

A large, stylized teal wave graphic that spans across the middle of the page. It consists of three distinct, rounded peaks, resembling a water wave, rendered in a thick, hand-drawn style. The wave is set against a background that transitions from a deep purple at the top to a dark teal at the bottom.

CCW

The voice for water consumers
Llais defnyddwyr dŵr

Water Worries

AFFORDABILITY RESEARCH 2025

Table of Contents

1	Foreword	4
2	Executive summary	5
2.1	Introduction	5
2.2	Experiences of paying water bills	5
2.3	Managing finances.....	6
2.4	Water company relationships.....	6
2.5	Barriers to seeking help.....	7
2.6	Social tariffs and other support schemes	7
2.7	Communication preferences.....	8
3	Introduction	9
3.1	Background	9
3.2	Research objectives	9
3.3	Research methodology.....	10
3.4	Context.....	15
4	Paying water bills	17
4.1	Introduction.....	17
4.2	Financial struggles.....	17
4.3	Proportion of income spent on water bills	18
4.4	Support-seeking behaviours and barriers.....	19
5	Managing finances	23
5.1	Introduction.....	23
5.2	Financial vulnerability spectrum.....	23
5.3	Current feelings towards money	26
5.4	Long-term changes and financial sacrifices.....	28
5.5	Drivers of financial vulnerability.....	29
5.6	Impact of the Cost-of-Living Crisis.....	29
5.7	Budgeting	31
5.8	Prioritisation of bills.....	32
5.9	Looking to the future.....	33
6	Water company relationships	35
6.1	Introduction.....	35
6.2	Perceptions of Water Companies	35
6.3	Comparisons to energy suppliers.....	37
6.4	Contact during Cost-of-Living Crisis.....	38
6.5	Asking for help.....	39

7	Barriers to seeking help.....	40
7.1	Introduction.....	40
7.2	Emotional barriers.....	40
7.3	Practical barriers.....	41
8	Social tariffs & other support schemes.....	43
8.1	Introduction.....	43
8.2	Awareness of social tariffs.....	43
8.3	Social tariff application process.....	44
8.4	Impact of social tariffs.....	45
8.5	Other support schemes explored.....	46
8.6	Usage of water meters.....	48
9	Communication preferences.....	49
9.1	Key recommendations for communication.....	49
9.2	Channel preferences.....	49
10	Final thoughts.....	50
11	Appendices.....	51
11.1	Quantitative questionnaire.....	51
11.2	Qualitative pre-task.....	64
11.3	Qualitative sample overview.....	65
11.4	Qualitative discussion guide.....	66

1 Foreword

Improving the water affordability support for financially vulnerable households is a key priority for the Consumer Council for Water (CCW). Many people continue to face significant cost-of-living challenges in managing their household budgets. Rising water bills are expected to intensify the pressure on already strained budgets, with the average bill forecast to increase by more than 50% - once inflation is added – over the period 2025 to 2030. This will help to fund an unprecedented package of investment in improving services for customers and the state of our rivers, lakes and coastal waters. However, our previous research suggests at least 2 in 5 households will find it difficult to afford these bill rises.

Water companies have continued to expand the help provided to those who struggle to pay since our Affordability Review¹ in 2021, and have made good progress in adopting the recommendations from that review. More than 1.8 million lower-income households are now receiving support through social tariffs and the WaterSure scheme, which cut bills for those in need of help. However it is clear that companies will now need to redouble their efforts in order to address the challenges arising from sharp increases in water charges, and the rise in households needing support as a result.

This new research will play an important role in helping us to update and expand our understanding of the needs of financially vulnerable customers, and which groups are most impacted by water affordability problems. We will use these insights to put a spotlight on the challenges ahead, and to inform our work with governments, water companies and other stakeholders to improve support.

Andrew White

Senior Leader
CCW

¹ [OUR AFFORDABILITY REVIEW RECOMMENDATIONS - CCW](#)

2 Executive summary

2.1 Introduction

CCW commissioned research to explore customer experiences of paying water bills amongst water customers in England and Wales, as well as understanding the specific experiences and attitudes of customers on low incomes (i.e. in receipt of income-related benefits, or household income below a specified threshold based on the household composition). This included their experience of managing household budgets, whether/how their situation has been affected by the cost-of-living crisis, their relationship with their water company and how they would like to be communicated with about financial support.

This work follows on from CCW's flagship 2020 [Water Affordability Research](#), which came about after the UK and Welsh Governments asked them to undertake an independent review of affordability support for financially vulnerable water customers.

CCW plan to use the research findings to update and expand their understanding of the needs of financially vulnerable customers and inform their review of affordability support schemes and CCW's wider affordability work.

This research benefits from a dual-methodology approach. Firstly, a quantitative phase which consisted of 1,101 telephone interviews conducted with a nationally representative sample of water bill payers in England and Wales. A short 4-minute bespoke telephone survey was fielded, and this phase of the research was conducted between 30th August – 17th September 2024.

Following the completion of the quantitative phase, 40 one-hour in-depth interviews were conducted with a range of customers whose income fell below a specified threshold², across England and Wales, 10 of which were completed in-person at the home of the respondent. 10 of the respondents were already on a social tariff and 3 of the respondents spoke English as a second language. The qualitative phase was conducted between 14th October – 22nd November 2024.

2.2 Experiences of paying water bills

Overall, just under half (44%) of water bill payers have reported a reduction in their spending in the last 12 months on necessities such as heating or food to ensure they could pay all their household bills, including their water bill.

The research highlights that financial difficulties, including falling behind on water payments and cutting back on essentials, are significantly more prevalent in the most deprived areas. Households in these areas are over twice as likely to spend 5% or more of their income on water bills compared to those in the least deprived areas. However,

² SEE DETAILED BREAKDOWN OF SAMPLE IN SECTION 3.3 RESEARCH METHODOLOGY FOR INCOME THRESHOLDS USED.

those in deprived areas are also more likely to reach out for help, emphasising the critical role water companies play in supporting vulnerable populations.

2.3 Managing finances

Financial vulnerability is a spectrum on which people can move up or down. At the time of the research, each respondent fell into one of the following categories, but these circumstances are not necessarily fixed:

- **In Arrears:** behind with some or all household bills (not necessarily water bill)
- **Struggling:** either occasionally or regularly struggling to afford some or all household bills (but not in arrears)
- **Making Ends Meet:** able to afford household bills without difficulty.

Both short and long-term issues/events can result in financial vulnerability – it can happen to anyone at any time. Those in a more short-term situation may only require support for a relatively short period of time.

The **cost-of-living crisis** has intensified financial stress, forcing people to make difficult choices about their spending. Many on low incomes have adapted by learning to **budget carefully**, but this has come at the cost of widespread anxiety and feelings of isolation.

While some respondents express **cautious optimism** about their future, others continue to feel **overwhelmed, anxious, and disconnected**. Rising costs, including water bills, have further exacerbated worries about managing household finances.

2.4 Water company relationships

The research explores customer perceptions and relationships with water companies, highlighting varying levels of engagement and communication compared to energy providers.

Customers' views on water companies range from positive, characterised by reliable and supportive customer service, to negative, shaped by publicised issues such as price increases, executive bonuses, and environmental concerns.

Most customers described their interactions with water companies as distant and transactional, with minimal proactive communication beyond billing. In contrast, energy providers were noted for more frequent and engaging communication due to their competitive market, fostering a greater sense of connection.

During the cost-of-living crisis, it was felt that proactive support from water companies had been limited, with customers recalling more visible efforts during the COVID-19

pandemic. While many customers would approach their water company first for support, others turn to third-party resources or charities when additional help is needed.

2.5 Barriers to seeking help

Key barriers to seeking help from a water company:

- Feelings of shame, embarrassment, and fear of judgment
- Fear of consequences, such as penalties or disruptions
- Lack of awareness about available help
- Frustrations with inconsistent customer service and concerns over bureaucracy

These findings underscore the need for water companies to address both emotional and practical barriers to ensure effective support reaches those in need.

2.6 Social tariffs and other support schemes

Social tariffs were found to provide significant financial relief, reducing water bills and offering peace of mind, particularly for vulnerable customers. Most respondents discovered social tariffs through their own efforts or external organisations rather than proactive communication from water companies. While the application process was generally straightforward, the need for reapplication caused stress for some.

Other support schemes explored, such as financial hardship funds, debt support schemes, and benefit entitlement checks, were positively received but hindered by low awareness.

Payment breaks and water efficiency audits were viewed as helpful for some but less impactful overall, with customers noting concerns about postponing problems or placing undue responsibility on them.

Initiatives like the lowest bill guarantee and money/debt advice referrals were seen as reassuring, though customers called for clearer communication to build trust.

The study also highlighted mixed perceptions of water meters, with benefits like cost control and mindful usage weighed against fears of higher bills and insufficient guidance.

2.7 Communication preferences

The research emphasises the need for improved communication strategies to ensure financially vulnerable customers are aware of available support. Key recommendations include using clear, visually engaging, and concise messaging, outlining specific help options and eligibility criteria, and adopting a friendly and sympathetic tone to build trust. Beyond direct mail, communication should utilise diverse channels such as community hubs, GP surgeries, food banks, and social media, with targeted efforts in deprived areas where support is most needed. Proactive and effective communication is critical to bridging the gap between water companies and customers in need.

3 Introduction

3.1 Background

Improving the affordability of water charges for the financially vulnerable is a key focus for CCW. CCW's [Forward Work programme](#) contains a commitment to continue to work towards ending water poverty, and to help raise awareness of financial support amongst customers by 50% by summer 2025.

CCW commissioned research to explore customer experiences of paying water bills with a representative sample of water bill payers in England and Wales, as well as understanding the specific experiences and attitudes of customers on low incomes (i.e. in receipt of income-related benefits, or household income below a specified threshold based on the household composition). This included their experience of managing household budgets, whether/how their situation has been affected by the cost-of-living crisis, their relationship with their water company and how they would like to be communicated with about financial support.

CCW plan to use the research findings to:

- Update and expand their understanding of the needs of financially vulnerable customers
- Inform their review of affordability support schemes and CCW's wider affordability work.

Evidence from the research will provide CCW with greater legitimacy and accuracy in representing consumers through an up-to-date evidence base to inform their thinking.

3.2 Research objectives

To measure the prevalence of difficulties in paying water bills with a representative sample of bill payers in England and Wales, including:

- The extent to which households have fallen behind with water bill payments in the last year and the underlying reasons
- The need to cut back on essential water use because of concerns around bill affordability
- The extent to which households have cut back on food or heating to ensure they could pay all their bills
- The likelihood of reaching out to water companies and other service providers if they were struggling to pay the bill

- Expectations of water companies being able to provide practical help to households struggling to pay their bill
- Measure the proportion of households paying 5% or more of their income after housing costs on their water bill.

To understand experiences of customers on low incomes, including:

- How people are managing their household budgets and particularly their water bills and whether their situation has been affected by the cost-of-living crisis
- What support is received for other bills and how this compares with water bill support
- The impact on their quality of life and difficult choices which have to be made
- The relationship with their water company and willingness to seek help from them
- Expectations and preferences in terms of sources of information and support and how they would access support if they needed it
- Awareness and impact of social tariffs and assistance schemes
- Barriers to awareness and access to support
- Views on the types of support schemes offered by companies
- Gaps in the help which is currently provided by water companies.

3.3 Research methodology

A dual-methodology approach of quantitative and qualitative interviewing was used to explore these objectives.

Quantitative phase:

A quantitative methodology was used to explore the prevalence of difficulties in paying water bills with a representative sample of bill payers in England and Wales. These objectives focused on breadth and quantitative insights, rather than a deep, detailed exploration.

1,101 interviews were conducted with water bill payers in England and Wales. Given that respondents who are not bill payers would struggle to answer the detailed nature of the questions, the sampling methodology focused on achieving a representative profile of water bill payers across England and Wales and not on a representative sample of all people in England and Wales. Quotas were established based on age, gender, social class, and regional demographics, using the latest census data to guide this process.

Quotas were set by region to ensure balanced representation. The sample size was chosen to provide robust results, offering a maximum margin of error of +/-2.95 at a 95% confidence level on the total sample.

To allow for separate analysis of Welsh respondents, the sample in Wales was boosted by an additional 100 interviews. While 5% of the population of England and Wales resides in Wales (equating to 50 interviews in a proportional sample), this increase brought the total sample size to 1,101, including 152 interviews in Wales.

At the analysis stage, the data was weighted to provide a representative sample of water bill payers at the total level, across England and Wales.

Table 1: Sample breakdown for 1,101 quantitative interviews based on weighted data³

Category	Subcategory	Percentage
Age	18–34	19%
	35–44	17%
	45–54	18%
	55–74	33%
	75+	13%
Gender	Male	47%
	Female	53%
Social grade (SEG)	ABC1	59%
	C2DE	41%
Water meter status	Water meter	63%
	No water meter	36%
	Unknown	1%
Ethnic group	White	84%
	Asian/British Asian	9%
	Black/African/Caribbean	5%
	Mixed ethnic groups	2%

³ AT ANALYSIS STAGE, THE DATA WAS WEIGHTED TO PROVIDE A REPRESENTATIVE SAMPLE OF WATER BILL PAYERS.

Region ⁴	England	949 (weighted for representativeness)
	Wales	152 (weighted for representativeness)
Regional distribution across England and Wales	North West	15%
	North East	4%
	Yorkshire	8%
	East Midlands	7%
	East of England	11%
	London	13%
	Soth East	15%
	South West	12%
	West Midlands	11%
	Wales	5%

Mapping the data to the Index of Multiple Deprivation (IMD):

The quantitative sample was also mapped and analysed by the Index of Multiple Deprivation (IMD). IMD is a measure of deprivation which considers a battery of measures about each small area in England and Wales (for example levels of unemployment, receipt of different benefits, levels of crime, levels of illness, % families receiving Free School Meals, levels of higher education, access to services, housing quality, environmental factors).

Each small area is ranked against all others, and quintiles are used to group together the lowest 20% of ranked areas, the most deprived, up to the highest 20% of ranks, the least deprived – each postcode is identified by its IMD quintile.

Mapping the data by IMD allowed further investigation into whether there are any differences in experience amongst those who live in deprived vs affluent areas. As IMD includes a range of factors, it is a more dynamic measure than simply looking at key demographic differences alone.

⁴ THE NUMBER OF INTERVIEWS CONDUCTED IN WALES IS HIGHER THAN ITS POPULATION SHARE TO ALLOW DEEPER ANALYSIS, BUT DATA IS WEIGHTED TO REFLECT THE ENGLAND-WALES POPULATION BALANCE OF WATER BILL PAYERS.

The analysis was conducted with data from respondents who provided a valid postcode (n=1,073). The sample has around 20% in each of the IMD quintiles, demonstrating a broad and representative sample that reflects the profile across England and Wales.

Table 2: Sample distribution across IMD Quintiles (n=1,073)

IMD Quintiles	Percentage	Base ⁵
1 – most deprived 20%	18%	189
2	21%	221
3	21%	223
4	20%	219
5 – least deprived 20%	21%	220

The questionnaire is provided in the Appendices.

Qualitative phase:

A qualitative methodology was used to explore the personal experiences and attitudes of people on low incomes. These objectives required depth and detail, as opposed to breadth and statistics.

The maximum threshold for 'low income' in this case was determined by household composition, reflecting significant economic changes and latest Department for Work and Pensions (DWP) statistics from 2023, which highlighted the impact of household composition on poverty thresholds. The benchmark of income below 60% of the median for various household compositions was used as a starting point and the following 3 thresholds were chosen to enable a degree of simplicity during the recruitment process. The thresholds take account of all those in the household (before tax, national insurance and any housing costs) and include any pensions, benefits or extra earnings:

- **Single adult, no children:** £13,000
- **Couple, no children:** £19,000
- **Family with children/other household compositions:** £25,000

The thresholds were also shaped by economic shocks and the cost-of-living crisis which have increased financial insecurity for many households.

40 hour-long in-depth interviews were conducted with water bill payers:

⁵ THE TOTAL OF QUINTILE BASES MAY NOT SUM PRECISELY DUE TO ROUNDING.

- 10 x interviews completed in-person at the home of the respondent
- 30 x interviews conducted either as video or telephone, depending on customer's preference

Interviews were recorded for the purpose of analysis.

Aside from the core criteria that all the respondents were bill payers and in receipt of an annual income below the threshold relevant to their household composition, a mixture of other criteria was applied to ensure a broad range of respondents were interviewed. A screening questionnaire captured this information during the recruitment process.

The qualitative interviews included a mixture of geographical regions⁶ to ensure a spread of different water companies were included in the research, rather than to provide a robust sample of customers from every water company. Findings are not reported at regional/water company level.

In terms of a respondent's capacity to pay household bills, this was included at the recruitment stage and further refined during analysis once the researchers had been able to speak in depth with each respondent. The question at the recruitment stage was as follows:

When it comes to paying household bills, such as the water bill, which of the following best describes you/your household at the moment?

Code	Answer option	Tick box	Code as...
1	Keeping up with household bills without any difficulties	<input type="checkbox"/>	'Making ends meet'
2	Keeping up with all household bills but it is a struggle from time to time	<input type="checkbox"/>	'Struggling'
3	Keeping up with all household bills but it is a constant struggle	<input type="checkbox"/>	'Struggling'
4	Falling behind with some household bills	<input type="checkbox"/>	'In arrears'
5	Having real financial problems and have fallen behind with many bills	<input type="checkbox"/>	'In arrears'

For analysis and reporting each respondent was categorised as either 'In Arrears', 'Struggling' or 'Making Ends Meet'. In a small number of cases, this was different to how the respondent was initially classified at recruitment. It should be acknowledged that financial vulnerability is not a fixed state and a respondent who was defined as 'Making

⁶ SEE APPENDIX FOR THE FULL QUALITATIVE SAMPLE BREAKDOWN.

Ends Meet' could now be 'Struggling' or 'In Arrears'. Please see section 4.3 for further detail.

Interviews were conducted between 14th October – 22nd November 2024.

In addition to the interview, all respondents completed a pre-task. The pre-task was designed to help the researchers build rapport with respondents and help them to think in advance of their interview about their money management and the impact of the cost-of-living crisis so we could make the most of the time we had in the interview. For example, respondents were asked to find images that represent how they feel about managing money and their financial futures.

Respondents received the pre-task a few days before their interview and completed this via an online research site. This allowed the moderators to see respondent uploads straightaway and share their images direct into the live session for further probing and feedback. Respondents were offered the option for a paper pre-task if their preference was to complete offline, though all respondents opted for online completion.

The pre-task and discussion guide are both provided in the Appendices.

3.4 Context

The research took place at a time where various socioeconomic factors were at play; research conducted between 30 August – 22 November 2024. This timeframe encompasses both phases of the research:

- Quantitative research conducted between 30 August – 17 September
- Qualitative research conducted between 14 October – 22 November

Cost-of-living crisis

Throughout 2024, the UK has faced a significant cost-of-living crisis, with inflation rates affecting household expenses. In October 2024, the inflation rate increased to 2.3%, indicating that prices were rising, though at a slower pace compared to previous years. Despite this, many households continued to feel the strain of increased living costs. Compared with October 2020, prices of goods and services are 24% higher - driven by increases in food and energy prices.⁷

Water industry financial challenges and proposed bill increases

As part of the review of water company price limits by the regulator Ofwat, companies had submitted business plans in Autumn 2023 setting out proposals for a significant acceleration of investment in infrastructure and to meet rising environmental demands. This would be funded through significant bill increases. In July 2024, Ofwat

⁷ UK INFLATION: FOUR THINGS THE LATEST FIGURES TELL US - BBC NEWS - [HTTPS://WWW.BBC.CO.UK/NEWS/ARTICLES/CE8YP69N6Z3O](https://www.bbc.co.uk/news/articles/CE8YP69N6Z3O)

published its Draft Determinations in which it proposed allowing water companies to increase bills by an average of 21% above inflation, between 2025-2030.

In November 2024, CCW published findings indicating that two in five households would find it difficult to afford the proposed water bill increases. CCW's study of 9,500 households revealed that 40% of customers would struggle with the proposed changes, with concerns more acute in Wales, where nearly half of customers expressed affordability issues. CCW repeated its call for a single social tariff to provide a safety net for struggling customers.⁸

The publicised financial struggles of water companies and the proposals for bill increases may have influenced the responses in our research, heightening participants' concerns about the affordability of water bills and shaping perceptions about the long-term financial burden of utilities. This context is crucial for understanding the sentiments captured during the study.

Following further consideration, Ofwat announced final price limits in December 2024 with the average water and sewerage bill now set to rise by 36% above inflation over the next five years. A large portion of that rise will be seen from April with an anticipated average rise of £86 in 2025-26, before inflation.⁹

Government policies

In October 2024, during our fieldwork period, the UK government delivered its first budget. Key measures included raising employers' National Insurance contributions to 15% on salaries above £5,000 from April 2025 and freezing income tax thresholds until 2028. These changes and media speculation about potential impacts may have influenced public attitudes towards additional expenses like rising utility bills.¹⁰

These socioeconomic factors provide essential context for understanding the challenges faced by households in England and Wales during the research period, particularly concerning the affordability of water bills.

⁸ 2 IN 5 HOUSEHOLDS SAY THEY WILL FIND IT DIFFICULT TO AFFORD WATER BILL INCREASES - CCW - [HTTPS://WWW.CCW.ORG.UK/NEWS/2-IN-5-HOUSEHOLDS-SAY-THEY-WILL-FIND-IT-DIFFICULT-TO-AFFORD-WATER-BILL-INCREASES/](https://www.ccw.org.uk/news/2-in-5-households-say-they-will-find-it-difficult-to-afford-water-bill-increases/)

⁹ OFWAT APPROVES £104BN UPGRADE TO ACCELERATE DELIVERY OF CLEANER RIVERS AND SEAS AND SECURE LONG-TERM DRINKING WATER SUPPLIES FOR CUSTOMERS - OFWAT - [HTTPS://WWW.OFWAT.GOV.UK/OFWAT-APPROVES-104BN-UPGRADE-TO-ACCELERATE-DELIVERY-OF-CLEANER-RIVERS-AND-SEAS-AND-SECURE-LONG-TERM-DRINKING-WATER-SUPPLIES-FOR-CUSTOMERS/](https://www.ofwat.gov.uk/ofwat-approves-104bn-upgrade-to-accelerate-delivery-of-cleaner-rivers-and-seas-and-secure-long-term-drinking-water-supplies-for-customers/)

¹⁰ BUDGET 2024 SUMMARY: KEY POINTS FROM RACHEL REEVES'S SPEECH - BBC NEWS - [HTTPS://WWW.BBC.CO.UK/NEWS/ARTICLES/CDXL1ZD07L10](https://www.bbc.co.uk/news/articles/cdxl1zd07l10)

4 Paying water bills

4.1 Introduction

This section explores customer experiences of paying water bills with a representative sample of 1,101 bill payers in England and Wales (quantitative research). For example, measuring the extent to which people are falling behind with their household bill payments and what they would do if they were falling behind.

4.2 Financial struggles

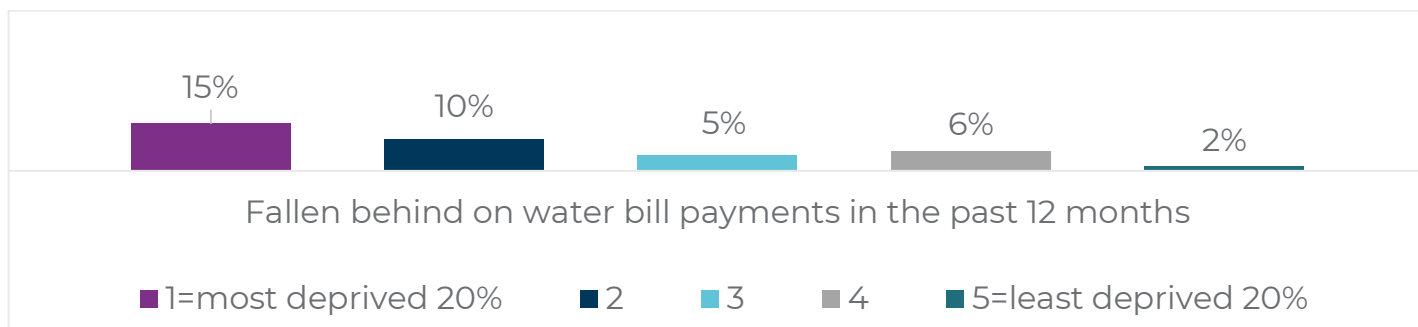
Overall, just under half (44%) of water bill payers have reported a reduction in their spending in the last 12 months on necessities such as heating or food to ensure they could pay all their household bills, including their water bill. 7% of respondents reported falling behind on their water bill payments during the same period. A noteworthy 25%¹¹ of metered customers (n=692) also cut back on what they considered to be essential water usage due to affordability concerns.

Financial difficulties, including falling behind on water payments and cutting back on essentials, are disproportionately experienced by individuals living in the most deprived areas, as defined by the Index of Multiple Deprivation (IMD) quintiles. These struggles highlight the financial vulnerability of these populations and their broader impact on household decision-making.

4.2.1 Falling behind on water bill payments

Financial vulnerability was starkly more significant in the most deprived areas with 15% of respondents in the most deprived quintile reporting falling behind on water bill payments, compared to just 2% in the least deprived quintile.

Chart 1: Proportion of respondents falling behind on water bill payments by level of deprivation



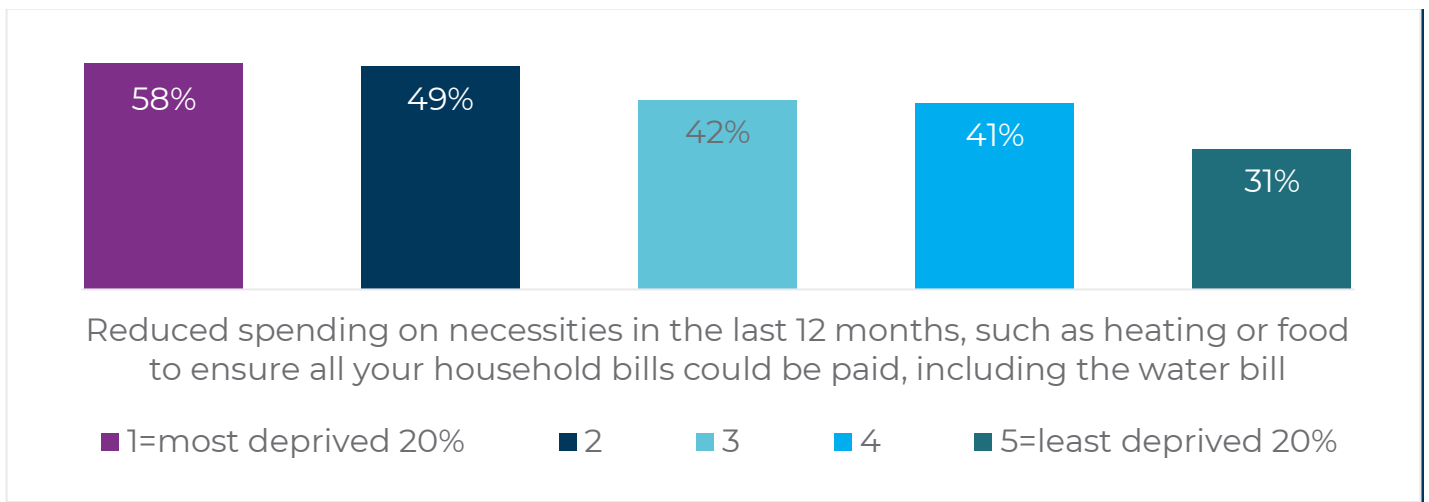
¹¹ Q04 IN THE PAST 12 MONTHS, HAVE YOU CUT BACK ON ESSENTIAL WATER USE BECAUSE YOU WERE CONCERNED ABOUT BEING ABLE TO AFFORD YOUR WATER BILL? BASE: METERED CUSTOMERS ONLY, WEIGHTED BASE (N=692)

Q02 Have you fallen behind on your water bill payments in the past 12 months? **Base:** Respondents with valid postcode data (n=1,073; Quintile bases: Q1=189, Q2=221, Q3=223, Q4=219, 5=220).

4.2.2 Cutting back on essentials:

58% of respondents in the most deprived quintile reduced spending on essentials, compared to 31% in the least deprived quintile.

Chart 2: Proportion of respondents reducing spending on essentials to pay household bills by level of deprivation



Q05 In the past 12 months, have you reduced spending on necessities such as heating or food to ensure you could pay all your household bills, including your water bill? **Base:** Respondents with valid postcode data (n=1,073; Quintile bases: Q1=189, Q2=221, Q3=223, Q4=219, 5=220).

Financial difficulties are also more prevalent among certain demographic groups, including younger individuals, lower-income households, non-white ethnic groups, and those paying a higher proportion of their income on water bills, highlighting a strong link between financial vulnerability and specific demographic factors, and emphasising the need for targeted interventions.

4.3 Proportion of income spent on water bills

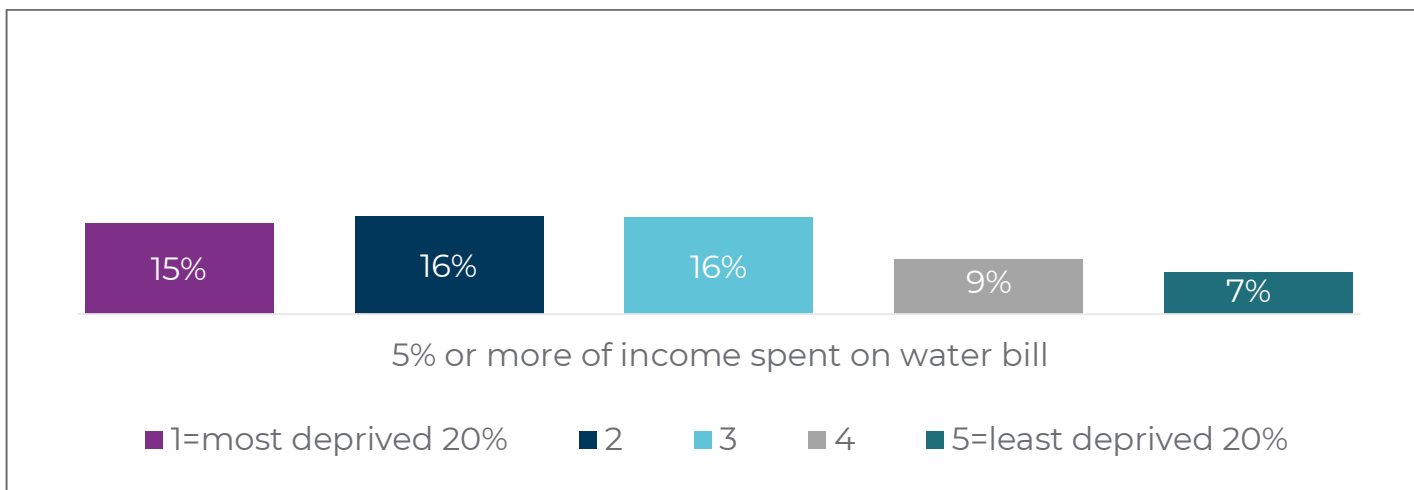
Financial pressure related to water bill payments is a significant issue for many households. We calculated what proportion of the sample spent 5% or more of their income on water bills. To do this, we asked for information on household income and water bill expenditure. We could only provide this calculation where respondents provided both pieces of information (weighted n=971). The findings show that over 1 in 10 of the total sample (13%) reported they spend 5% or more of their income on water

bills. Households with lower incomes (C2DE: 19%) were more likely to fall into this category compared to higher-income households (ABC1: 9%).

This spending varies significantly across levels of deprivation. Respondents in the most deprived areas (IMD Quintile 1) were more than twice as likely to spend 5% or more of their income on water bills compared to those in the least deprived areas (IMD Quintile 5).

A clear trend is visible across IMD quintiles: as levels of deprivation decrease, the percentage of households spending 5% or more of their income on water bills also declines. This disparity highlights how financial strain disproportionately impacts those in the most deprived areas, further emphasising the need for targeted affordability measures.

Chart 3: Proportion of respondents spending 5% or more of income on water bills by level of deprivation



Note: The proportion of income spent on water bill is based on a calculation of Q08 (approximate net monthly household income, after housing costs) and Q09 (bill payment band). Base excludes 'don't know' and 'prefer not to say' responses from income and water bill expenditure questions, as well as any respondents who did not provide a valid postcode.

(Weighted quintile bases: Q1=172, Q2=206, Q3=192, Q4=192, Q5=188).

4.4 Support-seeking behaviours and barriers

Water companies are considered an essential lifeline for households struggling to pay bills. However, while many expect practical help, significant barriers prevent some from seeking this support.

4.4.1 Support-seeking behaviours

Three quarters of respondents (76%) expect their water company to provide practical help if they struggle to pay bills, demonstrating strong reliance on these providers.

The likelihood of contacting providers during financial difficulties, however, varies:

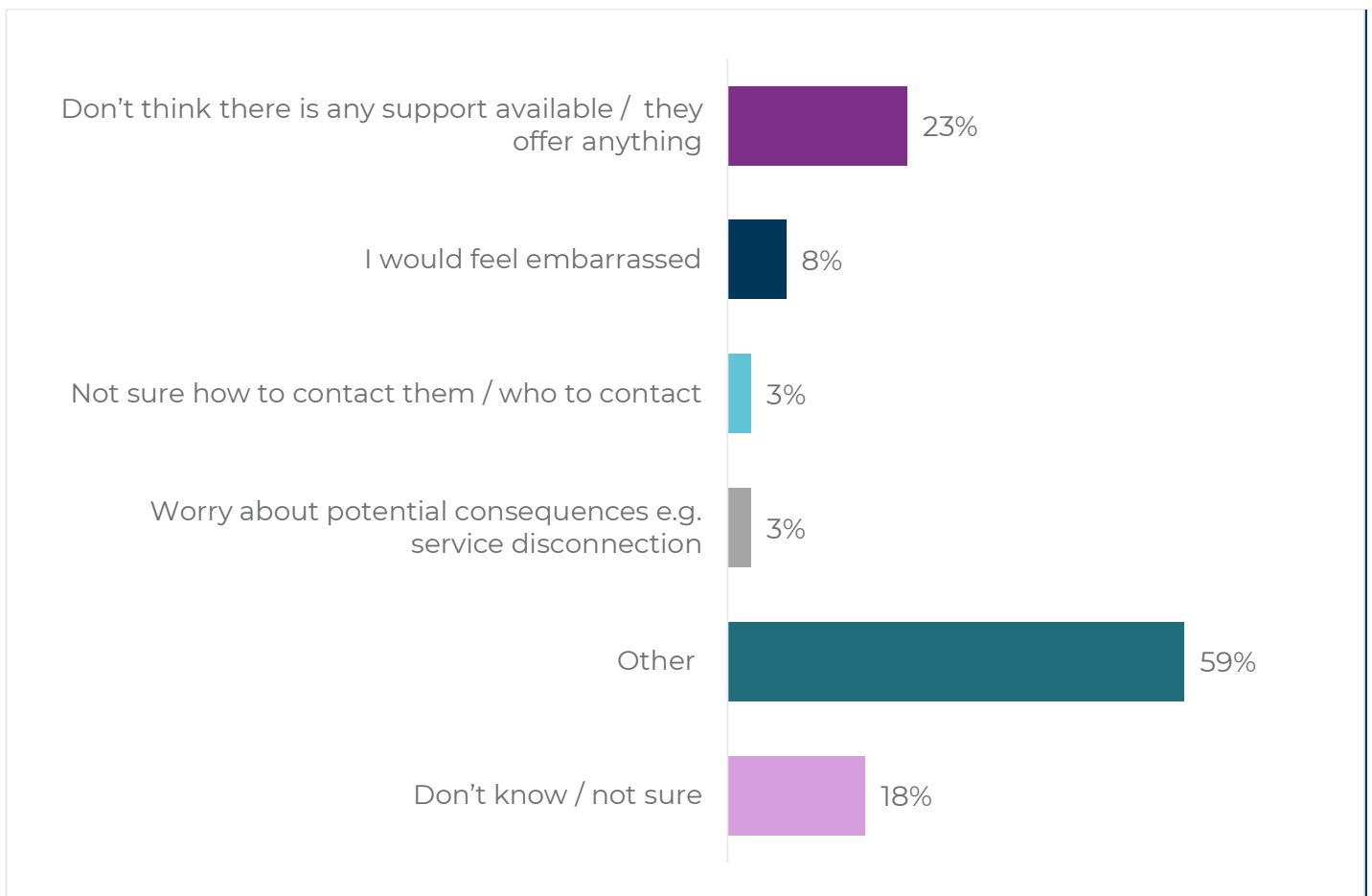
- 67% of respondents are likely to contact their energy provider.
- 61% are likely to contact their water company.
- Telecoms/broadband providers (57%), local councils (51%), and mortgage providers/landlords (42%) were less frequently cited as sources of support.

Respondents in the most deprived quintile are more likely to contact their water company (67%) compared to those in the least deprived quintile, where likelihood falls to 56%, highlighting the critical role water companies play in offering support, especially for financially vulnerable populations.

4.4.2 Barriers to contacting water companies

24% of respondents indicated they would be unlikely to contact their water company for support. Of these respondents, 23% suggested this was because they do not believe any support is available or offered.

Chart 4: Reasons not to contact water company if struggling to pay bills.



Note: Q07a Are there any reasons you wouldn't contact your water company? **Base:** All respondents unlikely to contact their water company (n=268) – weighted base.

‘Other’ reasons cited by 59% of respondents include:

- Perceived lack of need
- Prioritisation of other bills / water bill is relatively low impact
- Reliance on alternative solutions
- Perceived challenges in contacting
- Trust and perception of water companies
- Water as essential or guaranteed
- Only contact for service issues.

Even among those who expect their water company to be able to provide practical help, 15%¹² said they were unlikely to reach out, citing:

- 21%: Not knowing or being unsure
- 20%: Considering the water bill a small or low-priority issue
- 18%: Not believing support would be available.

The findings highlight a dual challenge for water companies: while many households expect support, significant barriers prevent some from seeking help. These include doubts about the availability of assistance, embarrassment, and prioritisation of other bills. This underscores the need for water companies to increase awareness of their support services and address perceptions of low impact and limited trust to better serve vulnerable populations.

Barriers to seeking support are explored in greater depth with low-income households in Section 7, which highlights qualitative findings.

¹² BASED ON RESPONDENTS WHO EXPECT WATER COMPANIES TO PROVIDE SUPPORT BUT ARE UNLIKELY TO CONTACT (N=172) – WEIGHTED BASE.

4.4.3 IMD analysis and socioeconomic disparity in water meter adoption

By mapping the quantitative data against the Index of multiple deprivation (IMD), the findings show a clear socioeconomic disparity in water meter ownership:

- **Least deprived quintile (5th):** 73% of respondents reported having a water meter, the highest ownership rate
- **Most deprived quintile (1st):** Only 52% reported ownership, the lowest rate observed.
- Water meter adoption increases with decreasing deprivation.

This means that residents in the least deprived areas are significantly more likely to benefit from water meters. Ownership progressively increases as deprivation decreases, reflecting how factors such as financial stability, infrastructure readiness, or awareness can support greater adoption in affluent areas.

In contrast, the lower adoption rates in the most deprived areas suggest potential barriers such as cost, accessibility, or lack of awareness. This disparity may prevent deprived households from accessing the benefits of water meters, including better water usage monitoring and improved cost management.

These findings highlight the need to address socioeconomic barriers to water meter adoption to ensure that all households, particularly those in deprived areas, can access these benefits.

5 Managing finances

5.1 Introduction

This section provides an overview of the context in which the research took place and the different types of financial vulnerability that exist, as well as some of the driving forces behind such vulnerability. It explores the ways in which customers on low incomes manage their day-to-day finances, how they prioritise household bills and how they feel about their financial circumstances both now and in the future.

This section is based on qualitative research.

5.2 Financial vulnerability spectrum

Financial vulnerability is a spectrum on which people can move up or down. At the time of the research, respondents fell into one of the following categories; however, these circumstances are not necessarily stable:

- **In Arrears:** behind with some or all household bills (not necessarily water bill)
- **Struggling:** either occasionally or regularly struggling to afford some or all household bills (but not in arrears)
- **Making Ends Meet:** able to afford household bills without sacrificing other essentials such as food.

A single setback, such as the need for emergency expenditure, could shift someone who was previously managing well into a more challenging situation.

It should also be noted that how one views one's own financial situation can be subjective. Two people might receive the same income but their capacity to manage and their mind-set towards it can be very different e.g. they may not consider themselves to be 'struggling' in relation to people they consider to be 'worse off'. Respondents were classified into one of the above categories during the analysis stage using agreed definitions.

5.2.1 In Arrears

Respondents classified as 'In Arrears' had fallen behind with at least one household bill (not necessarily their water bill). In the most extreme case, one respondent had to seek help from organisations like StepChange and Citizens Advice, experiencing stress and sleepless nights during this prolonged financial struggle.

At the time of the research, 12 of the 40 respondents were classified as 'In Arrears' but some of the other respondents had been in arrears in the past.

Case Study 1: James¹³

Demographics: White British male, 34, married with children

Financial status: In arrears

Water bill spend: 5% or more of household income

Social tariff: No

Over the past two years, James' life has changed dramatically. Once financially secure, he now closely monitors every expense as the rising cost of living creates increasing anxiety about his future.

To cope, he has made difficult adjustments, including showering at the gym to save on water bills. This stark shift highlights the emotional and practical toll of the cost-of-living crisis, as he grapples with the fear of not being able to stay afloat.

“Everything is going to go up in price, everything that we want to buy is more expensive while we're not getting an increase in pay.”

¹³ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

5.2.2 Struggling

Respondents defined as 'Struggling' were not in arrears but did describe it as a struggle to afford their household bills (either some or all of the time). For many, financial vulnerability is characterised by a precarious balance between income and expenses, requiring constant budgeting, sacrifices, and reliance on support systems, all while managing the emotional toll of financial uncertainty.

At the time of the research, 20 of the 40 respondents were classified as 'Struggling' to some extent.

Case Study 2: Sarah¹⁴

Demographics: White British female, 45, lives with her four children

Financial status: Struggling

Water bill spend: 5% or more of household income

Social tariff: WaterSure

In addition to managing a busy household with four children, Sarah has fibromyalgia which limits her ability to engage in activities.

She feels constantly anxious about her finances and keeps a close eye on her budget, planning every detail down to the last penny.

The cost-of-living crisis has forced her family to make significant changes, including cutting meat from their diet in order to save money.

"I don't buy a lot of meat anymore, it's just too expensive. You can spend £10-15 on a joint of meat and it's only going to make one meal, a bag of pasta will do a lot."

¹⁴ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

5.2.3 Making Ends Meet

Respondents classified as 'Making Ends Meet' felt able to afford their household bills without sacrificing other essentials such as food. They were relatively 'comfortable' in comparison to other respondents within the sample and were not under the same pressure to count every penny. They were typically (but not exclusively) single-person households or families without a mortgage to pay; characterised by independent living with a strong focus on financial management and frugality.

At the time of the research, 8 of the 40 respondents were classified as 'Making Ends Meet'.

Case Study 3: Michael¹⁵

Demographics: White British male, 50, married with children

Financial status: Making Ends Meet

Water bill spend: 5% or more of household income

Social tariff: No

Working as a part-time teacher, Michael has concerns over financial stability; supporting his children and managing expenses are a particular concern. He's conscious of his spending and is always keeping an eye out for better deals and switching credit to better interest rates.

Since the cost-of-living crisis, Michael has noticed an increase in travel costs and now avoids using his car during the week.

"I always worry about the future and stuff like that, I worry about the kids and what they're going to be doing."

5.3 Current feelings towards money

As part of the pre-task, respondents were asked to find an image that sums up how they currently feel about managing their finances.¹⁶

¹⁵ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

¹⁶ **IMAGE DISCLAIMER:** WE DO NOT HAVE INDIVIDUAL PERMISSIONS TO THESE IMAGES, THEY ARE MERELY A REFLECTION OF AN INTERNET SEARCH THAT RESPONDENTS UNDERTOOK AS PART OF A MARKET RESEARCH TASK AND MAY NOT BE REPRODUCED.

Most of the images (and associated explanations) reflected the challenges of budgeting amid rising living costs, feelings of stagnation, or the overwhelm and anxiety of financial pressures, with examples shown below.

Examples that reflect how respondents see budgeting and managing ‘pots’ of money as a constant balancing act:



“Every month is a balancing act with money.”

Struggling

Examples that reflect respondents’ feelings of stagnation¹⁷:



“It’s a snakes and ladders game, but I always fall down the snakes... the ladders are not sturdy enough to hold a disabled person like myself.”

In Arrears, Social Tariff Customer

¹⁷ **IMAGE DISCLAIMER:** WE DO NOT HAVE INDIVIDUAL PERMISSIONS TO THESE IMAGES, THEY ARE MERELY A REFLECTION OF AN INTERNET SEARCH THAT RESPONDENTS UNDERTOOK AS PART OF A MARKET RESEARCH TASK AND MAY NOT BE REPRODUCED.

Examples that reflect the overwhelm, stress, anxiety and urge to give up that many respondents feel:



“Currently stressed as managing a lot of big loans, which I had to take out or I would’ve lost the house due to losing money from being a self-employed driver, which was a few years ago now, but this put me into nearly £70k worth of debt.”

Struggling

5.4 Long-term changes and financial sacrifices

Several of the respondents who were classified as ‘Struggling’ or ‘In Arrears’ provided examples of the difficult decisions they have to make on a low income. Decisions often involve prioritising essential expenses over discretionary spending. These have become part of normal living because of the cost-of-living crisis. For example:

“I don’t go out as much anymore, which makes me feel lonely. The price of everything has just shot up and I don’t know if I’ll still be able to afford to live alone or if I’ll have to do a flat share.”

Struggling

“We’ve cut back on any luxuries: buying new clothes, beauty products, going on holidays, having takeaways or going to the restaurants because I can’t even think about that before paying the bills.”

In Arrears

“I think it’s more the social element, because I think you just have to make the right choices. We used to go to the pub every Friday, and it’s not just us, it’s people around us and people that we see. Now I think if you can’t afford it, you don’t do it.”

In Arrears

5.5 Drivers of financial vulnerability

A combination of factors contributed to the financial vulnerability of respondents in this sample, emphasising that financial vulnerability can affect anyone at any time. It can arise from both short-term challenges and long-term circumstances or events.

Short-term events resulting in financial vulnerability included:

- Child-related expenses: Supporting children in education, or reduced working hours due to childcare responsibilities
- Career transitions: Shifting from a stable job to one with inconsistent income, like transitioning from full-time to part-time work or starting a new business
- Unexpected expenses: such as car repairs or veterinary care
- Debt management: Managing debt requires careful budgeting to pay it off.

Long-term issues or events resulting in financial vulnerability included:

- Rising living costs: economic uncertainty adds stress to an already challenging financial situation
- Employment instability: COVID-19 redundancies and job losses, along with challenges for older or disabled individuals, have increased financial vulnerability, with little expectation for improvement soon
- Health and disability: Chronic conditions and disabilities limit work, raise medical costs, and worsen financial strain, amplified by inadequate support from service providers.

Whilst some of those with short-term challenges express cautious optimism about their future financial situation, the majority express concern about the future, with a lack of confidence in government actions to address these issues, adding to the anxiety and financial vulnerability.

5.6 Impact of the Cost-of-Living Crisis

The cost-of-living crisis has had a significant effect on individuals, increasing financial stress and forcing many to make difficult decisions about their spending. This crisis is widely attributed to a combination of factors, including Brexit and the Covid-19 pandemic. Respondents highlighted significant price increases across essential goods and services, while salaries have failed to keep pace. The resulting ripple effect has impacted even those who believe they are managing their finances, forcing them to make financial sacrifices.

Key areas of impact include:

- **Increased financial strain:** individuals are adopting stricter budgeting habits and cutting their non-essential spending
- **Lifestyle adjustments:** many are sacrificing leisure and social activities to cope with rising costs, with some individuals having been forced to reduce basic comforts, such as heating and transportation.
- **Heightened stress and anxiety:** Financial pressures are contributing to widespread stress and anxiety, particularly among those in arrears or individuals with pre-existing health conditions.

Several common examples of adjustments made in relation to the cost-of-living crisis include:

- Reducing dining out, takeaways, and entertainment
- Switching to cheaper brands and budget supermarkets, despite rising prices across all options
- Forgoing luxuries, such as travel and purchasing new clothing
- Minimising appliance use, for example, taking fewer baths, even when necessary for individuals with disabilities
- Cycling instead of driving to reduce fuel costs

"It's a lot of pressure because you get paid. And instead of enjoying my salary because I wake up in the morning to go to work, I have to pay this. I have to pay that. I have to do this. I have to do that."

In Arrears

Case Study 4: Anil¹⁸

Demographics: Asian male, 52, lives with his wife and children

Financial status: Struggling

Water bill spend: Less than 5% of household income

Social tariff: No

Anil's wife has a disability, and he is the sole income earner for the family, responsible for managing their finances. While he doesn't feel he is the best at budgeting, he's making improvements. The cost-of-living crisis has had a major impact, with his weekly shopping bill increasing by 60%.

In response, Anil has cut back on almost all non-essential items and luxuries. However, he is concerned that these sacrifices will take a toll on the family's mental health in the long term, as the constant focus on saving money to pay bills is limiting their ability to enjoy small pleasures.

"It's a bit scary. I've got to an age now whereby, you know, in the next ten, fifteen years, that's my work in life is kind of done. And then this pension and whether there's a pension pot or what is that going to look like. Personally, it would be if my wife's condition deteriorates, and that would have a massive impact on things."

5.7 Budgeting

Due to their financial circumstances, budgeting has become a fundamental aspect of financial management for respondents. Many have adopted structured approaches to adapt to economic pressures and ensure some financial security. Budgeting plays a critical role in helping individuals manage their resources effectively and make necessary adjustments to cope with rising costs.

Several key strategies have emerged as common approaches to budgeting. Many respondents rely on structured planning, using weekly or monthly budgets and expense-tracking tools, such as apps or spreadsheets, to monitor their spending. Some individuals prefer using cash instead of cards, as this method offers better control over their finances and reduces unnecessary expenditures.

Emergency savings have also been highlighted as a critical component of financial management. Those fortunate enough to have such savings emphasise the importance of keeping these funds separate from everyday accounts, ensuring they remain

¹⁸ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

available for unforeseen circumstances. Automated payments, such as Direct Debits, are widely relied upon to manage bills consistently and prioritise essential expenses, including food, housing, and utilities.

The significance of budgeting is particularly evident amongst those in arrears, where structured approaches are vital to managing everyday financial pressures. Others who are struggling financially see budgeting as a tool to prepare for unexpected costs and avoid spiralling into further debt. Even amongst those managing to make ends meet, financial awareness and necessary adjustments have become central to their routines.

“I’m very sensible with managing my money. I know what’s coming out of my bank, when, what time, how much, and I make sure I’m covered.”

Making Ends Meet

“I think my relationship with money is a lot tighter than it was. I care about it a lot more.”

In Arrears

5.8 Prioritisation of bills

Respondents reported that essential bills, which are critical to keeping households running, are generally prioritised. Rent or mortgage payments, along with utility bills such as gas, electricity, and water, take precedence. Council tax and communication services, including internet and mobile, are also considered vital, particularly when needed for work or maintaining connections with others. Food expenses follow closely, with priority given to feeding families before individuals consider their own needs.

Priority bills and challenges

The most significant outgoings are rent or mortgage payments, gas and electricity, council tax, and communication services. Respondents highlighted the importance of maintaining their credit ratings and ensuring consistent payments for these necessities. Communication services (i.e. internet and mobile), are considered more of a priority in today’s world, compared to 2020 when we previously ran the same research; internet bills are prioritised when needed for work, highlighting the importance of services that support essential activities and stay connected to peers when having to make sacrifices in other aspects of their lives (i.e. social life).

Gas and electricity bills are particularly challenging due to their fluctuating nature, especially during colder months when heating usage increases. Respondents reported using a variety of strategies to manage these costs, including switching providers or tariffs, using smart meters, heating only necessary rooms, wearing extra layers, and reducing overall usage. In some cases, respondents sought support directly from energy providers.

Water bills, while rising in cost, are perceived as less burdensome compared to gas and electricity. However, the increasing expense has caused anxiety for some households. To control water costs, respondents reported actions such as limiting water use (e.g.,

shorter showers and fewer baths), avoiding wastage, and utilising social tariffs. Direct Debit payments were also commonly mentioned, providing reassurance that the bill had been covered.

Non-priority bills

Other expenses, such as entertainment subscriptions and car costs, were deprioritised where possible. Respondents recognised the importance of focusing on essential bills and reducing discretionary spending to manage limited finances effectively.

“I prioritise anything that will affect my credit rating, like the mortgage and credit cards.”

Struggling

“I can’t afford to go out as much now, so my phone and internet are more important than ever to keep in touch with people.”

Struggling

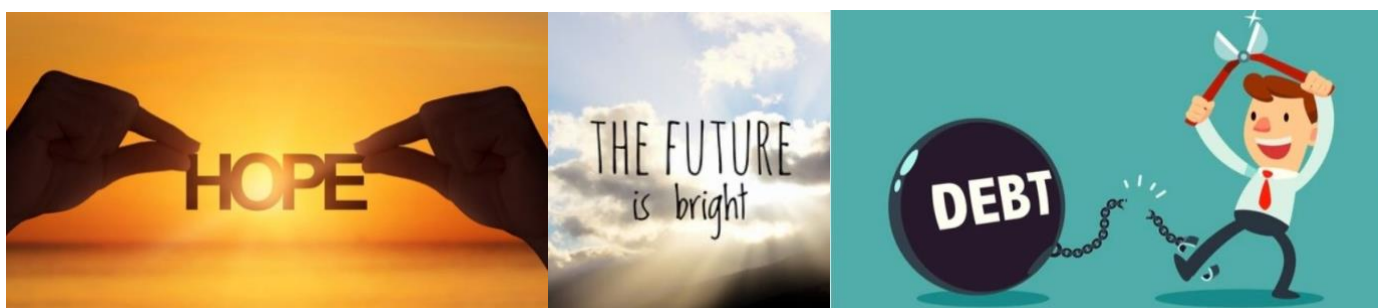
“My priority is keeping a roof over my head and the heating.”

In Arrears

5.9 Looking to the future

As part of the pre-task, respondents were asked to find an image that sums up how they feel about the future in terms of their financial situation.¹⁹

Some of the images (and associated explanations) portrayed feelings of **cautious optimism** for those who have been struggling in the past but see light at the end of the tunnel, which is driven by some feeling that things can’t get any worse, and hope that a new government will bring positive change:



“I can only have hope. The government promised to help those on the breadline, well I feel I’m in that category.”

Struggling

¹⁹ **IMAGE DISCLAIMER:** WE DO NOT HAVE INDIVIDUAL PERMISSIONS TO THESE IMAGES, THEY ARE MERELY A REFLECTION OF AN INTERNET SEARCH RESPONDENTS DID AS PART OF A MARKET RESEARCH TASK AND MAY NOT BE REPRODUCED.

However, for most, dismay and anxiety are evident, particularly for those who find each day a struggle and are teetering on the edge. This is more prevalent for those with long-term issues which impact their financial vulnerability. Examples include:



"I see my future being alone and disconnected from the world due to having to cancel socialising plans and seeing friends and family at social events."

Struggling

"It is the Apocalypse for disabled people on disability benefits."

In arrears

"Just like a big black hole at the minute. Just drowning. I can't really see a way to get myself out of it."

Struggling

"The stress on my mental health of trying to survive financially. It's been wearing me down for two years now, and it's got to the point where I literally can't cope anymore."

Struggling

6 Water company relationships

6.1 Introduction

This section looks at spontaneous and prompted perceptions of water companies, and the type of relationships customers feel they have with their water company. It provides comparisons with energy providers, including the type of communications received by customers during the cost-of-living crisis.

This section is based on qualitative research.

6.2 Perceptions of Water Companies

6.2.1 Spontaneous perceptions

Respondents were asked to complete a brand personification exercise in which they had to imagine their water company came to life as a person - how would they describe them? The purpose of this exercise was to understand how they really felt about their water company, beyond a top of mind, rational response.

Feelings towards water companies varied considerably from very negative to very positive, generally depending on an individual customer's personal experience or interaction with the company.

At the more negative end of the spectrum the following words were used:

- Bad press
- Dishonest
- Distant
- Fat cat billionaire
- Unreliable
- Frustrating
- All about money

At the more positive end of the spectrum the following words were used:

- Trustworthy
- Helpful
- Friendly
- Informative
- Understanding
- Credible
- Generous
- Reliable
- Approachable
- Caring
- Considerate
- Supportive
- Authentic

There were also some descriptions in the middle of the spectrum, neither strongly positive nor negative, that generally related to being distant in some way:

- Reserved
- Anonynous
- Polite
- Introverted
- Transactional

Respondents' perceptions of water companies are influenced by a combination of personal experiences and broader public narratives.

Favourable views are typically rooted in positive personal experiences. Respondents highlighted the value of helpful and polite customer service, particularly when they were able to speak to someone directly over the phone - something increasingly rare with many service providers. When contacting water companies, respondents appreciated understanding responses from staff and updates regarding water outages. These interactions contributed to more positive perceptions overall.

On the other hand, negative views of water companies were primarily shaped by highly publicised industry-wide issues, which overshadow personal experiences. Issues contributing to negative sentiment included:

- Price increases
- Rising company profits
- Executive bonuses
- Environmental concerns, particularly around waste management and leaks.

Some respondents acknowledged the basic functionality of the service and appreciated interactions with staff regarding specific issues. However, they simultaneously expressed frustration about high costs, environmental issues, and a perceived lack of effort in addressing leaks and waste.

"While all these fat cats are making multimillion pound profit, it's people like us that are paying for it."

Struggling

"I don't want to pay more money because they've paid out their shareholders."

Struggling

6.2.2 Prompted perceptions

Respondents were then asked to choose which of the following words most closely described their relationship with/perceptions of their water company:

- Close relationship or distant relationship
- Helpful or unhelpful
- Friendly or unfriendly

Many respondents reported having little to no meaningful relationship with their water company, describing interactions as distant, infrequent, and primarily transactional. Most relationships are limited to the provision of water and the routine payment of bills, often via Direct Debit, without further engagement.

For most customers, contact with their water company only occurs when they initiate it, typically in response to a problem or issue. While respondents generally acknowledged water companies as polite, helpful and friendly during these interactions, the transactional nature of these limited exchanges makes it difficult for customers to form a broader opinion about the quality of service.

“They do let you know ahead [of time] if there's any maintenance issues that's going to happen or what they're doing to improve services.”

Making Ends Meet

“Non-existent. By which I mean, I have no interaction with them. They send me a bill. I curse about it and then accept the Direct Debit.”

Making Ends Meet

6.3 Comparisons to energy suppliers

Some customers felt that they received more frequent communication from their energy suppliers, which is unsurprising given the competitive nature of that market.

Communications included:

- Information about alternative tariffs
- Frequent billing or service-related updates
- Opportunities to switch providers for better deals
- Personal or friendly contact from certain providers (e.g., Octopus Energy)

As a result of this proactive communication, some customers expressed a greater sense of engagement with their energy providers, even if interactions were occasionally frustrating. In contrast, water companies were described as more passive, with minimal communication beyond essential functions like billing.

Water companies were generally valued for their reliability and local presence. However, the fixed nature of the water market, with no option to switch providers, meant interactions were primarily transactional. Customers highlighted that their water company tended to be supportive and polite when issues did arise, but this limited contact made it difficult to form a deeper relationship.

“I think EON, they get in touch. I think to tell you about different tariffs that may be able to help.”

Struggling

“I think they’re [water] better in a way because they’re local to you, they’re not national, and they’re not dealing with loads of people all over the place, you know, internationally as well.”

Making Ends Meet

6.4 Contact during Cost-of-Living Crisis

A minority of customers reported receiving proactive support from their water company. The majority, however, were unable to recall any specific communication related to the cost-of-living crisis.

During the COVID-19 pandemic, many customers remembered receiving financial support and communication from providers, including water companies, regarding household bills. However, in the current context, such efforts appear less visible or widely recognised.

Balancing Responsibilities

The research highlights a shared responsibility between water companies and customers in navigating support options:

- Water companies are expected to provide proactive support and ensure transparency around available support schemes
- At the same time, customers often need to self-advocate and take the initiative to access available support.

Comparison with Energy Providers

Some customers noted examples of proactive support from energy companies, such as Octopus Energy, which provided vulnerable customers with heated electric blankets. This level of targeted assistance was viewed positively and stood in contrast to the limited recall of similar initiatives from water companies.

The findings underscore the need for a more balanced approach, where water companies communicate available support clearly, while customers remain active in seeking out the help they need.

6.5 Asking for help

When struggling to pay their water bills, customers typically indicated they would first approach their water company. While some would initially search for information online, all respondents noted they would eventually contact their provider directly to seek support.

Customers commonly start by searching online for available support options. This includes checking their water company's website or third-party resources such as Martin Lewis (Money Saving Expert). Many customers prefer speaking directly to their water company, often via phone, to ensure they can discuss their situation with a 'real person'.

In the event the water company was unable to help, customers may then turn to:

- **Citizens Advice:** Most respondents would consider reaching out to Citizens Advice for information. However, some expressed uncertainty about the extent of help they could provide.
- **Debt advice charities:** While some customers would contact debt advice charities, this was often perceived as a last resort. There was a common belief that such services are intended for those who are 'much worse off', which highlights a personal threshold for seeking this level of support.
- **Consumer Council for Water:** Awareness of this organisation was low among respondents. However, once informed, many indicated they would consider reaching out for support if needed and other avenues had been exhausted.

"I'd ask family for help first, but failing that I'd have a look online."

Struggling

"I'd try my water company but if I wasn't getting anywhere, I'd try Citizens Advice."

Struggling

7 Barriers to seeking help

7.1 Introduction

This section explores the range of barriers that may prevent customers from low-income households to directly seeking help from their water company. Some customers may only experience one of the following barriers, but it should be noted that the barriers are not mutually exclusive, with some customers experiencing multiple barriers.

This section is based on qualitative research.

The research highlights emotional and practical barriers, the impact of the cost-of-living crisis, and customer perceptions of water companies.

7.2 Emotional barriers

Customers face several emotional barriers to accessing support when they are struggling to pay their bills, particularly internalised feelings of shame and fear of consequences. Seeking help can feel daunting and emotions can prevent some from doing so.

Emotional barriers include:

- Shame, embarrassment, and internalised feelings of failure, which make it difficult for customers to admit they are struggling.
- Fear of judgment by others, including their water company, discouraging outreach.
- Fear of consequences, such as penalties, service disruptions, or perceived ineffectiveness of help.
- Feeling overwhelmed, as the process of seeking assistance can seem daunting and emotionally draining.

“People are frightened, they’re frightened of debt ... they’re frightened of being judged.”

Struggling

“I think if I did get to that point, it would be a tough pill to swallow. Pride comes before a fall.”

In arrears

7.3 Practical barriers

In addition to emotional challenges, practical barriers further hinder access to support. Many customers are unaware support is available whilst some perceive help to be ineffective or hard to access.

Practical barriers include:

- Lack of awareness of available assistance, leaving many customers unaware of what help exists.
- Inconsistent customer service experiences, which can discourage engagement.
- Perceptions of bureaucracy, with customers assuming that seeking help involves complex and confusing processes.
- Lower prioritisation of water bills, as customers perceive them as less critical compared to other utilities like energy bills.
- At the time of the research, 8 of the 40 respondents were classified as 'Making Ends Meet'.

Case Study 5: Emma²⁰

Demographics: White British female, 45, lives with her boyfriend

Financial status: Struggling

Water bill spend: 5% or more of household income

Social tariff: No

Financial concerns, particularly bills, are a significant source of anxiety for Emma. She had to adjust her money management strategies since being made redundant during the lockdown, which included cutting down on non-essential expenses like drinking and smoking. She now sets aside money weekly to ensure she can cover monthly bills after finding a new part-time position that pays weekly.

Emma receives a small amount of housing benefit due to her part-time wages. However, utility bills, especially gas and electricity, are a concern due to rising costs.

Whilst Emma received support from her water company through a weekly payment plan when she was in debt, she had no awareness of other support options offered by water companies, such as capping bills or offering discounts for low-income customers. She believes water companies should proactively inform customers about available support, possibly through letters or social media.

“I wasn't aware of it, and I've not contacted them for any help this time around. If I got less hours at work, I'd be getting less money. Obviously, then I'd look into something like that, which could help me.”

²⁰ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

8 Social tariffs & other support schemes

8.1 Introduction

This section firstly explores the experiences of those customers already on a social tariff, with regards to how they first became aware of the scheme, the application process and the impact on their lives. It goes on to discuss other types of assistance schemes.

Social tariff schemes provide reduced bills to eligible low-income households. The eligibility requirements and support offered varies between companies. The WaterSure scheme is a form of social tariff scheme offered by all companies to limit the metered bills of lower income households who have high water use needs due to a medical condition or large family.

This section is based on qualitative research.

8.2 Awareness of social tariffs

10 customers were already on a social tariff within this research sample. Of those 10, most claimed to have found out about the relevant scheme as a result of their own actions rather than via proactive contact from the water companies.

For example:

- Some become aware directly through their water company when they reach out for assistance
- Some learn about tariffs through support groups focused on long-term health conditions which can result in high water usage (e.g. endometriosis)
- Debt advice charities, such as StepChange, signpost customers to available support

A number of customers (including those not on a social tariff) believe that water companies intentionally avoid publicising the availability of social tariffs.

Case Study 6: Aisha²¹

Demographics: Asian female, 40, single, lives with her children

Financial status: In Arrears

Water bill spend: Less than 5% of household income

Social tariff: Yes, WaterSure scheme

For Aisha, managing money and paying household bills has become a major source of stress during the cost-of-living crisis, which has resulted in debt with an energy provider.

Struggling to balance household bills, she was advised to reach out to their water company for help. Through this contact, Aisha discovered she was eligible to apply for the WaterSure scheme due to a qualifying medical condition. Now benefiting from the tariff, she has also taken steps to reduce water consumption, such as turning off taps and limiting use of the washing machine.

“It was someone who was doing some support work with myself and my house. I think they explained that there is there's this, I don't know what you would call it, deal to help people with, disabilities and illnesses.”

8.3 Social tariff application process

Once aware of social tariffs, the application process is generally deemed easy and straightforward, although for most customers this relies on the quality of support from customer service teams.

The process typically involves filling out simple forms, and many appreciate support offered by customer service teams at their respective water companies. Most customers on a tariff report little to no difficulties with the process.

“The lady was so helpful in explaining everything ... they even let me know that I could let my gas and electricity know I'm a vulnerable family.”

Struggling, Social Tariff

“I don't think it was relatively hard, you just have to answer questions and submit documents.”

Struggling, Social Tariff

²¹ THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

“There was a person in a special department who did it all for me. It really took the pressure off.”

Struggling, Social Tariff

However, customers are typically required to reapply for social tariffs or provide proof of continued eligibility, but some are unaware of this requirement. This lack of awareness can cause stress and anxiety, especially for vulnerable customers, as the additional administrative process (or perception of) may create further challenges.

8.4 Impact of social tariffs

Overall, social tariffs have had a meaningful impact on customers' financial situation for those on a social tariff, offering much needed relief during challenging times.

More specifically:

- A significant reduction on customers' water bills
- Providing peace of mind, allowing customers to use water without worry e.g. everyday activities like having a shower.

“A massive difference, it means that we've got a little bit extra food. We don't have to worry about our water being cut off.”

Struggling, Social Tariff

“When WaterSure came along, it was a case of I would just pay the direct debit without having to worry about clearing the arrears.”

In arrears, Social Tariff

However, even for those on a social tariff, there is growing concern over rising costs in general; one respondent noted their water bill steadily increasing despite being on a social tariff.

Case Study 7: Rebecca²²

Demographics: White British female, 49, lives with partner (no children)

Financial status: Struggling

Water bill spend: 5% or more of household income

Social tariff: Yes

Rebecca works from home and manages a disability, which has led to significant financial challenges, including a previous bankruptcy. Due to her condition, she uses more water than average, so her water company recommended a social tariff to help prevent high costs on her water meter.

While the tariff has been beneficial, she has noticed her bills slowly increasing.

“It is creeping up little by little, though, each year. Just recently, I've noticed.”

8.5 Other support schemes explored

A number of other support schemes were explored briefly with respondents. A short description was read aloud by the researcher (and where possible, presented on screen) to ascertain any pre-existing awareness or usage and to gather feedback/likelihood to use in future. It was made clear to the respondents that not all water companies currently offer all of these schemes.

8.5.1 Financial Hardship Funds

These make awards of company funds to help customers facing financial crisis.

This idea was positively received and seen as particularly helpful for those in greatest need, although there is low awareness among customers, with many surprised to learn such funds exist. Concerns were also raised regarding eligibility criteria and the potential for misuse, highlighting the need for clear communication about how these funds are managed and distributed.

8.5.2 Debt Support Schemes

Customers maintain regular payments against a debt, the company will match payments, usually equal but in some cases, more than equal.

These schemes were viewed as extremely useful and helpful, offering reassurance that debts can be cleared. However, low awareness remains a barrier, with some questioning

²² THE NAME USED IN THIS CASE STUDY HAS BEEN CHANGED TO PROTECT THE IDENTITY OF THE INDIVIDUAL FEATURED IN THIS RESEARCH.

why companies do not simply lower payments rather than offer a matching scheme. Compared to other initiatives, this was seen as one of the most useful for supporting financially vulnerable customers.

8.5.3 Payment Breaks

A facility to allow customers to defer payments by agreement to help them manage short-term financial stress.

While this initiative was seen as helpful in providing relief for a temporary loss of income due to unforeseen challenges e.g. sudden health problems or redundancy, some customers perceive it as merely postponing financial problems rather than solving them, and there is a risk it may be seen as avoiding responsibility. Most respondents note that this type of solution may be helpful for some customers but counterproductive for others.

8.5.4 Benefit Entitlement Check

Supporting customers by helping them identify if they are claiming all the benefits to which they are entitled.

Some felt this idea could be useful, but awareness of any water companies offering this was low. Some customers expressed discomfort with discussing personal financial matters with their water company, underscoring the need for a sensitive approach in delivering this support.

8.5.5 Water Efficiency Home Audits

Visits to customers' homes to help them identify how to save water and therefore reduce metered bills.

This initiative is seen as simple and helpful, especially for older or vulnerable customers who may be less well-connected. However, some customers find the audits patronising or invasive and feel that the responsibility for reducing bills is unfairly placed on them. Many also consider themselves to be savvy with regards to saving water and suggest they have already put what they can in place. Compared to other initiatives, this was seen as the least useful option.

8.5.6 Lowest Bill Guarantee

Schemes that allow customers to switch to a water meter without risk; customers won't be asked to pay more than if the meter had not been installed.

This initiative was very positively received and viewed as helpful and reassuring for customers who express frustration at not being able to 'shop around' for water. It was felt that this could ease anxieties and encourage more customers to switch to a water meter if this was more well-known.

However, some customers are still sceptical and would need more information or reassurance before considering switching to a water meter.

8.5.7 Money/Debt Advice Referral Arrangements

Companies have arrangements with advice agencies to transfer customers, in order that they can help them to address their overall financial circumstances.

These services are appreciated for their ability to help customers avoid reaching a financial breaking point. Despite this, many customers are surprised to learn water companies facilitate such referrals, and some feel uncomfortable discussing personal financial matters with a stranger. Improving awareness and ensuring customers feel supported and respected when accessing these services could enhance their impact.

8.6 Usage of water meters

Perceptions of water meters were explored to understand the key drivers and barriers to usage.

The sample included people with and without a meter and hence mixed views, as well as some misconceptions, evident.

Key drivers for requesting a meter as follows:

- Provide control and accuracy over water usage and bills
- Encourage mindful consumption (e.g. reducing baths, running appliances less frequently).
- Potential for cost savings through efficient usage

"I know they only come in once a year to check the water bills, but if they did that frequently every three months, it would help people like me."

In arrears

Key barriers as follows:

- Fear of increased bills, especially for high-usage households
- Concerns over accuracy and infrequent meter checks leading to unexpected costs
- Lack of sufficient advice and communication from water companies
- Apprehension about installation costs and risk of financial strain

"It was slightly more expensive than when I didn't have a water meter."

Struggling

"I just pray that they come every quarter instead of every year because you don't know where you are with your water and how much you've used."

In arrears

9 Communication preferences

The research highlights the importance of improving communication strategies to ensure customers are aware of the support available. Many vulnerable customers have limited knowledge of help options and may not trust their water supplier to assist them. Proactive and effective communication is essential to bridge this gap.

9.1 Key recommendations for communication

- **Visual:** Messages should be clear, visually engaging, and concise to avoid overwhelming customers
- **Specific:** Clearly outline the types of help available and eligibility criteria to make support options relatable and actionable. Case studies can help bring these messages to life
- **Friendly:** Use a personal and approachable tone to make customers feel at ease
- **Sympathetic:** Acknowledge individual circumstances with a reassuring and non-judgmental approach, emphasising that help is available for everyone.

9.2 Channel preferences

In addition to direct mail from water companies, respondents suggested that awareness should be raised through:

- Community hubs and One Stop Centres
- Job Centres
- GP surgeries
- Food banks and supermarkets
- Bus and train stations
- Places of worship
- Local council buildings
- Local charities
- Social media, and both local and national media

Special attention should be given to targeting communications in the most deprived areas, where the need for support is greatest.

10 Final thoughts

Overall, a similar story has emerged for people on low incomes to what we saw in the 2020 research, except the challenges of the COVID-19 pandemic have been replaced with the cost-of-living crisis. Many have been unable to financially recover from the pandemic and struggle to see light at the end of the tunnel.

Some people are cautiously optimistic, essentially clinging to the hope things cannot get any worse. Some are pinning their hopes on the new government to provide more support for those on low incomes.

To continue the board game metaphor used by one of the respondents, people are hoping for more ladders, and fewer snakes. However, those with longer-term financial difficulties and / or mental / physical health conditions generally have less faith that ladders will be extended to them. Many of these customers in particular are unlikely to have the financial resilience to cope with further bill increases.

Ultimately, this research highlights a need for water companies to be more proactive in offering help and raising awareness of available support. Many customers facing financial difficulties feel too proud, embarrassed or unable to ask for help. Their struggles may be currently going under the radar. In order to cut through, communication must be visual, specific, friendly and sympathetic.

When considering future development of support schemes, these should align with the customer need to budget carefully, minimise surprises and retain a sense of control.



The image above²³ shows a game of snakes and ladders, chosen by one respondent to describe their feelings towards their current financial situation and how they feel the ladders are not sturdy enough to hold a disabled person like themselves.

²³ **IMAGE DISCLAIMER:** WE DO NOT HAVE INDIVIDUAL PERMISSIONS TO THESE IMAGES, THEY ARE MERELY A REFLECTION OF AN INTERNET SEARCH THAT RESPONDENTS UNDERTOOK AS PART OF A MARKET RESEARCH TASK AND MAY NOT BE REPRODUCED.

11 Appendices

11.1 Quantitative questionnaire



Client name:	CCW
Project name:	Affordability Research 2024
Job number:	9878
Methodology:	CATI
Version	V3.0

Notes on this document

- Instructions in CAPS are for computer programming
- Instructions in *italics* are for telephone interviewers
- **Bold** or underlined words are for emphasis within a question
- Different question types have different numbers:
 - Screener questions are labelled S01, S02, S03 etc.
 - Main survey questions are labelled Q01, Q02, Q03 etc.
 - Further demographic / classification questions are labelled C01, C02, C03 etc.
 - Number codes are included on each question for data processing purposes

Screener questions

S01.

Base: All respondents

When it comes to water bills for your household, which of the following best represents your current situation?

INT: READ OUT (INSERT INSTRUCTION IF TELEPHONE SCREENER)

SINGLE RESPONSE

Code	Answer list	Scripting notes	Routing
1	I have sole responsibility for paying the water bill		
2	I share responsibility for paying the water bill		
3	I am not the water bill payer		CLOSE
4	I am not the water bill payer – it is included as part of my rent		CLOSE
85	Don't know (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)		CLOSE
86	Prefer not to say (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)		CLOSE

S02.

Base: All respondents

Which area of the UK do you live?

INT: DO NOT READ OUT, CODE AS APPROPRIATE (INSERT INSTRUCTION IF TELEPHONE SCREENER)

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Northern Ireland		CLOSE
2	South West		
3	South East		

4	London		
5	East of England		
6	East Midlands		
7	West Midlands		
8	Wales		S02_1
9	Yorkshire		
10	North West		
11	North East		
12	Scotland		CLOSE
13	I live outside of the UK		CLOSE
86	Prefer not to say (DO NOT READ OUT)		CLOSE

S02_1

Base: All respondents who live in Wales (S02/8)

Who is your water company?

INT: DO NOT READ OUT (INSERT INSTRUCTION IF TELEPHONE SCREENER)

SINGLE RESPONSE

Code	Answer list	Scripting notes	Routing
1	Dŵr Cymru Cyfyngedig (Welsh Water)		
2	Hafren Dyfrydwy		
80	Other		CLOSE
85	Don't know		CLOSE
86	None of the above		CLOSE

S03

Base: All respondents

What is your postcode? This will be used for analysis purposes only and will not be shared with any 3rd parties.

Please enter your postcode in the standard format with a space – for example AB12 3CD.

If you are unsure of your full postcode, please write in as much of your postcode as possible ensuring that you put a space between the first part of the postcode and the second part.

DATA: OPEN RESPONSE. ENSURE A MINIMUM OF LOAD STANDARD POSTCODE LIST

Code	Answer list	Scripting notes	Routing
	INSERT POSTCODE		
86	Prefer not to say (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)	EXCLUSIVE	

S04.

Base: All respondents

What is your gender?

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Male		
2	Female		
3	I prefer to describe my gender identity in another way		
86	Prefer not to say		

S05.**Base: All respondents****What is your age?**

INT: PROMPT WITH BANDS, IF NECESSARY, CODE INTO BANDING PROVIDED - (INSERT INSTRUCTION IF TELEPHONE SCREENER)

SINGLE CODE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Less than 18		CLOSE
2	18-34		
3	35-44		
4	45-54		
5	55-74		
6	75+		
86	Prefer not to say (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)		CLOSE

S06.**Base: All respondents****Which of the following best describes the occupation of the chief income earner in your household?**

If you are retired, please could you indicate which of the following best describes the previous occupation of the chief income earner.

INT: READ OUT BOLD, USE PROMPTS IF NECESSARY - (INSERT INSTRUCTION IF TELEPHONE SCREENER)

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Higher managerial/professional (e.g. established doctor, solicitor, board director in large organisation)	A	
2	Intermediate managerial/ professional/ administrative (e.g. newly qualified doctor, solicitor, board director of small organisation, middle manager in large organisation,	B	

	principle officer in civil service/local government, etc.)		
3	Supervisory or clerical/junior managerial/junior professional/administrative (e.g. office worker, secretary, PA, foreman, salesperson, etc.)	C1	
4	Skilled manual worker (e.g. skilled bricklayer, builder, carpenter, plumber, painter, bus/ambulance driver, HGV driver, AA patrolman, pub/bar worker, etc.)	C2	
5	Semi and unskilled manual worker (e.g. manual worker, apprentice to skilled trades, caretaker, park-keeper, driver, shop assistant, etc.)	D	
6	None – student	C1	
7	None – housewife / househusband	E	
8	None – unemployed	E	
85	Don't know (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)		CLOSE
86	Prefer not to say (DO NOT READ OUT) - (INSERT INSTRUCTION IF TELEPHONE SCREENER)		CLOSE

S07.

Base: All respondents

How would you describe your ethnic background?

SINGLE CODE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Asian/British Asian (includes any Asian background, for example, Bangladeshi, Chinese, Indian, Pakistani)		
2	Black, African, Black British or Caribbean (includes any Black background)		

3	Mixed or multiple ethnic groups (includes any mixed background)		
4	White (includes any White background)		
80	Another ethnic group (<i>Please specify</i>)	OPEN	
86	Prefer not to say		

PAYING BILLS: MAIN TELEPHONE SURVEY

INFO: The next questions are about attitudes towards household bills.

Q01a.

Base: All respondents

Does your home have a water meter installed?

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
85	Don't know		

Q02.

Base: All respondents

Have you fallen behind on your water bill payments in the past 12 months?

SINGLE RESPONSE

Code	Answer list	Scripting notes	Routing
1	Yes		Q03
2	No		
86	Prefer to not to say		

Q03.**Base: All respondents who have fallen behind (Q02/1)****Did you fall behind on your water bill payments so that you can afford another household bill in the past 12 months?**

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
86	Prefer not to say		

Q04.**Base: All respondents with a water meter (Q01a/1)****In the past 12 months, have you cut back on essential water use because you were concerned about being able to afford your water bill?**

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Yes		Q04b
2	No		
86	Prefer not to say		

Q05.**Base: All respondents****In the past 12 months, have you reduced spending on necessities such as heating or food to ensure you could pay all your household bills, including your water bill?**

INT: READ OUT

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
86	Prefer not to say (DO NOT READ OUT)		

CONTACTING WATER COMPANY

INFO

Q06.

Base: All respondents

Thinking about your household bills in general, if you did fall behind paying your bills, or were struggling to pay your bills, how likely or unlikely would you be to contact each of the following to talk to them about this?

Please use a 1 – 5 scale, where 1 is extremely unlikely and 5 is extremely likely.

INT: READ OUT

SINGLE GRID, RANDOMISE

Code	Answer list	Scripting notes	Routing
1	Extremely unlikely		
2	Unlikely		
3	Neither likely nor unlikely		
4	Likely		
5	Extremely likely		
85	Don't know / not sure (DO NOT READ OUT)		
87	N/A I live rent free or with parents (DO NOT READ OUT)	SHOW FOR CODE 6 ONLY	

Code	Answer list	Scripting notes	Routing
1	Water company		
2	Energy provider (gas and electricity)		
4	Local councils		
5	Telecoms/Broadband provider		
6	Your mortgage provider or landlord		

Q07a.**Base: All respondents unlikely to contact their water company (Q06_1/1-2)****Are there any reasons you wouldn't contact your water company?**

MULTI RESPONSE, ORDERED

INT: DO READ OUT, CODE AS APPROPRIATE

Code	Answer list	Scripting notes	Routing
1	I would worry about potential consequences e.g. service disconnection		
2	I would feel embarrassed		
3	I don't think there is any support available/don't think they offer anything		
5	I'm not sure how to contact them, or who to contact		
80	Other (<i>please specify</i>)	OPEN	
85	Don't know / not sure	EXCLUSIVE	

Q07.**Base: All respondents****Would you expect your water company to be able, and willing, to provide practical help (including possibly reducing your bill) if you told them you were struggling to pay?**

INT: DO NOT READ OUT, CODE AS APPROPRIATE

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
85	Don't know (DO NOT READ OUT)		

DP NOTE: CALCULATE WATER BILL % (Q09) OF HOUSEHOLD INCOME (Q08)
IDENTIFYING PROPORTION OF >5%

Q08.**Base: All respondents**

Approximately, what is your net monthly household income, after housing costs (i.e. mortgage and rent). By net we mean take home pay after tax and other employer deductions. Please also take off any mortgage or rent payments.

INT SAY 'PLEASE FIT YOUR ANSWER INTO ONE OF THESE BANDS IF NEEDED'

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	0 - £500		
2	£501 - £1,000		
3	£1,001 - £1,500		
4	£1,501 - £2,000		
5	£2,001 - £2,500		
6	£2,501 - £3,000		
7	£3,001 - £3,500		
8	£3,501 - £4,000		
9	£4,001+		
85	Don't know		
86	Prefer not to say		

Q09.

Base: All respondents

Which of the following bands does your bill for water and sewerage services (in total, including water and sewerage charges) fall into each month? The monthly amounts assume that the bill is paid over a 12-month period, but some customers pay over a different number of months, fortnightly, weekly etc.

INT: IF RESPONDENT PAYS ANNUALLY, REFER TO YEARLY CONVERSIONS (DO NOT READ OUT)

SINGLE RESPONSE, ORDERED

Code	Answer list	Scripting notes	Routing
1	Up to £10 (<i>Up to £120 annually</i>)		
2	£11 - £20 (<i>£121 - £240</i>)		
3	£21 - £30 (<i>£241 - £360</i>)		
4	£31 - £40 (<i>£361 - £480</i>)		
5	£41 - £50 (<i>£481 - £600</i>)		
6	£51 - £60 (<i>£601 - £720</i>)		
7	£61 - £70 (<i>£721 - £840</i>)		
8	£71 - £80 (<i>£841 - £960</i>)		
9	£81 - £90 (<i>£961 - £1,080</i>)		
10	£91 - £100 (<i>£1,081 - £1,200</i>)		
11	Over £100 (<i>Over £1,200</i>)		
85	Don't know		
86	Prefer not to say		

DATA NOTE: PROGRAMME AN OUTCOME BASED ON THE FOLLOWING. Q8 (income) = downbreaks, Q9 (Water bill) = codes across:

		1	2	3	4	5	6	7	8	9	10	11
		Up to £10 (up to £120 annually)	£11-£20 (up to £121- £240)	£21-£30 (241-£360)	£31-£40 (£361-£480)	£41-£50 (£481-£600)	£51-£60 (£601-£720)	£61-£70 (£721-£840)	£71-£80 (£841-£960)	£81-£90 (£961- £1,080)	£91-£100 (£1,081- £1,200)	Over £100 (over £1,200)
1	0 – £500	3%	4%	6%	8%	11%	14%	16%	19%	21%	24%	29%
2	£501 – £1,000	1%	2%	3%	4%	6%	7%	9%	10%	11%	13%	15%
3	£1,001 – £1,500	1%	1%	2%	2%	4%	4%	5%	6%	7%	8%	9%
4	£1,501 – £2,000	1%	1%	1%	2%	3%	3%	4%	4%	5%	5%	7%
5	£2,001 – £2,500	0%	1%	1%	1%	2%	2%	3%	3%	4%	4%	5%
6	£2,501 – £3,000	0%	1%	1%	1%	2%	2%	2%	3%	3%	3%	4%
7	£3,001 – £3,500	0%	0%	1%	1%	1%	2%	2%	2%	3%	3%	4%
8	£3,501 – £4,000	0%	0%	1%	1%	1%	1%	2%	2%	2%	3%	3%
9	£4,001+	0%	0%	1%	1%	1%	1%	2%	2%	2%	2%	3%
85	Don't know	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
86	Prefer not to say	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

11.2 Qualitative pre-task

The following tasks were programmed using online qualitative research software (with a paper alternative offered to anyone who wanted that option).

Task 1

First of all, please tell us a little bit about yourself. We'd love to see some photos too! We'd like you to write a note about yourself and share at least 1 photo but feel free to share more with us.

Tell us about...

- How you spend your time
- Any family or pets at home with you
- Any hobbies and interests

Task 2

Please tell us a little bit about how you manage your money. How do you budget for your household bills?

Task 3:

What do you do if an unexpected bill comes in?

Task 4:

Take a photo or find one online that sums up how you feel about managing your money. Please share the photo with us and explain why you chose this photo.

Task 5:

Tell us how your finances have been affected by the cost-of-living crisis. Are there any things you do less of now compared to a couple of years ago?

Task 6:

Take or find a photo that sums up how you feel about the future, in terms of your financial situation. Please share with us at least one photo and explain why you chose this photo.

11.3 Qualitative sample overview

Criteria and detailed breakdown of the 40 x 1-hour in-depth interviews	
Geographical region (see further information on next page)	36 x England: Greater London x 4, South West (Devon/Cornwall) x 4, South West (not Devon/Cornwall) x 4, South East x 4, East of England x 4, Midlands x 2, North East x 4, North West x 5, Yorkshire x 5, Wales x 4 4 x Wales
Capacity to pay household bills ²⁴	12 x In arrears 20 x Struggling 8 x Making ends meet
Household composition	9 x 1 adult, no children 15 x 2 adults, no children 16 x minimum of 1 adult, 1 child
Life-stage	12 x Retired
Gender	15 x Male, 25 x Female
Ethnicity	11 x Ethnic minority groups
Language	3 x English as second language
Social Tariff	10 x on a Social tariff
Water meter	18 x unmetered 15 x inherited meter 3 x requested meter 4 x compulsorily metered
Disabilities	11 x have physical disabilities
Water bill spend	9 x 5% or more of income on water bill

²⁴ BASED ON CAPACITY TO PAY HOUSEHOLD BILLS IN GENERAL AS OPPOSED TO JUST THE WATER BILL. SEE NEXT PAGE AND SECTION 4.3 FOR MORE DETAIL.

11.4 Qualitative discussion guide

The following discussion guide was used in the in-depth interviews:

(I) Introduction	5 mins
Brief explanation of the purpose of the research	<p><i>Moderator to explain the nature of the research</i></p> <ul style="list-style-type: none">• I work for a company called DJS Research, we are an independent market research company and we are working on behalf of the Consumer Council for Water, which represents customers of water companies in England and Wales.• Thank you for completing the first part of the research, we now want to find out more about you and how you manage your money, as well as what you think about your water company and how they could better support customers who might need help paying their bills.• I am not going to ask you anything confidential about your finances and if there is anything you do not wish to answer just tell me and we will move on. <p><i>Moderator to reassure respondents about confidentiality / GDPR compliance / MRS Code of Conduct</i></p> <ul style="list-style-type: none">• Feedback will be summarised into a report along with other research, but this will not include names/specific details of who we have spoken to• There are no right and wrong answers; we are just interested in your views, opinions and ideas.• The interview will automatically be recorded today (video and audio).• We may use anonymised quotes in our report to illustrate the research findings for our client and these quotes may appear on the CCW website. However, these quotes will not be attributed to you personally.• We would like to use short video clips in our internal report to the client to help illustrate the research findings (this may be from your pre-task or today's interviews). We will only use video clips if you are happy for us to do so, and these will ONLY be shared with CCW internally.• The video file of today's session will be held securely on our server and deleted six months after the project is completed.• Our qualitative research platform has AI integrated which at the end of the interview generates an automated transcript for us and

	<p>automated data processing techniques, for example creating a summary of the discussion.</p> <ul style="list-style-type: none"> • The data is held securely on the site and once we have completed the project, we export everything and remove the project from our qualitative research platform completely. • Telephone/F2F depths <ul style="list-style-type: none"> • The interview will be audio recorded today. • Feedback will be summarised into a report along with other research, we won't pass names/specific details of who said what to our client. • We may use anonymised quotes in our report to illustrate the research findings and these may be shared via the CCW website, but any quotes used will not be attributed to you personally. • At the end of the interview, we'd like to capture a summary on video of you sharing your thoughts and experiences, but there's no pressure to do this if you're not comfortable. This would be to use in our internal report to the client to help illustrate the research findings. We will only use video clips if you are happy for us to do so, and these will ONLY be shared with CCW internally. • I will ask you at the end about how you feel about us including any photos/videos that you uploaded – it is entirely up to you if you want to give us permission for this or not.
<p>Introductions</p>	<p><i>Moderator to invite respondent to briefly introduce themselves, building on what they have already said in Task 1 of the Pre-task...</i></p> <ul style="list-style-type: none"> • Family/pets/who you live with • Age • Any hobbies and interests • Tell me a bit more about the area where you live, what do you like or dislike about it? Why? • How do you spend your time? (Probe if retired, what did they used to do?) • What, if anything, keeps you awake at night?

Me and Money

Moderator to continue to refer back to the pre-task, asking for more details about any photos they uploaded etc.

- How would you describe yourself when it comes to managing money?
 - Has that changed over time? In what ways?
- PROBE ON TASK 4 OF PRE-TASK i.e. you uploaded a photo of 'x' when we asked you to sum up how you feel about managing money, can you tell me a bit more about why you chose that photo?
- PROBE ON TASK 6 OF PRE-TASK i.e. we then asked you to think about the future in terms of your financial situation and you uploaded a photo of 'x' - can you tell me a bit more about why you chose that photo?
 - How do you feel about the future? (*Moderator to try to keep this upbeat, but will be led by respondent's pre-task*)
 - Explore if/how their 'future' photo is different to their current situation – why is that? What is going to happen between now and then?
 - Probe on any anxieties/worries – what is causing this? Or if they are feeling optimistic – what's behind that?

Budgeting

- How (if at all) do you tend to manage your money? *Probe for as much detail as possible e.g.*
 - Do you budget daily? Weekly? Monthly?
 - Use of bank account(s), cash, credit cards, savings, loans, any other things e.g. Credit Union
 - How do you generally use the accounts - Online, face-to-face or telephone
 - Do you receive any benefits e.g. Housing Benefit, Universal Credit – if so, what difference does that make?
- Where do household bills fit into this (e.g. water, electricity etc), how do you budget for those?
 - *Probe for any differences between water vs. other household bills*
- How do you pay your household bills? *Specifically cover off water, gas and electricity:*
 - Direct Debit, Post Office, cheque, online, other?
 - Why do you choose to do it that way?

<p>Cost of living</p>	<p><i>If not already covered above, specifically explore...</i></p> <ul style="list-style-type: none"> • In what ways (if any) has the cost of living crisis affected your financial situation? • PROBE ON TASK 5 OF THE PRE-TASK <ul style="list-style-type: none"> • Have you noticed any changes in your ability to afford essential items like groceries or utilities? • What adjustments have you had to make in your spending habits due to the rising cost of living? • How does this impact on your quality of life? Are there any difficult choices which have to be made when it comes to choosing what you spend your money on? • Which bills do you prioritise and why? • Which bills are you more likely to seek support for when it becomes a struggle to cover all bills? • If you don't seek support for the water bill, why not?
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(III) Water company deep dive	30-35 mins
<p>Relationship/ Perceptions</p>	<p><i>This section will explore current perceptions/relationship with water company. Even if respondent does not know name of water company, we will try to cover as much of the following as possible</i></p> <ul style="list-style-type: none"> • Do you know who your water company is? If so, who? • How would you describe your relationship with them: <ul style="list-style-type: none"> • What do you know about them? • How often do you have contact with them? • What sort of contact/interaction do you have? • What are they like when you do contact them? Or if not had to make contact, what would you expect them to be like? • Sum up your relationship with them in 3 words • PERSONIFICATION EXERCISE: Imagine your water company was a person, what sort of person would they be? How would they talk/act? <ul style="list-style-type: none"> • Is there a famous person or character they would be like? • I'm going to read out some pairs of words and I want you to pick the one that most closely sums up how you feel about your water company <ol style="list-style-type: none"> 1. Close relationship or Distant relationship

	<ul style="list-style-type: none"> 2. Friendly or Unfriendly 3. Helpful or Unhelpful • How is your relationship with your water company the same or different to other companies you deal with such as gas, electricity, TV/internet? • How do you usually receive your water bill (e.g. through the post, online)? • What do you do with the water bill when it arrives – do you read it in full, or just check the amount? <i>Try to ascertain if they ever read detail (on the back potentially), for example about support that might be available</i>
<p>Cost of living crisis</p>	<ul style="list-style-type: none"> • Has your water company been in touch/made any changes for you specifically as a result of the cost of living crisis? (FOCUS ON PAYING BILLS, NOT WATER SUPPLY ETC) • If so, explore fully • If not, would you have expected them to do something? What would you have liked them to have done? <i>Particularly probe on this if respondent has already said they are financially worse off because of the cost of living crisis.</i> • Is the onus on the customer or the water company? • Have any other companies you deal with been in touch (e.g. gas, electricity, internet etc)? • If so, what have they done? • If not, would you have expected them to do something? • Have you got in touch with your water company as a result of the cost of living crisis or struggling to afford your bills? If so, explore fully: <ul style="list-style-type: none"> • Why did you make contact? • How did you make contact? • How did they respond/what was the outcome? • Have you been in touch with other companies about other bills? If so, explore.
<p>Support</p>	<ul style="list-style-type: none"> • If you felt you needed help/support with paying your water bills (due to the cost of living crisis or otherwise), what would you do? • Where would you look for information? Why • Who, if anyone, would you speak to? Why • If they wouldn't do anything – explore reasons e.g. unsure who to contact? Unsure if support is available?

	<ul style="list-style-type: none"> • Would you speak to any of the following: <ul style="list-style-type: none"> • Water company • Debt advice charity (which one?) • Citizens Advice • Consumer Council for Water • <i>For each of the above explore reasons why would or would not contact</i> • Imagine that you needed help/support - is there anything that would put you off from making contact with your water company? <ul style="list-style-type: none"> • Is there anything you might be worried about? Why? <p>MODERATOR TO FULLY EXPLORE ANY BARRIERS TO ACCESSING SUPPORT, INCLUDING THE SPECIFIC VIEWS OF PEOPLE WHO SPEAK ENGLISH AS A SECOND LANGUAGE</p> <ul style="list-style-type: none"> • Have you ever looked at ways to reduce your bills? If so, what? • Has your water company ever given you advice about how to reduce your bills? If so, what? • Explore use of/perceptions of water meters
<p>Social tariffs</p>	<p><i>If not already discussed above spontaneously, cover social tariffs...</i></p> <ul style="list-style-type: none"> • Do you know if your water company offers any help for people on lower incomes to pay their water bill? This could be capping water bills or offering a discount <ul style="list-style-type: none"> • If yes – how did you find out about this? • Is it something you receive? Why/why not • What do you know about it? • How do you feel about it? • If no – would you be surprised if you found out this is something they offer? • Would it be something you would find useful? Why/why not? • What would be the best way to make your household aware of this? • ASK THOSE ON A SOCIAL TARIFF: <ul style="list-style-type: none"> • Do you know the name of the scheme? • What kind of support do you receive – explain it in your own words to someone who has never heard of it • How did you find out about it e.g. flyer in your bill, online, letter etc?

	<ul style="list-style-type: none"> • Did you approach the water company or did they approach you? • How easy/difficult was the application process? If difficult – what would have made it better? • How helpful was the water company in guiding you through the process? • How easy/difficult was the information to understand? If difficult – what would have made it better? • How long have you used the scheme? • What difference does it make to you/your household? Does it make enough of a difference for your household, if not what would/how could it be improved? • If you could change anything else about it, what would that be?
<p>Other help available</p>	<p><i>MODERATOR TO REFER TO LIST IN APPENDIX</i></p> <p>I'm going to show you/read out some of the different ways in which companies such as water companies can help people who for whatever reason might be struggling to pay their household bills. For each one I want you to tell me...</p> <p><i>Moderator to go through each of the different types of help available one at a time</i></p> <ul style="list-style-type: none"> • Is this something you have ever personally experienced with any company? If so, please tell me about it • Regardless if used or not, how do you feel about this as a way of helping people who might be struggling with their bills? Why? • WHEN ALL COVERED: Do any of these stand out as being a particularly good way to help people, for any reason? Why?

(IV) Future improvements		5-10 mins
<p>Future improvements</p>	<ul style="list-style-type: none"> • What is the best way to let everyone know how they can get help with their water bills? <ul style="list-style-type: none"> • Who/which organisations would be best to do this? Why? • What sort of places do you go regularly or use to find out information? (<i>Moderator note: doesn't just have to be water company, could be GP surgery, Post Office, food bank etc</i>) • How should they tell people? • How would you prefer your water company to contact you/tell you about the type of help and support they can offer? 	

	<ul style="list-style-type: none"> • What could/should they be doing differently to let people know? • If you were in charge at the water company, what would you do to help people on low incomes who might be struggling to pay their water bills? • <i>Probe for as many ideas as possible – open to all suggestions</i> • Is there anything that water companies could learn from other service/utility companies (e.g. gas, electricity etc) in terms of how they help their customers with bills? • Is there anything that your water company is better at than other companies in the way they help people on low incomes, that they could learn from?
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(V) Summary		5 mins
Re-cap	<p><i>MODERATOR TO INTRODUCE RE-CAP (AND ASK TO VIDEO RECORD IF VIA F2F)</i></p> <p>To round off the interview, we'd like to ask if you would be willing for us to film a quick re-cap video of your feelings and relationship with money and your water company.</p> <p>This will just be used to help CCW see/hear from customers but will not be used externally/ in the public in any way.</p> <p><i>Moderator to stress there is no obligation/pressure for them to agree to this element.</i></p> <p>[Confirm consent]</p> <ul style="list-style-type: none"> • Briefly re-cap how you would summarise your relationship with money and the impact of the cost-of-living crisis • Re-cap how you would summarise your relationship with your water company and why • One piece of advice to your water company in terms of helping people on lower incomes 	
Permissions	<ul style="list-style-type: none"> • We will be writing two reports for the Consumer Council for Water based on our research, one which is just for their internal use and one which will be published on their website. To reassure you, we will not be publishing your name or any personal details about you. If we include any of your comments from today or the pre-task it will be anonymous so nobody would be able to tell who said what. <ol style="list-style-type: none"> 1. PHOTO CONSENT (A): Would you be happy for us to include the photographs you uploaded to the pre-task in: 	

- A) the internal report: Yes/No
- B) the published report: Yes/No

Moderator to stress there is no obligation/pressure for them to agree to this element. If there are certain photos they are happy to share but not others (e.g. of their family) then please check this and keep a record.

2. PHOTO CONSENT (B)

If they agree, check if these are photographs taken by them or were found online

3. PERMISSION TO USE VIDEO CLIPS FOR CCW INTERNAL PRESENTATION

We may share clips of audio or video with our client the Consumer Council for Water but they would not be made public in any way.

If you would prefer that your audio/video is not used that is completely.

Would you be happy for some of your audio/video clips to be shared with the Consumer Council for Water? Yes/No

4. PERMISSION TO RE-CONTACT

Following the research, there may be further opportunities to take part in additional research tasks or interviews relating to this project. Would you be interested in hearing about this? Please note: this would mean allowing our researchers to get back in touch with you after your interview.

You can change your mind about this at any time. Yes/No

5. Finally, would you be interested in seeing the report when it is published? *If so – confirm email address and we will email them a link when it is ready.*

Support initiatives explored:

Financial Hardship Funds

These make awards of company funds to help customers facing financial crisis.

Debt Support Schemes

Where customers maintain regular payments against a debt, the company will match those payments, usually with an equal payment or in some cases, more than equal.

Payment Breaks

A facility to allow customers to defer payments by agreement to help them manage short-term financial stress.

Benefit Entitlement Check

Supporting customers by helping them identify if they are claiming all the benefits to which they are entitled.

Water Efficiency Home Audits

Visit to customers' homes to help them identify how to save water and therefore reduce metered bills.

Lowest Bill Guarantee

Schemes that allow customers to switch to a meter without risk, as the company guarantees it won't ask the customer to pay any more than if the meter had not been installed.

Money/Debt Advice Referral Arrangements

Companies have arrangements with advice agencies to transfer customers to them, in order that they can help them address their overall financial circumstances.



The voice for water consumers
Llais defnyddwyr dŵr

23 Stephenson Street,
Birmingham, B2 4BH

Ccw.org.uk

Follow us: **@CCWvoice**



Research conducted by DJS Research.

For more information about this research please contact:

Sharon Nichols, Research Director
snichols@djsresearch.com

Helen Menzies, Research Director
hmenzies@djsresearch.com

Amy Greenwood, Senior Research Manager
agreenwood@djsresearch.com

Saffron Goodwin, Senior Research Executive
sgoodwin@djsresearch.com

Head office: 3 Pavilion Lane, Strines, Stockport, Cheshire, SK6 7GH

Leeds office: Regus, Office 18.09, 67 Albion Street, Pinnacle, 15th–18th Floors,
Leeds, LS1 5AA

+44 (0)1663 767 857 | www.djsresearch.co.uk