

CCW Independent Review of affordability support for financially
vulnerable water customers in England and Wales

CONSULTATION RESPONSE FROM SCOPE DECEMBER 2020

We welcome CCW's Affordability Review and the opportunity to respond. Affordability and tackling extra costs for disabled people is one of Scope's key strategic aims.

Scope's purpose

Scope is a leading pan-disability charity in England and Wales. Our mission is to drive social change so that disabled people have the same opportunities as everyone else. There are 14 million disabled people in the UK, that's one in five of us. But life is still much harder for disabled people than it needs to be. Disabled people continue to face barriers at work, school and in communities.

We provide practical information, advice and emotional support to disabled people and their families. We do this through our helpline, online community, employment services, community programmes and specialist emotional and practical family support.

We support companies to become better employers of disabled people and help them break down the barriers for disabled employees and customers. We support organisations embrace accessible and inclusive design, as well as offering both qualitative and quantitative research and customer insight. We also deliver consultancy support to embed digital accessibility and inclusive design approaches, through all aspects of the product development lifecycle.

All our partnerships, campaigns and services are focused on achieving Everyday Equality.

Disabled people and Affordability

Life costs more for disabled people and their families, spending more on essential goods and services like; heating, insurance, equipment and therapies.

These extra costs mean disabled people have less money in their pocket than non-disabled people, or simply go without.

Someone who is disabled is twice as likely to be unemployed and is living on low income.

The result is that disabled people are more likely to have a lower standard of living.

Scope's disability Price Tag Report 2019¹ reveals the extra costs that disabled people are faced with.

- On average, disabled people face extra costs of £583 a month
- On average, a disabled person's extra costs are equivalent to almost half of their income (not including housing costs)
- 1 in 5 disabled people face extra costs of more than £1,000 a month
- Disabled people's money does not tend to go as far. On average, £100 for a non-disabled person is equivalent to just £68 for a disabled person
- For almost a quarter (24 per cent) of families with disabled children, extra costs amount to over £1,000 a month

Scope's research (based on Households Below Average Income 2017 to 18)² shows that after housing costs, the proportion of working age disabled people living in poverty was 26% compared to 20% of working age non-disabled people.

Scope's 'Out in the Cold Report 2018'³ found more than 900,000 households with a disabled person in England, are living in fuel poverty (defined as having higher than average fuel costs which would push them below the poverty line).

From our experience we know that people who struggle to pay their energy bill, also struggle to pay their water bill and we know people will often go without other essentials in order to pay their bills.

We know that many disabled people use substantially more water than other households, due to the need to bathe more frequently and manage extra laundry. In many cases disabled people need constant fresh water as part of their medication and a disruption to their supply can be very traumatic, if they do not receive the support they need.

Where customers don't have a water meter they will pay a set amount regardless of what they use, however, if a customer has a water meter they will pay for the units of water they use and this is where a disabled customer would be paying extra costs.

We therefore believe all disabled people with extra water costs, should be on the statutory WaterSure scheme, which caps the level of bills for people with high essential water usage, due to medical conditions.

¹ [Disability Price Tag | Disability charity Scope UK](#)

² [Households below average income: 1994/95 to 2017/18 - GOV.UK \(www.gov.uk\)](#)

³ [Out in the Cold | Disability charity Scope UK](#)

Our responses are based on previous research on extra costs that disabled people face with their energy and also very recent research on how disabled people have interacted with their water utilities during the pandemic.

Scope would be pleased to work with CCW and help the Water sector to increase their understanding of disabled people, the barriers they face and improve services to provide better support.

CCW Affordability Review questions:

Question 1: What works well in terms of current arrangements for supporting households that struggle to pay their water bills?

Scope's Response

All water companies offer a range of assistance, from social tariffs, the Priority Services Register (PSR) and debt and benefits support. We recognise and welcomed water companies putting emergency measures in place during the pandemic, to support people who have been concerned about their utility bills, such as payment holidays and adjusting payment plans.

However, if the water industry is to work for all consumers, then there has to be far more progress.

From our recent research⁴, 43% of disabled respondents said that during the pandemic period they had experienced an increase in water consumption, with 46% of respondents saying that their biggest concerns were an increase in utility costs. Only 21% of disabled respondents said that their water supplier had contacted them during lockdowns. So, we are aware that there are tens of thousands of disabled people who are worried about their water bill and are receiving no support and in most cases are unaware of the support available to them.

Question 2: In what ways could the approach to supporting financially vulnerable households in the water sector be improved?

Scope's Response

Through social tariffs and company assistance schemes, 900,000 customers have reduced their costs. Water companies have committed to increasing this to 1.4 million customers by 2025. More than 80,000 have received payment breaks throughout the pandemic. However, CCW have estimated that there are 3 million

⁴ Experiences with utilities during the pandemic

customers who need help, so there is a huge gap of people who need the support, but currently won't receive it.

So, even if more people who are eligible and are aware of the social tariffs and extra support, there isn't the funding available to protect and help all those people who need it.

In addition, because all water suppliers have different support schemes, with different eligibility criteria, it is confusing to customers and many don't know about what is available to them.

We believe there should be a consistent offering of support across England and Wales and Government should have a mandatory arrangement with water companies to provide a social tariff for those households struggling to pay and for disabled customers facing extra costs.

We believe more can be done to work with trusted partners who water companies can refer to for specialist support. For example, Scope's helpline supports thousands of disabled people by providing finance and benefits advice and a range of wider assistance, such as on equipment and assistive technology, social care and employment.

Question 3: Are there any gaps or limitations in the current arrangements, if so what? Which households in need of support are currently missing out on it? What evidence can you provide in relation to this?

Scope's Response

In our recent research,⁵ just 47 per cent of disabled people said they were generally satisfied about the communication from their water company.

Of those who said communication could be improved, the reasons given included;

- accessibility requirements should be addressed
- there should be more personalised services
- schemes could be advertised more widely

Disabled people are clearly missing out because many are not eligible, or are just not aware that the support exists or there are barriers to them accessing the support. For example, in our recent research only 30 per cent of disabled customers said they are registered on a PSR.

⁵ Experiences with utilities during the pandemic

Our recent research⁶ also found that 20 per cent of disabled people would not apply for help even if they needed it, illustrating that there is often a stigma attached to asking for help.

All of us become vulnerable at some point of our lives, which could be a long term circumstance or temporary due to a life change situation. The term 'vulnerable' is an issue in itself, as over half of disabled adults⁷ do not think of themselves as vulnerable. By using this language to target support to specific groups of consumers, it may be a barrier and many who are eligible may be missing out.

It is crucial that water companies take the time to fully understand the needs of disabled customers and the day to day challenges that a customer may be facing. Also, to understand the impact that their condition has on their extra costs and their ability to pay.

The language and tone of voice used is really important. Companies need to invest in raising awareness of disability and training their staff, so that they are confident to have the right conversations to understand disabled people. This would enable them to tailor their services and support appropriately.

Question 4: Are current arrangements sustainable and capable of meeting likely future needs in terms of supporting financially vulnerable households? If not how should this be addressed?

Scope's Response

No, we do not believe the current arrangements are sustainable or capable of meeting likely future needs. We know the pandemic has put so many more people at risk and companies have to support a growing number of people in transitional vulnerability, as well as those with long term deep complex needs.

Water companies need to do more, by working with third parties like Citizen's Advice, Scope and other disability charities that have the hands on expertise and experience of working with and supporting disabled people.

We believe Government, regulators, industry and customer representative bodies and charities should work together with the sector. They need to agree a consistent and collaborative approach to find the right solutions to support people with affordability issues and optimise all available funding.

⁶ Experiences with utilities during the pandemic

⁷ <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/Scope-poll>

We are pleased to see that Ofwat’s £200 million innovation fund is encouraging proposals to address affordability and vulnerability. CCW and other organisations, could play a role in helping to facilitate partnership working between water companies, trusted agencies and charities, to design and deliver programmes.

We would like to see water suppliers working more closely with other energy utilities in their region, local authorities and charities to run regional awareness campaigns about the support that is available.

Question 5: Are the current arrangements for funding social tariffs fit for purpose? If not, how should they change?

Scope’s response

As already highlighted, the number of people being supported through social tariffs and the funding allocated to this during the current price review period, is not nearly sufficient.

There is too much variation between what each water company offers as a social tariff and what percentage of their customers needing support actually receive it.

We strongly recommend that Defra, Ofwat and the industry look to provide one national scheme. There is in the energy sector (Warm Home Discount). This provides a clearer and consistent approach across England and Wales.

This may include reviewing in line with the principles of the statutory scheme, WaterSure, which limits the level of metered bills for the benefits of recipients with high essential water usage needs, due to family size or medical conditions.

We believe social tariffs should include criteria that targets disabled people who have extra water usage costs, because of their impairment or condition and this should be considered as part of the review.

Better use of data sharing has the potential to help more disabled people with their water costs, to enable effective targeting.

Data sharing with a targeted approach should include identifying people to be registered for support through the PSR. However, a reform of the priority services register is required, as ‘needs codes’ should focus on ‘needs’ which would include those who are on low income and struggling financially and not just a list of a description of conditions, which limits the information recorded about customers needs.

New technology including smart metering will change the way that consumers engage in the water industry. We support the roll out of water meters to help with

behavioural change towards water efficiency and costs. However, disabled people with extra costs must be protected by the lowest bill guarantee. This would allow customers to switch to a meter with the guarantee that the customer will not be paying more than before the meter was installed.

Question 6: How could the sector's approach to promoting and delivering support (rather than the mechanisms they use) be improved?

Scope's Response

Digital inclusion is critical to engage disabled people, as increasingly companies use online methods to communicate with their customers.

Inaccessible web content is another barrier and 55 per cent of disabled people had experienced issues with inaccessible websites.

Ten million disabled people in the UK are online, of these 7.5 million have access requirements. Seventy one per cent of disabled customers with access needs, will click away from a website that they find difficult to use (The Click Away Report 2016).⁸ Nearly 98 per cent of home pages from 1 million websites failed to meet the legal accessibility standards. It is important that websites and communication channels are improved to enable people to feel comfortable to self identify and take up the services that are available.

However, not all disabled people are able to benefit from a digital marketplace. Scope's 'Out in the Cold Report'⁹ shows 22 per cent of disabled adults had never used the internet. It also highlights the need for accessibility in other channels.

Many disabled people are not able to use phonelines, due to hearing loss and other disabilities and not being able to access information is frustrating and makes them feel left out and left behind.

This highlights the importance of the PSR offering additional services, such as large print and video interpreters for British Sign Language users for non english speaking disabled people, when they need to access financial and non financial support.

Whilst most companies have improved their websites and channels for accessibility, from Scope's recent scan of water and energy websites, there is much more to do.

⁸[The Click-Away Pound Report 2019](#)

⁹ <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/increasing>

We are pleased that some in the sector, such as Anglian Water, are working with Scope to increase accessibility and improve their customer journeys.

Thank you again for the opportunity to comment on this important consultation, we would be happy to discuss further and we look forward to working with CCW and water companies in 2021.