who were unable to have a meter installed for practical reasons

This group comprises those customers who could not have a meter fitted outside the property, and following an internal survey it was deemed too difficult to fit a meter inside the property, for example, customers who lived in flats with shared water inlets, or in dwellings where substantial internal alterations were necessary for meter installation.

Completing the communications journey

Those who were unable to have a water meter fitted due to practical reasons wanted more personalised written communication from Southern Water after it was found impractical to fit a water meter for their property. Specifically, they wanted personalised

communication to confirm why a water meter could not be installed. They were also unclear about whether a meter could be installed in future and wanted to know more about what would happen next i.e. what changes there would be to the way they are charged for water and whether a meter would be installed in future.

Customers who wanted a water meter installed

Customers who wanted a meter to be installed were most disappointed to hear that it could not be done. Some felt that they were missing out on the financial benefits they assumed a water meter would bring (i.e. single owner occupiers). Those who wanted a meter installed were interested in knowing if a meter could be installed at a future date, but none reported receiving communications from Southern Water about this possibility.

Customers who did not want a water meter installed

Those who had not wanted a water meter installed in the first place were happy that they would not be receiving metered bills. There was variable understanding that they would now be put on an assessed charge, and further clarification about moving from a rateable value charge to an assessed charge would be welcomed in future. If a meter is to be installed in future, this group will need information about the financial impact a meter might have on their household and the support options available. It is likely that the communications journey will need to be repeated from the beginning to engage this group.

Future support for unmetered customers

In future, there are still other ways in which Southern Water could help these customers, such as offering appropriate financial support. These customers were typically moved onto an assessed charge, which is calculated based on the number of bedrooms at a property, but could still benefit from support, particularly if uncertain about potential bill increases resulting from the new way of charging for water.

1.5 Unmetered customers: those who were reluctant to have a water meter installed

Two attitudinal segments emerged amongst those reluctant to have meters installed: 'active avoiders' and a 'disengaged' group. Within this sample, active avoiders were a diverse group of individuals, whereas the 'disengaged' were a more homogenous group.

Active avoiders

'Active avoiders' were aware of Southern Water's Universal Metering Programme (UMP) and did not want a meter installed because they felt sure that they would be worse off. This group tended to ignore written communications, and only engaged with Southern Water representatives when approached face-to-face on their doorstep.

Active avoiders: unwillingness to accept that UMP is compulsory

Typically, these customers did not understand or accept that water meters were compulsory, and did not realise the water company was entitled to enforce access to install a meter. These customers were wary of face-to-face encounters with representatives they perceived as potentially 'pushy', and were likely to see repeated visits in a negative light. They were more open to being treated as partners, both in terms of the tone and content of the interaction.

First face-to-face contact vital for engaging active avoiders

The first face-to-face visit is the key opportunity to engage the customer as an equal (as opposed to someone who is non-compliant). Similar to customers who could not be metered for practical reasons, this group expected personalised communications about the impact a meter would have on their household. Engaging this audience face-to-face is likely to be a specialist skill.

Active avoiders: a personalised 'pitch'

Active avoiders were unwilling to accept a meter without evidence that metering would reduce their bills. These customers envisaged a personalised pitch from the water

company, providing, for example, evidence that similar households had saved money on their water bills as a result of meter installation.

Disengaged consumers

Disengaged customers typically rented properties, some on a very short-term basis, and did not feel that the installation of a water meter was their responsibility. In addition, these customers were often experiencing financial hardship and were likely to be disengaged from services in general. Our sample did not include representation of disengaged respondents who were time-pressured (a customer group identified by water companies in the past), which is likely to be the result of the relatively small, qualitative sample achieved.

Disengaged consumers: a lack of awareness of UMP

The 'disengaged group' were not aware of UMP and knew nothing about water meters. This group tended to rent properties and were unlikely to engage with communications about what they perceived were structural changes and therefore their landlord's responsibility.

Disengaged consumers: community-based communications

To overcome the lack of awareness about UMP, community-based communication campaigns could target areas of disengaged customers (e.g. estates in areas of high deprivation). Community-based activity attempts to influence word-of-mouth channels which are typically very influential in close-knit communities.

Disengaged consumers: communications targeting tenants

To overcome the perception that water metering is an issue for landlords, rather than tenants, UMP communications would need to include information specifically targeted at tenants. If these properties are to be metered in future, communications explaining how financial savings can be made, and the support options available for those facing financial difficulties, would need to be reassuring and convincing.

Disengaged consumers: communication channels for targeting tenants

Communication would need to be direct (via telephone or face-to-face) and would be clear about responsibility for water metering, and why the communication was directed to the tenant rather than the landlord. Equally, landlords could be used as a channel for communications, with messaging asking landlords to encourage their tenants to engage with UMP.

1.6 Top Five customer 'must haves' for a positive customer experience

- **Customers about to be metered wanted to know:** *"How does the installation process work?" and "What will the financial impact be?"*
- **Those who are unable to have a meter installed (for practical reasons) wanted to know:** *"Why hasn't a meter been installed?" and "What happens next?"*
- **To meet these information needs, a mix of the following is required**
 - 'push' communications (i.e. detailed written information)
 - and 'pull' opportunities (e.g. helpline number and face-to-face activity)
 - more vulnerable customers may also need additional support from a third party organisation
- **For those who are 'actively avoiding' a meter, face-to-face engagement is key.**
- **For those who are 'disengaged' from the UMP, consider:** communicating via intermediaries e.g. landlords, community representatives, as well as messaging for tenants.

2. Background and Research Requirement

2.1 Background

Consumer Council for Water (CCWater) represents the interests of water consumers in England and Wales. They have identified consumers' priorities and developed five key themes:

- 'Value for Money': a fair, affordable price and charging system.
- 'Right First Time': problems sorted out quickly without hassle.
- 'Water on Tap': a safe secure reliable supply of water used wisely.
- 'A Sustainable and Resilient Sewerage Service that Works': responsible treatment and removal of sewage, preventing sewer flooding and reducing smells from sewage treatment works.
- 'Speaking Up For and Informing Consumers': influencing improvements for consumers.

Southern Water supplies fresh drinking water to almost one million households and treats and recycles wastewater from nearly two million households across Sussex, Kent, Hampshire and the Isle of Wight. Southern Water was the first company to undertake a large-scale, compulsory Universal Metering Programme. The programme changed the way customers are charged for water, from a rateable value system where there was a fixed annual bill based on the historic value of the property to measuring actual consumption and charging for what is used.

Designated as being in an area of serious water stress by DEFRA in 2007, **Southern Water developed a programme to help balance demand and supply in order to ensure the security and longevity of water resources.** It was anticipated that the Universal Metering Programme (UMP) would reduce average household water consumption by 10 per cent. The UMP project also aimed to educate customers, providing them with advice and information to better manage their water use in order to reduce water and energy costs.

Between 2010 and 2015, Southern Water installed around 400,000 meters across Kent, Sussex and Hampshire. The majority were installed outside the property in the public footpath. In some cases, this was not possible, so meters had to be installed inside the property and in others, following a survey, it was found to be too difficult to install a meter at all. In these cases, customers were moved to an assessed charge which is based on average usage for a single occupier, one, two or three-bedroom property.

CCWater and Southern Water commissioned research to provide comprehensive insight into consumers' experiences and views about the UMP in order to identify lessons learned to improve the customer experience of compulsory metering programmes and assist CWater in developing robust, consumer-focused policies and also in representing consumers' interests in this area.

The business objectives of this project were to:

- **Understand consumers' experience of the UMP** and generate insight and recommendations for future water metering programmes so that they meet consumer expectations/needs.
- **Understand and illustrate the consumer experience of the UMP.**
- **Identify what works for the consumer** in terms of communication, installation, billing and water saving.
- **Identify good, and less successful, practice** in communication, installation, and billing.
- **Identify areas for improving the customer experience.**
- **Understand changes to consumer behaviour in water use and attitudes** as a result of the UMP.

The research findings will be used to:

- **Advocate consumers' interests in relation to UMPs.**

- **Develop robust, evidence based policy in relation to metering** to inform future discussions with companies and regulators on UMPs.
- **Collaborate with stakeholders** on the development of policies and strategies for metering, water saving and affordability.

This report builds on previous research carried out in 2013 (*The Customer Impact of Universal Metering Programmes*, Creative Research Ltd, 13 May 2013) which examined customer responses to the initial wave of UMP programmes. The 2013 report may be found at <http://www.ccwater.org.uk/wp-content/uploads/2013/12/The-Customer-Impact-of-Universal-Metering-Programmes.pdf>

2.2 Research objectives

2.2.1 For customers from households which have had a water meter installed:

Consumer Expectations versus Experience

- Establish how far the concerns expressed by customers in the 2013 report apply to the customers in this sample, and whether over the longer-term these concerns have been realised, or have fallen away, and why.
- Identify satisfaction with the communications received prior to and at the time the meter was fitted, and those they have had since then, including the clarity of the bills they have received?
- How satisfied were customers with the installation?
- As a result of having a meter installed did they change how they pay their bill?
- As part of the metering programme were customers offered any extra support with bills? What? Was it helpful?
- Were customers offered any water saving advice or devices? Were there any unexpected issues arising during the UMP?
- What, if any, are their remaining concerns? How might they be addressed or mitigated?

Consumer attitudes and behaviour

- h) Have customers' attitudes to water use and water demand changed since they had a meter installed? In particular, do they feel that they or other members of their household use water any differently since they have been metered? If so how and why?
- i) What impact has the metering programme had on consumer attitudes to the water company? Why?
- j) What are customers' attitudes to metering after having a meter installed? Is it a good or bad thing generally and for their household? Have their attitudes changed – why?

Consumer priorities, good practice and improvements

- k) What in the whole process of metering went well and can be shared with the rest of the industry? What would customers improve about the UMP process?

2.2.2 For customers from households which have yet to be metered because it is not practical

- a. How did these customers feel when they first heard about the UMP, and how do they feel about the situation, where it has not been possible to fit a meter for their household as yet?
- b. What has their experience of communications around this been?
- c. What are their expectations for the future – do they expect to have a meter fitted or would they prefer not to and why?
- d. If they are reluctant to accept a meter, what could be done to help make the process of change easier/more acceptable for them?
- e. If they are keen to be metered (they would possibly save money), what could be done to make the current situation easier/more acceptable for them?
- f. If they are metered at some point, what communications/advice would they expect?
- g. What effect, if any, do they think that having a water meter would have on their water use?

2.2.3 For customers from unmetered households which are reluctant to have a meter

- a. Are they aware of the UMP? What do they know?
- b. What do they think about the UMP? What have they based this on?
- c. What, if anything, have they heard from friends/relatives and other information sources?
- d. Do they recall seeing any letters from Southern Water about this? How did they react?
- e. Identify a segmentation for elusive households e.g. active avoiders, time pressured, disorganised etc.
- f. Identify and explore the barriers to metering and motivations for each segment
- g. Identify and explore ways of overcoming barriers to metering for each segment
- h. Identify the best communication channels for these customers
- i. If they are metered at some point, what communications/advice would they expect?
- j. What effect, if any, do they think that having a water meter would have on their water use?

3. Research Methodology and Sample

3.1 Methodology

The research presented in this report is qualitative. The purpose of qualitative research is to give generalisable indications of the drivers underlying behaviour and attitudes by exploring responses in greater detail and depth. See 3.3 for guidance on the interpretation of generalised qualitative findings.

3.2 Recruitment and Sample Structure

In total, five focus groups sessions, with a typical duration of two hours, and 40 individual depth interviews, with a typical duration of one hour, were conducted.

The majority of respondents were bill-payers, although two non bill-payer depth interviews were conducted in order to explore the non bill-payer point-of-view. All metered customers were living at the property when the meter was installed.

The focus group discussions conducted with metered customers were mixed gender and were segmented by: metering date, age/lifestage and location. The locations (Crawley, Southampton, Ramsgate, Winchester and Brighton) were chosen to capture respondents from a range of socio economic backgrounds B, C1, C2 and D.

The individual depth interviews were segmented by metering status (i.e. metered, not metered due to practical reasons and not metered due to reluctance). In addition, the depth interviews with metered customers were segmented by metering date. The depth interviews also included those who considered themselves 'vulnerable' when the meter was installed. Once again, the locations (Gillingham, Chatham, Southampton, Crawley, Horsham, Ramsgate, Winchester Hastings, Brighton, Kings Clere) were chosen to capture respondents from a range of socio-economic backgrounds B, C1, C2 and D.

The rationale for including respondents who had been metered longer ago was that they would have a longer term perspective on the effect of metering, including any potential behaviour change. Respondents who were metered more recently were also included as they would have better recall of the experience of being metered.

Socio-economic grading:

Throughout the sample, respondents were assigned a socio-economic grade according to the occupation – specifically of the head of the household. (See Appendix C).

Doing so ensured that a range of respondents with a range of backgrounds were included in the sample.

Focus group sample breakdown

Sample Sector		Location
Metered 2010 - 2012	Group 1 30 – 50, M/F Young Family including some with young children BC1C2DE	Crawley
	Group 2 50+, M/F Older Family/Empty nesters including some with children BC1C2DE	Southampton
Metered 2013 - 2016	Group 3 30 – 50, M/F Young Family including some with young children BC1C2DE	Ramsgate
	Group 4 50+, M/F Older Family/Empty nesters including some with children BC1C2DE	Winchester
	Group 5 20 – 30, M/F Pre-family BC1C2DE	Brighton

Individual depth interview breakdown

Sample Sector		Number of Depths	Locations
Metered 2010 – 2012 x 30 depths	Metered	10	Spread of: Gillingham, Chatham, Southampton, Crawley, Horsham
	Not Metered reluctant	8	
	Not Metered not practical	8	
	Vulnerable (including 1 x non-metered)	4	
Metered 2013 – 2016 x 10 depths	Metered	6	Spread of: Ramsgate, Winchester Hastings, Brighton, Horsham, Kings Clere
	Vulnerable (including 1 x non-metered)	4	
	TOTAL	40	

Overall, the sample included:

- Customers on a range of water bill bands;
- A mix of those whose water bills had increased/decreased after water meter installation;
- Those who had complained to Southern Water (e.g. about a billing issue);
- Those who had fallen behind on their water bill payments to Southern Water;
- Respondents who were online and offline;
- Those who were temporarily vulnerable at the time of metering (e.g. serious illness, job loss).

Interviews were conducted between 25th July and 10th August 2016.

3.3 Interpreting qualitative data

It should be emphasised that qualitative research samples are purposive and quota-driven in nature; they have no quantitative accuracy in terms of identifying proportions of populations holding stated views.

For this reason, it is not appropriate to present qualitative findings in terms of the numbers of respondents expressing certain views. We therefore describe the findings in qualitative terms: 'a majority' refers to most, but not all respondents; 'a handful of consumers' refers to numbers counted on the fingers of one hand; 'a very small group' refers to less than the numbers counted on the fingers of one hand.

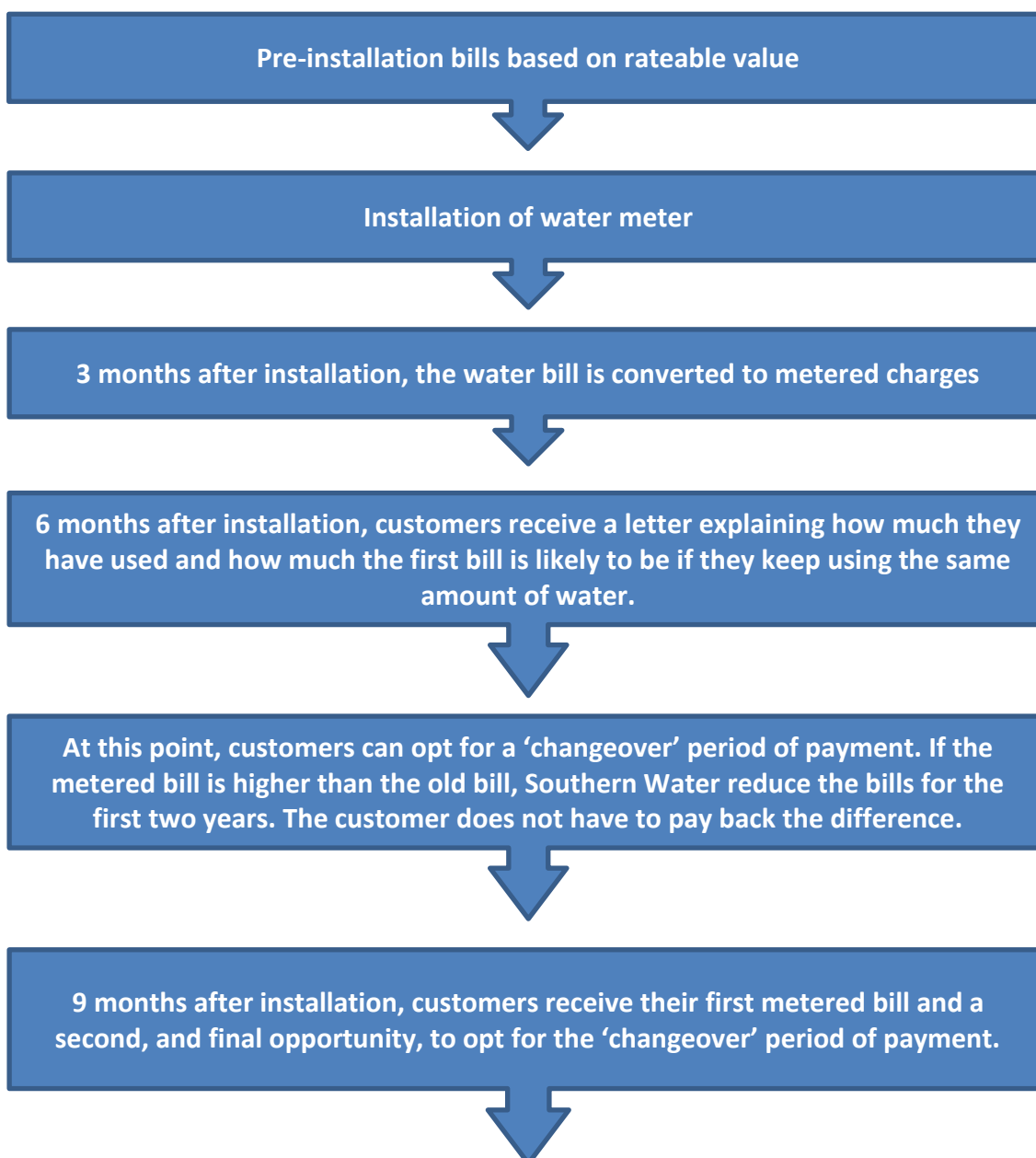
3.4 Limitations

The research brief references a group of consumers reluctant to engage with the UMP due to a lack of time. This group was not represented within this qualitative sample. This is likely to have been a limitation of a relatively small qualitative sample of those reluctant to have water meters and does not suggest that this group does not exist, but that it is not represented within the findings presented in this report.

4. Main Findings – metered customers

Prior to metering customers were charged a fixed amount for their water and wastewater services based on the rateable value of their property, irrespective of how much water the household used. The introduction of meters meant that customers would pay for the water they used based on a unit cost (per cubic meter), along with a fixed standing charge to cover the costs of the retail service (meter reading, billing, customer services etc.).

The customer journey for metered customers was as follows:



4.1 Pre-installation

First contact

Most metered customers recalled receiving an initial letter from Southern Water informing them about the UMP and what to expect from the process, although a very small number reported that they had become aware of the UMP via the local press or road signs. There was more evidence of a sense of 'social norming' (i.e. an acceptance that metering was happening to all households) in more densely populated areas where residents could see the metering programme moving from street to street.

Customers were positive about communication

The content of the pre-installation communication was felt to be informative and satisfactory. Metered customers felt that they had been made aware of when they could expect to have the water meter fitted, and whether they needed to be present, as well as any disruption they could expect (which allowed them to prepare for it) such as temporarily turning water off, filling kettles, etc. A very small number of metered customers responded by telephoning Southern Water to ask about the potential impact of a meter on their bills, based on their household size.

Important information

For metered customers, the most important information at this time was a mix of practical and personal: practical, in that they wanted know how the installation process was going to work; and personal, in that they wanted to know what the process was going to mean for them and their household. Overall, metered customers consistently reported feeling well-informed about the installation process and satisfied with pre-installation communications.

4.2 Installation

Installation went well

For a majority of metered customers, the installation process was a quiet success (whether the installation was outside their property or inside). Respondents from across the metered sample were satisfied with the installation process. In general, the disruption experienced was minimal.

A minority experienced problems

A handful of metered customers had experienced problems which they regarded as minor, such as minor plumbing problems, and perceived aesthetic consequences of installation (e.g. some mud or mess left after the installation process). More significant issues were leaks, which had been experienced by a handful of metered customers. In all cases, Southern Water took swift action to resolve the issue and newly metered consumers were satisfied with the response:

“When they installed it, the drive had sunk so we had to ring them and complain - they came in to re-do the tarmac. We called them and they came back within a couple of weeks - there were no problems. We had to get new tarmac, which was bright as opposed to grey - but it faded as time went by. The hollow in the tarmac was rectified as well. (Male, Empty Nester, C2DE)

“There was no disruption. We knew there were five vans from Southern Water and they were moving along the street. They dug up a little bit of a pavement. It was not a big deal, but it would have been, have we not been there, because we had leaks from taps - they got sorted out pretty quickly.” (Male, Metered between 2010 – 2013, C2DE Temporarily Vulnerable)

“It was fine. It did not take long. One day when I was at the front of my house, I saw water coming out. It was wet everywhere so I rang them straight away. They were fine - the engineers arrived quite quickly and sorted it out for me.” (Female, Metered in 2013, Empty Nester, C2DE, Vulnerable)

Some customers sought quality assurance

Overall, a majority of metered customers were satisfied with the installation process. However, a minority wanted overt reassurance from the company that their meter had been fitted properly and was working correctly. In future, post-installation communications could be improved to include information to reassure customers that their meter had been fitted properly and that it was continuing to work properly. For example, customers could be signposted to information about how to check for leaks (information that is already available on the Southern Water website)⁴.

4.3 Post-installation

Messages communicated by post-installation communications typically reached their target audiences and were understood. For example:

- The message to customers was that water meters would not be ‘switched on’ until three months after installation was widely recalled. A small group of metered customers said that they had tried to start saving water during this time.
- The concept of the ‘changeover tariff’ (please see glossary, Appendix B) was also generally well recalled, although metered customers were often vague about the details. Respondents typically understood that there would be a ‘phased’ approach to moving from rated to metered bills, although the detail of this process was not always well understood.
- Although there was less widespread recall of the ‘estimated bill’, it was recalled by those who had been concerned about bill increases.⁵
- Although recall of financial support options was low, those who felt that they needed financial support, including vulnerable customers with disabilities, tended to contact Southern Water by telephone and, in nearly all cases, felt that they had successfully accessed support. A small minority in this sample had not been eligible for financial support, which resulted in them feeling dissatisfied.

⁴ <https://www.southernwater.co.uk/testing-for-a-leak>

⁵ Customers referred to an ‘estimated bill’, which is a letter from Southern Water six months after installation which explains how much water has been used and how much the first estimated bill is likely to be, if the customer keeps using the same amount of water.

4.4 Satisfaction with billing information

The first metered bill

The first metered bill was a defining moment in the UMP journey. This bill was well recalled; metered customers felt that they were finally seeing the financial impact of the water meter on their household. Most metered customers reported that they engaged with their bill, at least to the extent of reading and understanding the billing total.

One exception to this general trend was amongst pre-family respondents, some of whom mentioned that they might not always open their bills. There was also a small group of more engaged consumers who reported that they routinely looked at water consumption information:

“My bill says our usage is the same as an efficient two-person household with a garden; that’s useful info. It means you can compare your usage to the average and maybe spot if you have a leak or you’re using too much water.” (Female; Metered between 2013 – 2016; Pre - Family; ABC1)

“I looked at the little graphic about usage. I called them and said my usage was what they said it should be but my bill was higher, and they actually reduced my bill.” (Female; Metered between 2013 – 2016; Pre - Family; ABC1)

Visual information on bills

For metered customers who engaged with water consumption information, visual information was well received. Consumption from households of different sizes offered a useful comparison point, and bar charts enabled metered consumers to track their household usage over time.

Slightly higher or lower bills

There was little reaction from those who received slightly higher or lower metered bills compared to their previous rateable value bills; for these metered customers, no action was perceived as necessary. None amongst this group felt they wanted to save money by

changing their water usage behaviour. Although there may well have been scope for this group to save water, they had no interest in doing so.

Considerably higher bills

Where noticeably higher metered bills had been received, they prompted further investigation of water consumption information and contact with Southern Water. In future, water companies could consider personalised communications, since the research identified that a personalised intervention is likely to have most impact. For example, water companies could screen for customers with significantly higher bills and make contact with them *before* the bill is issued, to flag, discuss and set out the options available. This is a relevant moment to encourage metered customers to think about their water usage, particularly if that intervention is personalised. For example, “*We notice that your bill has increased this month ... how about using our Home Saver Check?*”

Live readings online

It was often suggested, particularly by younger, more ‘tech savvy’ respondents that ‘live readings’ (i.e. via an online/mobile app) might encourage metered customers to engage with their water bills. However, it seems likely that only those particularly concerned about their bills would engage with information about water usage. Equally, concerned metered customers could be offered advice about how to check water usage and what to do if concerned about a leak (information that is already available on the Southern Water website).

Informal water usage metrics

For those less engaged with their new, metered water bill (a majority of respondents), it was suggested that water consumption information might become more meaningful if a more accessible measurement was used; a comparison metric such as the number of baths in a cubic metre was suggested as a useful starting point. A more familiar measurement would provide a more accessible reference point for consumers.

4.5 Method of bill payment

Most customers did not change payment methods

The majority of metered customers continued to pay their bill in the same way as before the meter was fitted. However, two small groups changed payment methods:

- some with bill increases changed from paying in full to paying by direct debit (to 'soften the blow'):

"I suppose the only benefit for me – well I suppose you could say it was a benefit – was that rather than paying 6 months in advance, I'm now only paying one month in advance." (Male; Metered in 2014; Empty Nester, C2D)

- and some who had experienced problems (such as faults or leaks) decided to change from direct debit to paying in full, which they felt gave them greater control and oversight over their bills and, potentially, overpayments.

An opportunity to re-assess payment methods

In general, the installation of the water meter offered metered consumers an opportunity to re-assess the suitability of existing payment methods, although the majority did not feel the need to change.

An opportunity to resolve payment difficulties

Individuals facing difficulties paying their bills contacted Southern Water by telephone and were able to agree on a way forward, with many accessing financial support. For example, one respondent had incurred substantial debts, and was prompted to contact Southern Water by pre-installation communications. Southern Water offered to establish a £10 per month payment plan in order to pay off the debt gradually during the period of adjusting to the water meter.

View our video case study of Debbie who talks about her experience of having a water meter and accessing financial support: <https://youtu.be/nCiO42bhqtk>

4.6 Support with bills

Support was sought via telephone

Metered customers who wanted to explore the financial support options contacted Southern Water via the customer service line (which they found on their bill). When they were facing difficulties, metered customers clearly wanted to have an opportunity to explain their situation personally to a member of the Southern Water team. Metered customers who were offered extra support with bills included: people with disabilities, people on low incomes, and people who were temporarily vulnerable:

"I felt a bit put off by the fact that I had to do it [fill in lots of paperwork], but I understood that they needed the proof to stop the fraudulent use of the Water Sure tariff. I was very relieved that we did not have to pay this amount." (Male; Metered between 2010 – 2012; Pre-Family; C2DE; Vulnerable)

"It was a huge relief when they said that, according to their arrangements with the government, the people who met certain criteria would get a capped bill, rather than a metered one." (Male with undisclosed disability, Vulnerable)

"I looked into it because of my disabled son. I phoned and asked if there were options, or a cap. My friend has a disabled child and she told me about it. The process was quite easy; I filled out a form and gave them the info and it was sorted within a month. If I didn't have the cap my bill would be £800-£900 per year." (Female, Metered between 2010 – 2012; Young Children; C2DE, Vulnerable)

"I emailed them about support for my son (who is disabled). It was on our first letter and the info they left when they installed the meter. My husband looked into it and they were able to cap the bill but it took a long time. It was capped higher than we hoped, but they still gave us the help. They needed proof from tax

credits, and it was hard to get the info to them, but we got there in the end.”
(Female with younger family, C2DE)

Telephone enquiries typically produced results

Most metered customers who contacted Southern Water by phone reported that they were happy with the response they received, and that their enquiry needs were met (for example regarding financial support). There were also examples of Southern Water proactively contacting customers to encourage them to apply for support:

“When I spoke to Southern Water and I explained my situation they suggested I try WaterSure as I might get some help. They explained that if I was successful in applying they would cap my bill to around £300 per year, which would be cheaper. But when I got the form, I saw that I didn’t qualify for any of the criteria, so I left it. Then about 6 months later I got another call from them saying would I still be interested, and I said I would but I didn’t think I was eligible. They said we should still try it so I’m waiting for a reply from my doctor and the hospital.” (Female, metered between 2013 and 2014, Older Family, C2DE, long-term medical condition)

View our video case study of Jo who talks about her experience of having a water meter accessing financial support: <https://youtu.be/iAgxTGQesCU>

Support options need to be consistently communicated

Most metered customers opting for support were reacting to the news that a meter was being installed, or were faced with a larger bill; therefore, support options need to be consistently communicated throughout the customer journey.

Those not eligible for financial support tended to be less satisfied

Those who felt that they needed financial support, including vulnerable customers with disabilities, tended to contact Southern Water by telephone and, in nearly all cases, felt that they had successfully accessed support. A small minority in this sample had not been eligible for financial support, which resulted in them feeling dissatisfied.

Appendix A has a written case study: Andrew's story as a 'vulnerable' customer.

4.7 Temporarily vulnerable audiences

Customers who were vulnerable when the meter was installed

Some metered customers felt that they had been vulnerable due to financial difficulties (due to, for instance, redundancy, low income, or illness/disability) at the time their meter had been installed. Some on low incomes found the 'change over' period confusing as some had already fallen into debt with Southern Water and did not know how future metered bills would be affected by existing debt.

Difficulty understanding support mechanisms

Some metered customers who were ill at the time their meter was installed, or who were undergoing financial difficulties (or a combination of the two) felt that they had not been in a position to understand the intricacies of support mechanisms on offer from Southern Water and reported that they had consequently become dissatisfied. In future, these customers may need additional support, for example from a third party advocate.

Appendix A has a written case study: Anne's story as a customer offered support.

4.8 Attitudes towards water use

Raised awareness of water usage

Metered customers generally felt that their water meter had made them more conscious of their water consumption. However, heightened awareness of water use had not consistently translated into a change in water usage.

Different attitudes towards water saving

Four different attitudes towards water saving emerged from the research:

Unwilling or perceive themselves to be unable to use less water

There were two groups of metered customers who were largely unwilling to exercise control over their water usage.

- **The ‘passive’ group:** there was a large ‘passive’ group, who were not particularly sensitive to bill increases, and generally felt that water was ‘cheap’, particularly compared to other utilities. This group had a rather fatalistic attitude towards their water use, given:
 - their awareness that the programme was compulsory;
 - and their belief that controlling water usage would be difficult for them (given the presence of children in the household). This group are typically represented by BC1 families with children):

“We talked about it when the changes were happening, we were like maybe we should do this, or stop doing that, wash up in this way, but now . . . once you realise the bill hasn’t gone up or anything, we’ve just gone back to old ways . . . we talked about it but never really changed anything.” (Female; Metered between 2013-2016; Pre-Family; BC1C2DE)

“Yes, I thought I would be more prudent with it, but I didn’t care, I just carried on in my old ways . . . At first you think, now its metered it will actually show an

accurate recording of how much water I use, so if I'm prudent about how much I use I'll save more. That's what you initially think, and then you realise that in life you don't really want to be saying 'I'll only stay in the shower for 5 minutes', you're just going to carry on doing your thing." (Male; Metered between 2013 – 2016; Pre – Family; ABC1)

"I'm more conscious of water use, but I don't want saving water to be a big issue so I just pay the extra when it goes up. I don't want to monitor it." (Male; Metered between 2013 – 2016; Young Family; C2DE)

"Mine went up a lot, almost twice what I'd been paying. The first bill was scary ... It's only baths and I won't cut down on baths, so it costs me a lot more." (Female; Metered between 2013 – 2016; Pre – Family; ABC1)

- **The 'vulnerable' group:** there was a 'vulnerable' group who were concerned about bills and usage, but who felt that their special circumstances made it difficult for them to control their water usage (e.g. due to specific health circumstances, such as: requiring frequent baths, extra use of a washing machine for disabled dependents).

Appendix A has a written case study: Anthony's story demonstrating a passive attitude to the programme.

Willing water savers

There were two groups of metered customers who felt willing and able to exercise control over their water usage.

- **Environment:** the first customer type was a small more affluent, 'altruistic' group, motivated by environmental concerns. This group were likely to have already adopted water saving behaviours and typically were not doing anything new since the meter had been fitted:

"I do all the right things already for environmental reasons and that's become habitual." (Male; Metered between 2013 – 2016; Young Family; ABC1)

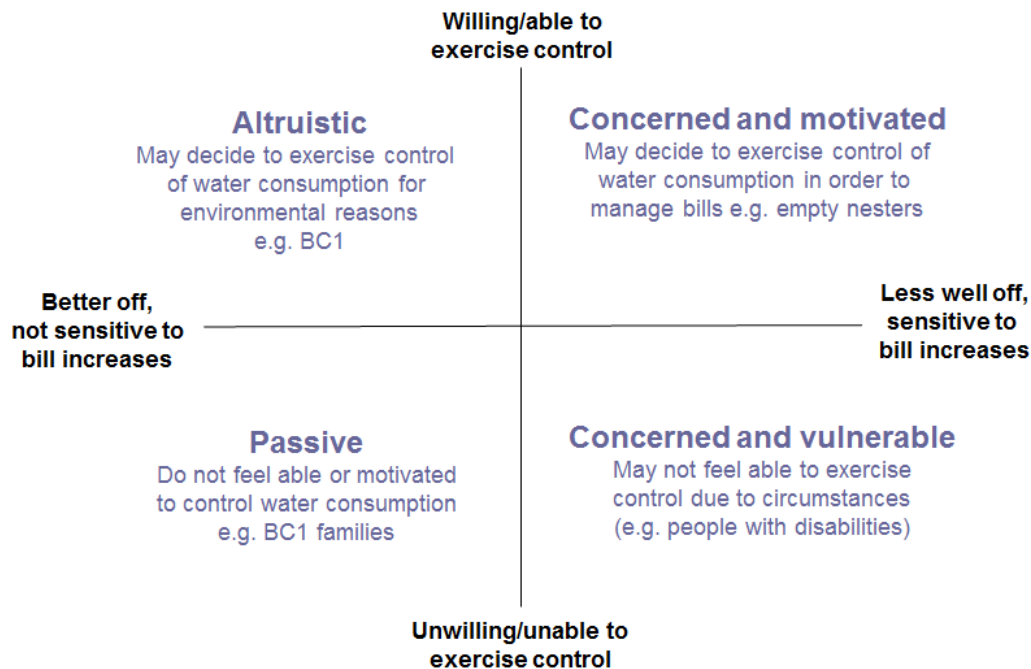
"We're fairly economical anyway. When we got a new toilet, we went for the one that half-flushes to save water. It had nothing to do with the meter - it was an environmental choice, rather than financial. We had the solar panels fitted for the same reason. You carry on, recycling things, because you recycle, rather than because someone would tell you off." (Male, Metered in 2014, ABC1)

View our video case study of Phil who talks about his experience of having a water meter: <https://youtu.be/Bu76GqkG1D8>

- **Financial savings:** the second small group were motivated to save water due to concerns about bill increases. This group felt that they could exercise sufficient control over their households in order to limit water consumption (e.g. empty nesters). However, some amongst this latter group failed to maintain water saving behaviour over time, particularly if anticipated bill savings were not realised.

The four different attitudes towards water saving are illustrated below:

Attitudes towards water use



Behaviour change driven by saving money

Overall, metered customers who expressed an intention to change their water usage behaviour did so in an effort to save money on water bills. However, it emerged that the inclination to save water dwindled if metered customers were not rewarded by a concrete change in their bills. Those who intended to change their behaviour for environmental reasons were a clear minority.

Appendix A has two written case studies: Clare's story demonstrating a concerned and motivated customer viewpoint and Susan's story demonstrating an altruistic customer viewpoint.

4.9 Water saving advice/devices

Customers remembered water saving advice

There was wide recall (among all metered customers) of being offered water saving advice tips and devices (e.g. hippos - devices that fit into toilet cisterns and reduce the amount of water used per flush), although only a small group of metered respondents had made use of them. These respondents were typically responding to steep increases in bills.

Usage of water saving devices was low

Other than those motivated by bill increases to use hippos, engagement with water saving devices was low, for several reasons:

- Firstly, there was a broad lack of awareness or acceptance about the pressures on water resources in the UK. Customers had not absorbed messages about water stress in Southern Water's initial metering communications.⁶ Commonly, respondents felt that water was available in abundance in the UK. Indeed, it was only a small number of more affluent respondents who expressed an understanding of the limitations of water supply within the UK:

"That [water stress] annoys me. We are the country that has so much rain. How can we have scarce resources of water? If you think how much rain falls for the sky and how many reservoirs we've got... there is so much wasted rain water..." (Male, Metered between 2010 – 2012, Young Family, ABC1)

- Secondly, most felt they had already established water saving behaviours such as switching the tap off when brushing one's teeth, or opting for a shower rather

⁶ "We're carrying out large scale metering because the region in which we live is already under serious water stress and further population growth will continue to increase demand. Climate change is likely to mean drier summers and more frequent droughts so that means we will need to stretch our resources further." ('Your water meter is coming', initial UMP letter)

than a bath. Although tips about water saving were recalled, these were often dismissed as well rehearsed and 'common sense':

"We received some information about making sure that the water tap is not dripping. We got it from Water Board - they send you that information along with the bill - it's on a separate leaflet. We also installed a more efficient toilet system, so the water does not fill out so much and we only had to fill it in until the tank was half full. It was not a result of having the water meter - it's a general knowledge." (Male, Metered between 2010 – 2012, Empty Nester, C2DE)

"One thing I did do was to take out the bath and put in a walk-in shower, because it does not use as much water. Showers are much cheaper." (Female, Metered between 2013 – 2016, Empty Nester, Vulnerable, C2DE)

- Thirdly, some water saving devices were not felt to be appropriate: examples included hippos not working in some cisterns and showerhead fixtures affecting the function of the shower:

"They were advertising bags that you could put into the water system. There were leaflets coming about it as well, but I would not be able to use one, because I am disabled and my toilet is an electronic one. I can't open it to put a bag inside." (Male, C2DE, No children, Vulnerable)

The impact of water saving advice was limited

Overall, the impact of the water saving advice/devices was limited amongst metered customers who did not perceive a need to manage their water use in order to control or reduce their bills:

"I think we got a leaflet about not using the hosepipe all the time, sharing bathwater. It provided us with some basic advice." (Female, Metered between 2010 – 2012; Young Family; ABC1)

"I've heard of hippos but I would not worry about using it, because we are pretty good on saving water." (Female, Metered between 2010 – 2012; Young Family; ABC1)

"There might have been a leaflet with a hippo bag to put to the water tank in the toilet. That came through the post. I don't think they were helpful - I did not read it from cover to cover - I might have skim read it at my best." (Male, Metered between 2013 – 2016; Older Family; ABC1)

Home Saver Checks

Metered customers who were more motivated to manage their water usage tended to opt for a free Home Saver Check. Home Saver Checks were initiated by personal contact with Southern Water staff, typically a 'door knock' from a company representative, or when contacted by phone (when free Home Saver Checks were essentially 'sold' to consumers by staff).

Personalised advice was welcomed

Metered customers who engaged with this intervention felt that the personalised nature of the advice was a key benefit. However, customers' experiences of the intervention were mixed. It was felt to be a useful way of raising awareness of water usage and illuminating water saving techniques. However, none of those who took up the Home Saver Check had seen a notable decrease in their water bills since implementing the suggested actions, which was key to maintaining behaviour:

"He went around the house and told me about saving water here and there; like the thing for the cistern, and a sort of egg-timer thing for the shower. He explained about not running the taps when brushing teeth, and not using a hose to water the garden. There's nothing else they could do in the way of advice. I'm satisfied with the water saving advice, but obviously at the same time I couldn't be any more dissatisfied. I think it stumped them to find that no matter what they did I was going to be a lot worse off after having a water meter installed."

(Female, Metered between 2013 – 2016, Older Children, C2DE, Temporarily vulnerable)

Expectations of water saving advice

Overall, consumers were looking for the Home Saver Check to deliver bill savings. Metered customers who had not taken up the offer of the Home Saver Check wanted new information so that it felt ‘worth their while’, given the time that they would need to invest in having the check.

“Like I said, that bloke offered to come round my house to tell me what? Not to shower twice a day? To not wash my clothes? I thought it was a bit insulting in a way.” (Male; Metered between 2013 – 2016; Pre-Family; C2DE)

4.10 Customers attitudes towards UMP

Meters were seen positively by most customers

Overall, metering was largely regarded as a progressive necessity; metered customers understood metering as an efficient method of recording individual water usage, and an equitable method of billing, and some metered customers felt that metering would have a positive environmental impact in terms of water saving.

View our video case study of Peter who talks about his experience of having a water meter: https://youtu.be/e_hwjMwW610

Customers who had experienced bill increases

Amongst metered customers who had experienced bill increases there were still some who were able to acknowledge the positive factors linked to metering. However, many also felt slightly penalized, since they felt that water usage in their busy, full households was somewhat out of their control.

An equitable way of billing

Overall, metered customers understood that they would be billed based on the amount of water that they used (rather than an estimation). They felt that water companies

would potentially make more money from households that use water excessively, rather than increasing everyone's water bill. They also felt it would encourage more responsible water use and reduce unnecessary water waste:

"Our neighbours are younger and they work. They are still using what they were using before they went on meters. They have not changed their lifestyle - yet - she is going "Oh there are kids coming around who are using my water when they are washing their cars". She would never have thought of that before. It shows that other people are also becoming more conscious, because it's hitting them in their pockets." (Male, metered between 2010 – 2013, C2DE, Temporarily vulnerable)

"The water scheme [metering] brings it home - you can see it. Before you had no idea of how much water you were using. The scheme has made me very conscious of the amount of water I am using, because I can see it - whereas before people were just on the water rates. This scheme is fairer. People are being responsible for their own usage." (Female, Metered between 2013 -2016, ABC1, Temporarily vulnerable)

"If it helps people manage how much water they are using and makes them think about how much water they are using, then it can only be a good thing." (Female; Metered between 2010 – 2012; Young Family; ABC1)

Environmental benefits were understood on prompting

When prompted, metered customers were also able to consider the environmental benefits of water metering. However, this was rarely a factor that was raised spontaneously by metered customers. Although metered customers were able to explain why metering was being introduced (i.e. that it is an equitable way of billing), environmental concerns were not generally cited spontaneously.

Low UMP awareness among non bill-payers

Non bill-payers had very low awareness of Southern Water's UMP, and had a limited understanding of why the water meters were being installed in the area. They had been told to limit their water usage by bill-payers, and understood that this was a way of minimising bills e.g. using showers rather than baths, or washing dishes by hand instead of using a dishwasher. Non bill-payers felt that they were influenced by the bill-payer; bill-payers felt that children were the hardest to influence in relation to water use:

"Before the scheme [metering] was introduced we had a dishwasher, which we no longer use – because it uses too much water. I can't remember the last time we used it. We are not allowed to have baths and we have to use showers instead. Before I used to wash my car quite a lot in the drive but apparently now, it's cheaper if I go to a car wash and they wash it for me." (Male, private tenant, Metered between 2013 – 2016, Young Family, ABC1, non-bill-payer)

4.11 Customer attitudes towards Southern Water

Lower bills brought positive attitudes

There were a range of attitudes towards Southern Water. Perhaps unsurprisingly, metered customers who felt most positive towards the company had seen bill reductions as a result of having a water meter:

"My view of Southern Water has completely changed. They are saving me money!" (Metered customer, Metered 2013 - 2016; Older Family/Empty Nester, BC1C2DE)

Many metered customers who felt positive towards Southern Water felt that the metering process had been relatively problem-free. Most had not experienced any disturbance when the meters were fitted and the few that had, felt that Southern Water had successfully and swiftly responded to problems. Those who had needed financial support had found Southern Water supportive, particularly in terms of offering different options.

Some customers were indifferent to Southern Water

A significant number of metered customers felt indifferent towards Southern Water; this feeling was in response to their status as a monopoly provider, an attitude that had not changed as a result of the metering programme:

"I've no choice anyway, so who cares?" (Male; Metered between 2013 – 2016; Pre-Family; C2DE)

However, even metered customers who felt indifferent to Southern Water acknowledged that the process of metering was a progressive step. Many understood and accepted that they should pay for what they used, and when prompted with the potential environmental benefits, some acknowledged the environmental and water management advantages that metering could bring.

A few customers were negative towards Southern Water

There were a very small number of individuals who had encountered difficulties with their water meter installation who felt negatively towards Southern Water specifically because of their experience. These individuals were already facing financial difficulties pre-meter installation and had become confused when trying to resolve payment problems. These individuals would have benefitted from third party support, as discussed in section 4.7 of this report.

Lessons learned:

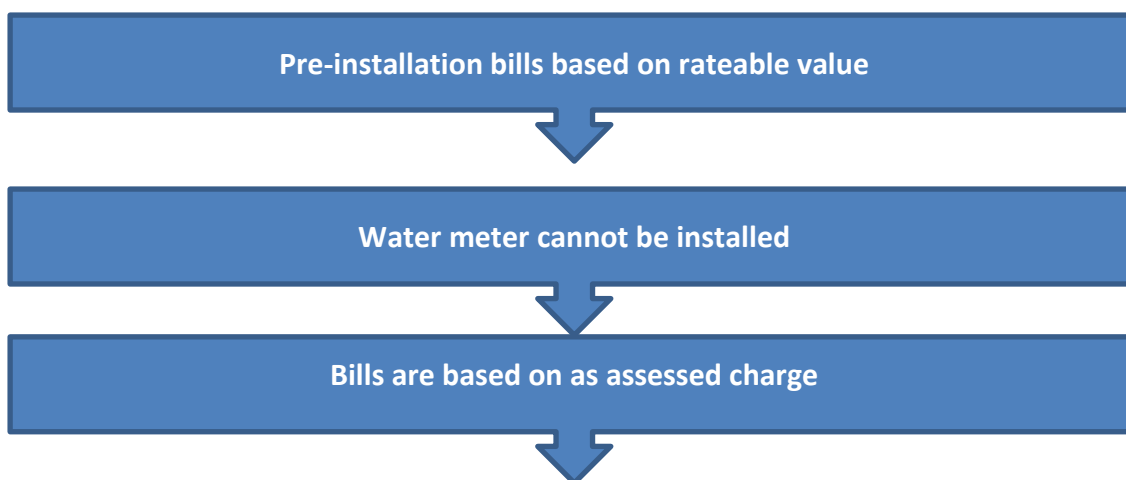
- Key customer questions were: *“How does the installation process work?”* and *“What will the financial impact be?”*
- In future, communications could be improved to include information for a concerned minority who wanted reassurance that their meter had been fitted properly and was working correctly.
- Customers needing financial support were often reacting to information (e.g. first metered bill), therefore information about financial support options should be repeated and communicated consistently throughout the journey.
- In future, the most vulnerable may need help from a third party to access financial support options.
- Receiving a significantly higher bill is a relevant moment for an intervention. In future, a personalised intervention is likely to have most impact e.g. *“We notice that your bill has increased this month ... we have a range of support options.”*
- In future, a more familiar measurement would enable water companies to develop a language for engaging consumers in a conversation about water usage e.g. the number of baths in a cubic metre was suggested as a useful starting point.
- Overall, consumers were looking for advice and devices, as well as the Home Saver Check to deliver savings – and savings were key to maintaining behaviour change.

5. Main findings: households where it was impractical to fit a meter

There are a few situations when Southern Water cannot fit meters:

- When the customer's supply pipe needs to be separated because it is shared with a neighbouring property;
- Installing more than one meter where there are multiple supplies to a property;
- If any alteration is needed to existing plumbing, fixtures and fittings (e.g. cupboards/decorations);
- Installation of a meter in unusual locations; in most instances Southern Water fit meters under the pavement outside properties near the external stop tap.

In these circumstances, customers follow a different journey:



The assessed charge is a fixed annual charge, based on the number of bedrooms at a property. It is based on average water consumption and typical occupancy levels. There is also a single occupier charge.

5.1 Reaction to learning that a meter could not be installed

Some customers were unhappy

Customers who learned they would not be having a meter installed, for practical reasons evidenced two broad reactions. One group was unhappy: they believed their water usage was 'light' and that they would save money by switching to a meter. They felt they would be missing out on potential savings, and that this was unfair. This group hoped to have a meter fitted at some point in the future.

View our video case study of Maureen and Robert about their experience of not being able to have a water meter installed in their home: <https://youtu.be/WdLNioMOS1o>

A few customers were happy

A smaller group was happy not to have a meter installed. These customers assumed that their bills would have increased with metered billing; generally, these customers lived in larger households, and perceived their water usage to be high. This group was reluctant to have a meter fitted in the future, and did not envisage that a water meter would be installed in future.

5.2 Experience of communications at the point of the attempted meter installation

Initial communication was remembered

Most recalled an initial letter from Southern Water explaining that water meters were being installed in the area; and recalled being made aware that Southern Water would visit their property to assess whether a meter could be installed. These communications were followed by a 'door knock' to assess the property and establish whether a water meter could be installed. At this point, customers were told verbally by the engineer that a water meter could not be installed.

Reasons for not installing a meter were remembered

Respondents recalled being told *why* their water meter installation could not go ahead, although these reasons were not always clear, as suggested by the examples below:

- For example, one customer reported that he had been told that a meter installation would not be possible because the city council owned the pipework. It seems that this individual had misunderstood what he had been told: when he contacted the city council, they referred him back to Southern Water, insisting that the pipework was their responsibility.
- Another customer reported that she had been told that the council would have to be present at the time of installation to access the water point, and that this would not be practical. Once again, it seems that this individual had misunderstood what she had been told:

“They could have explained why we can’t have them. My sister lives below me and her water is separate to mine, so I don’t know why they can’t install a meter for each of us.” (Female; Unmetered Customer; Empty Nester; C2DE)

Overall, verbal communication at the point of attempted installation proved ineffective: customers became confused about why they could not have a meter, leading to a desire for further explanation:

“From what they said I’m guessing we can’t have a meter.” (Female; Unmetered Customer; Young Family; C1)

5.3 Experience of communications after it was found to be impractical to fit a water meter

A perceived lack of communication

Customers reported a perceived lack of communication from Southern Water after it had been found impractical to fit a water meter. Although a small group recalled communications about moving to an assessed charge, it was communications explaining why they could not have a water meter and what would happen next that this group

were looking for. None had received written confirmation that a water meter could not be installed, which would have been appreciated.

Points of clarification

The perceived lack of communication post failed installation left customers feeling unsure in three main respects.

1. Customers were left unsure whether metering would be possible in the future, and when this could be reviewed.
2. They were unsure whether they needed to take any action (including what action they could take if they did not accept Southern Water's decision not to install a water meter). And,
3. They were unsure if and how water metering could affect them in the future.

More personalised communications were desired

This group felt that they needed more personalised written communication from Southern Water to confirm why a meter could not be installed. They were also unclear about whether a meter could be installed in future and wanted to know more about what would happen next i.e. what changes there would be to the way they are charged for water and whether a meter would be installed in future:

"It would be nice if we got confirmation of what the situation is and make sure we aren't penalised for using less water than other people." (Female; Unmetered customer; Empty Nester; ABC1)

"I was told that they would write to us and tell us what they were doing or not doing, and we got a letter saying there would be a three-year period and then a move to an estimated bill." (Male; Metered, Young Family; ABC1)

5.4 Billing experience post unsuccessful installation

No change noticed by some customers

Some respondents had not noticed any changes to their bills after the unsuccessful water meter installation. A few did recall communications about the assessed charge (which is based on the number of bedrooms in a property), although some did not fully understand it:

"I filled in a questionnaire – but I don't understand why they needed to know how many bedrooms I have." (Male, Unmetered customer, Empty Nester, C2DE)

Others customers were unhappy with the assessed charge, because they wanted to have a water meter installed; they did not feel that the assessed charge would necessarily be as fair and/or accurate as a metered bill.

Potential points of contact

The attempted installation experience provided two points of consumer contact which provided opportunities to support customers. The first was immediately after the attempted installation (i.e. both with the engineer and letter follow up); the second was at the point of billing. These customer touch points offer an opportunity to ensure that customers understand that their bill is changing and make them aware of the financial support and different payment options available from the company. For example, one customer was offered the single person discount by Southern Water after she contacted them about an unsuccessful attempt to fit a meter.

Lessons learned: Formal clarification would be welcomed

Respondents suggested that in future, written confirmation and clarification would improve the metering process for people that could not be metered, and this should include:

- Written confirmation that it has not been possible to fit a water meter, with a clear explanation of why this is the case
- For those unhappy that it had turned out to be impractical to fit a water meter, what action can they take
- And information about what happens next i.e. what changes there will be to the way they are charged for water and whether a meter might be installed in future
- Customers would still like to hear about any financial support available

6. Unmetered customers: households which were reluctant to be metered

6.1 Reluctant customer types

Reluctant customer types

Customers that were reluctant to participate in Southern Water's Universal Metering Programme fell into two distinct groups: active avoiders, and the disengaged.

The research brief references a group of consumers reluctant to engage with the UMP due to a lack of time. This group was not represented within this qualitative sample. This is likely to have been a limitation of a relatively small qualitative sample of those reluctant to have water meters and does not suggest that this group does not exist, but that it is not represented within the findings presented in this report.

6.1.1 Active avoiders

Active avoiders

Active avoiders were conscious of their water usage and, believed that a water meter would be likely to increase their water bill and therefore that they did not want to have a water meter. Equally, some also preferred a 'fixed' billing amount which they felt supported household budgeting. Some reported that they felt resistant to change – unless clearly in their own interests.

Awareness of UMP amongst active avoiders

'Active avoiders' were aware of the UMP. Their understanding of the programme was predominantly shaped by face-to-face discussions with Southern Water representatives at their door. The UMP was understood to be charging customers according to how much water they used. The level of thought and consideration given towards UMP varied across the 'active avoider' group; some discussed the option with their partner, others were adamant from the start that they did not want a meter.

Some active avoiders felt that UMP was optional rather than compulsory

Some 'active avoiders' felt that UMP was 'optional', given that they needed to allow Southern Water staff on to their property to install the meter. Some even reported having further conversations with family and friends that had a meter installed outside their house 'without authorisation'. The concept of UMP being 'compulsory' was not necessarily understood or accepted by this audience; they did not realise that the water company was entitled to enforce access to install a meter. Customer decision-making was dominated by their perception of whether UMP was good for them personally.

View our video case study of Hannah who was unmetered and talks about her experience: <https://youtu.be/GDFSPPwk9o>

Reasons for actively avoiding water meter installation

'Active avoiders' were reluctant to have a meter installed for a mix of reasons, including:

- Older customers who were against the idea of change;
- Customers who assumed that their bills would be higher and were unwilling to pay more (for example, one respondent had undertaken research that indicated that a metered water for their specific household would be higher than a rateable value bill);
- Customers who preferred a set bill amount as this allowed them to budget;
- Households that used a lot of water, such as keen gardeners, large families (e.g. four small children, paddling pools).

View our video case study of Tom who was unmetered and talks about his experience:

<https://youtu.be/temE9oLstfk>

Poor recall of letters among active avoiders

Recall of letter-based communications was poor amongst the active avoider group, and their decisions were largely shaped by face-to-face discussions. In some instances,

Southern Water representatives were described as overly insistent on having a meter fitted, and this was felt to be off putting. Others recalled receiving information from Southern Water, and throwing it away.

Word-of-mouth discussion was limited among active avoiders

Word-of-mouth discussions regarding UMP were limited and were often linked to: deciphering whether or not the programme was compulsory; and the likelihood of bills being higher or lower. Initially, this group were likely to engage. However, over time, as views became entrenched, willingness to engage waned. This group did not demonstrate any understanding their bill would change and that they could be charged a 'no access' charge.⁷

Lower bills may encourage engagement from active avoiders

The research suggests that this audience is unlikely to accept a meter without evidence that metering will reduce the cost of their bill. Expectations around future communications included some form of personalised evidence that their household water bill is unlikely to go up – or, ideally, is likely to go down. Southern Water representatives could attempt to personalise the message for metering in this way as well as providing support and water saving options.

Active avoiders expected personalised communications

Active avoiders wanted reassurance, if they were to engage, about when the installation visit would occur and to have a say about this i.e. a date that suits *them*, rather than Southern Water. They also wanted to know what support mechanisms were in place to ensure that they were able to pay their bills. Individual case management was expected, with all communications tailored to meeting individual needs with regards to appointments, projected bills.

⁷ Where Southern Water are unable to obtain the customer's co-operation to progress the installation of a meter, Southern Water switch them from unmetered charges to a No Access charge with effect from the date on which it planned to install the meter. The No Access charge is a fixed annual charge, and comprises separate rates for the water supply service and the sewerage service.

Lessons learned: Face-to-face engagement is key

The research suggests that the initial face-to-face visit is the key window of opportunity to engage active avoiders. Further visits to negotiate with these customers can aggravate and push them further away from having a meter installed. Engaging this audience in face-to-face conversation is likely to be a specialist skill. Active avoiders expected a personalised pitch from the water company, providing, for example, evidence that similar households had saved money on their water bills as a result of meter installation.

6.1.2 Disengaged Customers

Disengaged customers assumed that metering was for homeowners

Disengaged customers typically rented properties, some on a very short-term basis, and did not feel that the installation of a water meter was their responsibility. When prompted, disengaged respondents suggested that water metering was an issue for home owners, not people who rented properties (particularly on a temporary basis). This belief was based on an assumption that any structural changes were the responsibility of the landlord, not the tenant.

Short term tenancies boosted disengagement

For some, there was a strong sense that they would be moving to a long term rented home and therefore felt no sense of urgency to deal with metering in their current short term rented home. Therefore, any information provided in relation to short term rental properties was not likely to have been perceived as relevant:

“I don’t intend to be here much longer; I am at the top of the housing list for a bigger house as my kids have got to an age now where I can claim overcrowding. I can’t wait to leave this place; it’s not a nice part of town to be bringing the kids up.” (Female, Unmetered, Family, C2DE)

Everyday struggles and financial certainty take priority for the disengaged

Moreover, many disengaged respondents were typically experiencing financial hardship. Their focus was on making ends meet in the short-term and predictability of bills was important to manage tight budgets. In this context, water metering raised potential problems and was not a priority:

"I wouldn't want one as how would you know how much your bill would be each month? It sounds like it would be hard to control." (Female, Unmetered, Family, C2DE)

Low awareness of UMP among the disengaged

Disengaged customers had vague recall of the UMP at best, and a majority claimed to be unaware of UMP. They did not recall seeing any information about UMP and had not heard any information from friends or relatives about UMP.

Key barriers to metering for the disengaged

The key barriers for disengaged respondents were therefore:

- A lack of knowledge about UMP
- A belief that UMP is nothing to do with them, and critically
- A belief that metering would incur greater costs and create uncertainty and potentially disrupt tight budgets.

Overcoming the lack of awareness of metering among the disengaged

To overcome the lack of awareness about UMP, information would need to be brought to the attention of groups of disengaged customers via landlords and/or community based communications campaigns. Community-based activity could attempt to influence word-of-mouth channels, which are typically very influential in close-knit communities.

Overcoming disengaged customers' perception that UMP is someone else's responsibility

To overcome the perception that water metering is an issue for home-owners and landlords, rather than tenants, communications would need to include messaging and information targeted at tenants.

Overcoming disengaged customers' worries about perceived negative cost implications of metering

Reassurance around the perceived negative cost implications of metering is required; for example, support options for customers on low incomes. In addition, these customers were often experiencing financial hardship and would be unlikely to answer the door to anyone unknown. Typically, these customers were likely to be disengaged from services in general.

Lessons learned:

The research suggests that community based communication could target pockets of 'disengaged' customers. Additionally, landlords could be used as a channel for communications. Messaging would need to be targeted at tenants, i.e. pointing out that tenants are responsible for water metering. Information about how financial savings can be made, as well as the support options available for those facing financial difficulties would need to be reassuring and convincing.

6.2 What should happen to unmetered, reluctant customers?

CCWater and Southern Water wished to gauge attitudes among customers towards those people who were reluctant to have meters installed. This was to understand if customers felt that formal, enforcement measures were more appropriate, or softer approaches emphasising information and support.

Most had not thought about 'reluctant' customers

Amongst the metered sample, awareness of 'reluctant' customers not responding to communications from Southern Water was low. Metered respondents did not have a sense of the proportion of households who refused access to their property to have a water meter installed. They felt that their views about how 'reluctant' customers should be treated would be determined by the scale of the problem i.e. costly solutions might not be appropriate if there are large numbers of 'reluctant' customers.

Evasion was perceived as unfair

Evasion was perceived as 'unfair', and some felt that forceful treatment should be applied:

"I was made to have one, so why should they get away with it?" (Metered customer, Metered between 2013 – 2016; Older family/Empty Nester; BC1C2DE)

Forceful measures are expensive

Despite some feeling that forceful treatment should be applied, the difficulties in adopting this kind of approach were understood, particularly in terms of cost.

Encouragement better than enforcement

Overall, metered customers felt that these customers should be encouraged, but not forced, to have a water meter:

"Again, what if you've got family who don't use that much, I think that would be unfair, it's tricky, you can't bully them, I think there should be a nicer route."
(Female, Metered between 2013 – 2016; Pre-Family; C2DE)

"Communicate first; these are not criminals. Most people will come around."
(Metered customer, Metered between 2013 – 2016; Young Family; BC1C2DE)

"Communication is a powerful thing - if you are not going to communicate, people are not going to know there is a problem. The issue might be that they are working away from home and they are not there for several months per year."
(Female; Metered between 2013 – 2016; Young Family; C2DE)

Limits to contacts

Some felt that Southern Water should continue to try and communicate with this group of customers; however more than three attempted contacts (face to face) would be edging towards 'excessive' or 'pestering'.

Assessed Charge was seen as the best billing response

The most suitable option for customers not engaging with Southern Water was perceived to be the assessed charge⁸ (please see glossary), based on available information about the household. Customers generally trusted Southern Water to make sound decisions based on cost, time and resource to address, inform and deal with reluctant customers. Equally, it was acknowledged that reluctant customers would eventually "move on" allowing their old property to be metered.

⁸ A metered assessed charge is a fixed annual charge, based on the number of bedrooms in the property. If the new charges are lower than the existing bill, customers go on to metered assessed charges from the date of the failed installation. If the new charges are higher than the existing bill, then customers are automatically switching to the 'changeover' tariff (please see glossary). The 'changeover tariff' helps customers adjust to paying for their water based on metered assessed charges. Southern Water reduces the bill for the first two years and customers do not have to pay the difference.

Views on fairness

Overall, customers trusted Southern Water to adopt the necessary approach, and that approach was perceived to be the assessed charge. This response reflected a general consensus that water billing should be fair and equitable for all, along with a feeling that unmetered customers should receive no better or worse treatment than those with meters.

View our video case study of Doreen who talks about her experience of having a water meter: <https://youtu.be/cPTv1Nqrsz4>

7. Conclusions

7.1 Metered customers

- For a majority, the meter installation (whether inside or outside their property) was a quiet success. Even those who experienced leaks were satisfied with the installation process, due to swift action taken by Southern Water.
- Metered customers consistently reported feeling well informed about the installation process and satisfied with communications. Their key questions were: *“How does the installation process work?”* and *“What will the financial impact be?”*
- In future, post-installation communications could be improved to include information for a concerned minority who wanted reassurance that their meter had been fitted properly and was working correctly.
- Different written messages successfully reached their relevant audiences (e.g. the message that there was the option of choosing a ‘changeover tariff’), with the most concerned using the telephone support available.
- Most customers who contacted Southern Water by telephone to ask for help, reported that they were happy with the response they received, and that their enquiry needs were met (for example, regarding financial support).
- The minority who did not feel satisfied with the outcome of their call had either found that they were not eligible for financial support, or were already in debt to Southern Water and had become confused about the financial support options available to them. In future, the most vulnerable may need help from a third party to access financial support options.

- Customers needing financial support were often reacting to information (e.g. first metered bill), therefore information about financial support options should be repeated and communicated consistently throughout the journey.
- There were two groups who felt willing and able to exercise control over their water usage:
 - a small more affluent, 'altruistic' group, motivated by environmental concerns who were already taking steps to use less water before the meter installation;
 - and a group who were concerned about bill increases post meter installation.

However, some amongst this latter group failed to maintain water saving behaviour over time, if savings were not realised.

- The impact of the water saving advice/devices was limited amongst those who did not perceive a need to manage their water use in order to control their bills or were not environmentally motivated.
- Overall, consumers were looking for advice and devices, as well as the Home Saver Check to deliver savings – and savings were key to maintaining behaviour change.
- Receiving a significantly higher bill is a relevant moment for an intervention. In future, a personalised intervention is likely to have most impact e.g. *"We notice that your bill has increased this month ... we have a range of support options."*
- In future, a more familiar measurement would enable water companies to develop a language for engaging consumers in a conversation about water usage e.g. the number of baths in a cubic metre was suggested as a useful starting point.
- There were a range of attitudes towards Southern Water, with the most positive from customers who had saved money and the most negative from customers who had encountered very specific difficulties during the installation process.

- Overall metering was largely regarded as a progressive necessity.

7.2 Customers who could not be metered for practical reasons

- This group clearly wanted more personalised written communication from Southern Water after their failed installation, specifically to explain why a water meter could not be installed.
- None were clear about whether a meter could be installed in future and wanted to know more about what would happen next in terms of how they would be charged and whether a meter might be installed in future.
- Customers who wanted a meter to be installed were most disappointed to hear that it could not be done. Some felt that they were missing out from the financial benefits they assumed a water meter would bring. There are other ways in which Southern Water could support these customers e.g. offering financial support options.
- Those who had not wanted a water meter installed in the first place were content. If a meter could be installed in future, this group will need information about the financial impact a meter might have on their household and the support options available.

7.3 Customers who were 'reluctant' to have a meter

- 'Active avoiders' were aware of UMP and did not want a meter installed because they felt sure that they would be worse off. This group tended to ignore written communications, and only engaged with Southern Water representatives when approached face-to-face.

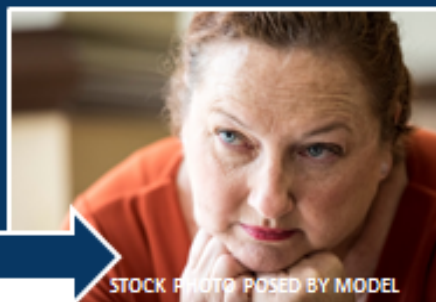
- In future, the first face-to-face visit is the key window of opportunity to engage active avoiders as equals (as opposed to someone who is non-compliant). Similarly to customers who could not be metered for practical reasons, active avoiders expected personalised communications about the impact a meter would have on their household. To be most effective in getting their engagement, this information would ideally be available at their first face-to-face contact.
- The 'disengaged group' were not aware of UMP. This group rented properties and were unlikely to engage with/read communications about what they perceived were structural changes and therefore their landlord's responsibility.
- In future, community engagement activities targeting deprived areas and areas with a high density of rented properties could provide information tailored towards those renting properties, how bill savings can be achieved and the financial and water saving support options available.

Appendix A – Written Customer Case Studies



CASE STUDY: Customer experience of
Southern Water's Universal Water
Metering Programme (UMP)

ANNE's story



INTRODUCTION

- Diagnosed with Asthma + COPD (progressive lung disease) in 2013
- Had two heart attacks between 2014/15
- Water meter installed outside her property in 2015

High water usage required
Caring for two family members –
both incontinent

BEFORE THE METER WAS FITTED

Doesn't recall receiving advanced notification
about water meter installation

INSTALLATION

She was unaware of the water meter
installation until after it happened

AFTER THE METER WAS FITTED

Recalls first hearing about metering after the water meter was installed
Increase in her bills following metering.

1

Contacted Southern Water –
Requested that they uninstall
the water meter

Informed that water metering is
compulsory

2

Accrued debts as new
metered bill was unaffordable
Was told by Southern Water that
her debts could be paid off in
instalments

However, no official settlement
plan arranged

3

Debts increased before she
was passed to a debt
collection agency

4

She contacted Southern
Water and the debt
collection agency to make
them an offer

Her offer was rejected

5

Her husband was diagnosed
with bowel cancer and she
was contacted by McMillan
Cancer charity

6

McMillan Cancer Charity
contacted the debt
collecting agency to review
different options of debt
repayments

7

McMillan Cancer Charity
contacted Southern Water
who informed Anne about
the WaterSure tariff

**Feels that she needed McMillan Cancer Charity to work
as an advocate and walk her through the process of
exploring different support options available**



Anthony's story

INTRODUCTION

- Married with three young children
- He and his wife are working full – time
- Living in a four bedroom semi-detached house

PASSIVE

Does not feel motivated to change water consumption:
"I don't think, I'm not going to use the shower, because I'll waste too much water' - I think I should be able to use what I want to use but I'll pay the price for that."

BEFORE THE METER WAS FITTED

- Apprehensive around metering – unsure of what to expect in terms of bill increases
- But water usage not perceived as excessive

"There are five people living in the house, so we saw our (unmetered bills) as a 'comfort blanket'. When you have a fixed bill, you don't have to worry about how much you use and you will be paying a certain price."

AFTER THE METER WAS FITTED

Recalled receiving leaflets with water saving advice from Southern Water

"I remember advice about taking showers, not baths - they kept the bullet points quite short, which was quite good, because people could digest that information without reading too much."

WATER USE UNCHANGED

- Water metering did not prompt change in water usage
- Continues to use the amount of water that he feels he needs to

"I am conscious that I am on the meter, but it does not stop me too much from enjoying it."

CASE STUDY: Customer experience of Southern Water's
Universal Water Metering programme (UMP)

Clare's story

INTRODUCTION

- Married with 2 children
- Working full-time

Concerned and motivated

Concerned by potential bill increases, and tries to control water consumption in order to manage bills



STOCK PHOTO POSED BY MODEL

Expectation of metering: Billing

Expected water bills to increase after metering: *"I did expect our water usage to go up, because when we use water, we take it for granted."*

Pre-metering

Accrued debts with Southern Water prior to meter installation

Payment plan arranged with Southern Water prior to metering

Pays a fixed monthly amount to repay pre-metering debts

1

Before a meter was installed

Recalled an initial communication from Southern Water, informing them of UMP

2

Installation

A water meter was installed outside the property. Installation was felt to be quick and satisfactory

After a meter was installed

3

Moved to metered billing

Fixed monthly repayments (for pre-metering debt) are added to her metered bill each month

4

Initially noticed no change to her bills after metering and was focused on paying off her debt

5

Has since had a conversation with Southern Water and was informed of a slight decrease to her bills – and believes this is due to 'being careful'.

Wants to control bills

"Billing is higher on my agenda, because I don't want to be paying a fortune for what I am using, so I'd like to be keeping the bill side of things down."

Tries to control water consumption

"We tend to use showers instead of baths. I tend to tell my husband to use a watering can, instead of a hose to wash the car. We don't have it running."

"We are more conscious of it. We are not spending as much on a water bill, because we are using it wisely."

SUSAN's story

INTRODUCTION

- Working full-time as a teacher
- living with two children, husband and her mother in a 5 bedroom house

ALTRUISTIC

Exercises control of water consumption for environmental reasons



BEFORE THE METER WAS FITTED

EXPECTATIONS OF METERING:

- Expected water bills to increase after metering
- *"It's a big house with a garden – because there are five of us, I thought it was going to be fairly expensive."*

CONTROLS WATER CONSUMPTION FOR ENVIRONMENTAL REASONS

- Already conscious of water usage as part of a wider 'eco-friendly' lifestyle
- Water efficient devices used prior to the introduction of water metering

"When we got a new toilet, we went for the one that half-flushes to save water. It had nothing to do with the meter - it was an environmental choice, rather than financial. We had the solar panels fitted for the same reason".

NOT SENSITIVE TO PRICE INCREASES

- Not concerned by the possibility of bill increases

"It's a large family house with a large garden, so we assumed that with the metering, the prices will go up - and I thought, oh, never mind".

WATER PERCEIVED AS CHEAP

"I suppose the metering scheme is introduced to make people use less water, but it's not making us to use any less. We just discovered that."

AFTER THE METER WAS FITTED

- Slight decrease in water bill
- *"We were being told that we are using the same amount of water, as a two person household with a garden – that came up on my statement"*
- Perceived having a water meter had little impact on water usage

Appendix B – Glossary of tariffs

	Tariff name	Explanation
	Charges in figures	https://www.southernwater.co.uk/our-charges
1.	Metered Charge	Where the water supply has been metered under the metering programme the customer will have been switched from paying unmetered charges to paying metered charges, which are linked to the amount of water used. Sewerage charges will also be metered charges. Once a meter has been fitted, metered charges will always be payable.
2.	Unmetered charge	Unmetered charges are made up of two elements for each service provided – a fixed standing charge and a variable charge based on the rateable value (rv) of customer's homes or an assessment of the amount of water used in the home.
3.	Rateable value (RV)	The rateable value charge for each service is calculated on the rateable value of the home. To calculate a customer's charge Southern Water multiplies the home's rateable value (in £s) by the rateable value charge. A minimum charge applies if the total of the standing charge and rateable value charges is less than a specified amount. If only rainwater falling on a customer's home drains to the sewerage system, and not foul water, sewerage charges will be the lower of the unmetered charges or the surface water maximum charge. Rateable value was used as the basis for local authority taxation prior to 1990. Rateable values were set by the Valuation Office (formerly part of the Inland Revenue, now part of HM Revenue and Customs) to reflect the rental value of the property. Water companies normally use the rateable value quoted in the Valuation List in force on 31 March 1990 to calculate customer's bills. The 1999 Water Industry Act allowed water companies to continue to use the rateable value for water charges even though it is no longer used for taxation.
4.	Assessed Charge (AC)	If we have been unable to meter the water supply to the home under the metering programme, the customer will have been switched from paying unmetered charges to paying assessed charges, which are based on the number of bedrooms in the home or on single occupancy. Sewerage charges will also be assessed charges.
5.	No Access Charge	Where Southern Water are unable to obtain the customer's co-operation to progress the installation of a meter, Southern Water switch them from unmetered charges to a No Access charge with effect from the date on which it planned to install the meter. The <u>No Access charge</u> is a fixed annual charge, and comprises separate rates for the water supply service and the sewerage service. Customers on the No Access charge do not have the option of the single occupier discount, or the financial assistance provided by the Changeover Tariff and the Support Tariff. This means the customer may pay more for their water services than if charged on a metered basis. If the customer later assists with the metering process, and a meter can be installed, the No Access Charge will be cancelled and metered charges will be used from the original planned meter installation date. The metered charges will be backdated for the period up to the actual meter installation date based on a meter reading. If Southern Water is unable to install a meter, it will switch the customer to assessed charges with effect from the original planned installation date, based on the number of bedrooms in the home or, on single occupancy.
6.	Change-over Tariff	The Changeover Tariff was put in place to help customers make the change to metered charges. It is aimed at assisting customers facing a bill increase as a result of moving from

		<p>unmetered to metered charges. They are also available to customers moving from unmetered to assessed charges.</p> <p>Customers must contact Southern Water to go on to the Changeover Tariff. It introduces metered charges in steps over the first two years following the switch to metered charging, which gives the customer time to budget appropriately and review their water use. The difference between what the customer has paid while on the Changeover Tariff and what they would have paid on the normal metered tariff does not have to be repaid.</p>
7.	Support Tariff (Social Tariff)	<p>Southern's Support Tariff was put in place to provide assistance to consumers facing high water bills. The Support Tariff assists by capping customer's charges so they will pay no more than you would have paid if they had remained on unmetered charges. However it is no longer accepting new customers on to the Support Tariff as it now has a new social tariff to help customers who are struggling to pay their water services charges. This is called the Essentials Tariff.</p>
8.	Essentials Tariff (New social tariff)	<p>The essentials tariff is one of two special tariffs for vulnerable customers struggling to pay their water services charges: our Essentials tariff and the WaterSure tariff.</p> <p>This social tariff is a discount based on income to bill ratio.</p> <p>If the customer qualifies for both of these tariffs, they will be put on the tariff that gives them the most assistance with your charges.</p> <p>However, being in receipt of one of these tariffs and the customer has been part of the metering programme, they will not be able to receive additional assistance with water and sewerage charges from the special metering tariffs.</p>
9.	WaterSure (Social Tariff)	<p>The Government has decided that certain groups of people with unavoidably high water use can receive special help with their metered charges.</p> <p>The reduced charges for the WaterSure scheme are £411 (£147 for water only and £264 for wastewater only) for the period April 1, 2016, to March 31, 2017.</p> <p>To qualify, a customer (or someone else who lives with this customer) must meet all of the conditions in (1) to (3) below.</p> <p>(1) Pay metered charges.</p> <p>(2) Receiving one of the specified benefits or tax credits (see below).</p> <p>The qualifying benefits are:</p> <p>(a) Child Tax Credit (you must receive more than the family element)</p> <p>(b) Housing Benefit</p> <p>(c) Income-based Jobseeker's Allowance</p> <p>(d) Income Support</p> <p>(e) Pension Credit</p> <p>(f) Working Tax Credit</p> <p>(g) Income-related employment and support allowance</p> <p>(h) Universal Credit</p> <p>(3) you (or someone else who lives with you) must either:</p> <p>(i) be receiving Child Benefit for three or more dependent children under 19 who are in full time education that live with you;</p> <p>or</p> <p>(ii) be receiving treatment for one or more of the medical conditions specified by the Government (see below), as a result of</p>

		<p>which a significant extra amount of water has to be used.</p> <p>The qualifying medical conditions are:</p> <ul style="list-style-type: none"> (a) desquamation (b) weeping skin disease (c) incontinence (d) abdominal stoma (e) Crohn's disease (f) ulcerative colitis (g) renal failure requiring home dialysis <p>We will also consider an application if your medical condition is similar to one of those listed above, provided you satisfy the other conditions.</p>
10.	Water Direct	<p>If a customer is claiming Income Support, Income-Based Job Seeker's Allowance, Employment Support Allowance or Pension Credit, Jobcentre Plus can pay directly out of their benefits using water direct. If the customer has at least £50 arrears, Jobcentre Plus will take a fixed amount from their benefits to cover what they owe in arrears and current charges.</p> <p>In order to be considered for any, or a combination of, these assistance schemes and tariffs, customers need to complete Southern Water's online application form.</p>
11.	Single person discount	<p>To qualify for the single occupancy rate you must provide evidence of your single occupancy status in the form of your current Council Tax bill displaying the single occupier discount.</p>
12.	Standing Charge	<p>Basic charge applied to all bills. The standing charge is a fixed charge for each service, and covers the costs of maintaining your water services account. The full sewerage standing charge includes a charge to cover the costs of treating surface water draining from a property to the sewerage system. If rainwater falling on your home does not drain to the sewerage system you may claim a rebate of this part of the sewerage standing charge.</p>

Appendix C:

Breakdown of socio-economic grades⁹:

- **Grade B:**
 - Middle management executives in large organisations, with appropriate qualifications.
 - Principle officers in local government and the civil service.
 - Top management or owners of small businesses and education and service establishments.
 - Retired people who have worked in a grade B job.
 - Retired people whose late spouse or late partner worked in a grade B job.
- **Grade C1:**
 - Junior management, owners of small establishments and all other non-manual workers
 - Jobs in this group have very varies responsibilities and educational requirements.
 - Retired people who have worked in a grade C1 job.
 - Retired people whose late spouse or late partner worked in a grade C1 job.
- **Grade C2:**
 - Skilled manual workers.
 - Manual workers with responsibilities for other people.
 - Retired people who have worked in a grade C2 job who now receive an occupational pension.
 - Retired people whose late spouse or late partner worked in a grade C job who now receive an occupational pension.
- **Grade D:**
 - Semi-skilled manual workers; apprentices and trainees of skilled workers
 - Retired people who have worked in a grade D job who now receive an occupational pension.

⁹ (Occupational Groupings: A job dictionary, Seventh edition, The Market Research Society, 2010)

- Retired people whose late spouse or late partner worked in a grade C job who now receive an occupational pension.
- **Grade E:**
 - Long term recipients of state benefits.
 - Unemployed for more than six months (otherwise classified on previous occupation)
 - Off sick for six months or more (unless they are still being paid by their employers)
 - Casual workers and those without regular income
 - Intermittent workers in receipt of income support



CONSUMER COUNCIL FOR

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