



# Water consumer engagement and accountability

## Report: Part Two Accountability

Blue Marble Research

2025

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## 1. Foreword



We have seen in recent years that people's trust in the water industry has fallen. Media stories of operational failings, like storm overflows and supply incidents, high bills and corporate failings have contributed to raising the profile of the industry for the wrong reasons.

This has led to increasing calls for greater scrutiny of companies, for them to be better held to account, and for consumers to play a more direct part in doing this. The government has responded to these calls through the Water (Special Measures) Act.

This part of our joint research project with Ofwat has explored people's views of what holding companies to account means for them. We looked at what people want to hold companies to account about and how they want to do this.

The findings of the research will inform CCW's work to help deliver the government's plans to give consumers a greater voice in holding companies to account, which we are doing through the development of Consumer Panels.

**Jenny Suggate**  
**Head of Policy Delivery, CCW**



Public interest in the water industry has never been higher. Low levels of trust, alongside public concerns over company performance and rising bills, has resulted in a significant shift in consumer demands for company accountability.

This research is a significant step towards understanding consumers' views on their relationship with water companies and the role they would like to play in holding them to account. The findings highlight how much people value transparency, empowerment, feedback and meaningful engagement. Consumers have expressed a clear desire for mechanisms that will allow them to hold water companies accountable, ensuring that their voices are heard and their concerns addressed.

Consumers believe that water companies have not always been open and honest about service failures or areas for improvement. The sector has a significant challenge to rebuild trust with the public. This can only be achieved through a step change in how companies engage with their customers; fostering a culture of honesty and transparency.

The findings of this report will play an important role in informing our future approach to the way in which companies involve and seek feedback from their customers; enabling them to better hold the company to account.

I would like to extend my gratitude to all the participants and contributors to this research: your insights and perspectives will contribute directly to shaping a more accountable and consumer-focused water industry.

**Lynn Parker**  
**Senior Director, Casework, Enforcement and Customers**

## 2. Introduction

### 2.1. Research context

Water and sewerage companies in England and Wales are regional monopolies, where consumers cannot choose their suppliers, but most non-household customers can choose their retailers (who bill them and provide customer service and support). Companies are overseen by organisations like Ofwat, CCW, the Drinking Water Inspectorate and Environment Agency to ensure that they meet obligations and deliver value.

Public scrutiny on the water industry is increasing and trust in companies has fallen, following media interest about issues including sewage management and rising bills. The regulatory context is changing too, with increasing focus on transforming water company performance through new standards, and the passing of the Water (Special Measures) Act<sup>1</sup>, to make sure water companies are better held to account. See appendix for full research context detail.

### 2.2. Objectives & scope

CCW and Ofwat commissioned this research project in 2024 following the conclusion of the 2024 Price Review (PR24) business planning process for 2025-2030, and the Government announcement of the Water Special Measures Bill.

**The objectives for this research fall into two key areas:**

- **Consumer research and engagement:** how can water companies make sure that the research and engagement they do with consumers about their services is most effective (for both 'everyday services' and 'business planning')?
- **Accountability:** how do consumers want to be involved in holding companies to account?

A key output for this project is a set of consumer-driven principles (guidelines) conveying key findings that answer these objectives.

Findings from the research have been split into two reports:

1. Part One: [Consumer research and engagement](#)
2. **Part Two: Accountability – this report**





**We recommend reading both reports** to get a full picture of the research findings and to understand how participant views evolved over the deliberative process.

### 2.3. Method

See [appendices](#) for full methodology.

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<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2025/5/contents>

<p><b>Our deliberative approach gave participants time to build their knowledge, question and deliberate, before making recommendations.</b></p> <p>This enabled them to move beyond top-of-mind responses and explore different perspectives with a citizen mindset.</p>	 <p><b>110 people across England and Wales took part</b>, including people with experience of research participation and of incidents related to their water supply.</p>
 <p><b>Citizen panel</b></p> <ul style="list-style-type: none"> <li>• 70 customers and future customers</li> <li>• A multi-stage deliberative process: ~8.5 and 10 hours</li> </ul>	 <p><b>Non-household customers</b></p> <ul style="list-style-type: none"> <li>• 20 customers</li> <li>• 60 min online interviews</li> </ul>
 <p><b>Customers who need extra help</b></p> <ul style="list-style-type: none"> <li>• 20 customers</li> <li>• 90 min in-person interviews</li> </ul>	<p><b>Advisory Group:</b> to give input on design and on emerging findings. See appendices for meeting notes. Emerging findings were also shared with Water UK (the trade association for the water industry).</p>

The multi-stage deliberative 'Citizen Panel' was complemented by interviews with household consumers who need extra help and non-household customers.



## Report 2: Research questions

**Scope:** What does 'holding companies accountable' mean to consumers? How important is this to consumers? What issues do consumers want to hold water companies accountable for?

**Method:** At a 'principles' level, what approach would work best to enable different audiences to hold companies accountable?

- Who should participate? Which approaches would work for different audiences?
- What do consumers need to know to hold water companies accountable effectively? How to make this information accessible?
- What aspects of a consumer accountability model would give consumers an effective way to hold companies accountable?
- Who do consumers trust to hold companies accountable if it is not consumers directly?

**Outcomes:** What kind of outcomes do consumers want from holding companies accountable? How should the outcomes of accountability be demonstrated and communicated to consumers?

## 3. Key findings

**Consumers are willing to intervene directly to hold water companies to account, due to dissatisfaction.** In the context of low trust, perceived poor performance and

rising bills, consumers see a role for the public to effect change in the water sector monopoly system by taking part in a new consumer accountability mechanism.

**Consumers believe that a new consumer accountability mechanism is important;** at the heart of this is recognition of a power imbalance with water companies, who, as monopoly providers, are not seen as motivated to prioritise customers.

**Consumers want to hold companies accountable where they perform poorly and have the greatest direct impact on the public or environment.** Consumers focus on the 'big issues', feeling strongly about topics where companies are perceived to be cutting corners or misleading the public; including supply incidents, water quality, and storm overflows. They are interested in how income from bills is being used.

**There is scepticism about how consumer accountability will work in practice.** In general, consumer accountability means ensuring companies keep their promises, are customer-centric, transparent about their operations and performance, and take responsibility for, then resolve, any mistakes. Consumers initially think of individual ways they could hold water companies to account: by making a complaint, giving feedback, or withholding payment. However, few have done so.

**Most support the idea of a 'consumer group' in principle as a collective way to 'give them a voice' and direct involvement in accountability.** A 'consumer group' was presented as a neutral concept to explore principles for any new mechanism.

**Consumers want any mechanism to be independent, made up of a wide range of consumers, and sufficiently empowered.** Members should act on consumers' behalf using customer insight and their own experience. Suggested necessary powers included: requiring senior staff to attend, provide information and answer questions; evaluating proposed solutions.

**Any new mechanism should be supported (but not led by) independent experts** and accessible and neutral information. Consumers recognise experts have a key role in helping members to effectively hold companies to account on complex and unfamiliar parts of their operation. Non-household customers and Future & Young customers are more supportive of delegating some tasks to experts or other parties.

There is a **tension between inclusivity and a desire for consumers with certain experience, skills, or characteristics** - such as in representing others or having confidence to scrutinise. This results in mixed views on how members should be selected (with support for both nomination and selection reflecting the tension between consumers' desire for a more informed/skilled vs. representative body).






**Consumers want evidence of the outcomes of accountability to be disseminated directly to all consumers.** Desired outcomes include; transparency from companies about their performance, including financial matters, acknowledgement that the public see current performance as not good enough, evidence any group is being listened to, progress updates (verified by trusted third parties), and punitive measures to encourage companies to act. Non-households want a higher profile for the retail market and compensation for lost business during incidents.



## 4. Principles for consumers holding water companies to account

This research set out to develop principles for involving consumers in accountability. These principles were developed with, and reflect the views of, consumers who took part in this research. See appendices for method note 5.

### Principles for consumers holding water companies to account:

 <b>Honest &amp; transparent</b>	<ul style="list-style-type: none"> <li>• Companies demonstrably taking responsibility for poor performance.</li> <li>• Being transparent through communications and senior staff engagement.</li> </ul>
 <b>Empowering consumers</b>	<ul style="list-style-type: none"> <li>• Groups that have powers to set the agenda and review plans, with wider consumer consultation too.</li> <li>• Power to reject proposals and recommend sanctions are triggered (that affect senior company employees or shareholders, not consumers and services) where companies have not acted.</li> </ul>
 <b>Realistic and measurable</b>	<ul style="list-style-type: none"> <li>• Setting standards and metrics that can be tracked and verified and easily understood.</li> <li>• Using timeframes to ensure progress.</li> </ul>
 <b>Well-informed and supported</b>	<ul style="list-style-type: none"> <li>• Clear, accurate information to enable consumers to make meaningful assessments.</li> <li>• Supported by expert voices and a liaison role to facilitate the company and group interactions.</li> </ul>
 <b>Representative, unbiased and confident</b>	<ul style="list-style-type: none"> <li>• Groups that represent all parts of the population, through inclusion or representation.</li> <li>• Involving people who bring relevant experience, skills and attitudes to draw on.</li> </ul>

## Honest & transparent



### Honest and transparent: Why is this important to consumers?

In a climate of low levels of trust and media reports of poor performance, consumers believe that water companies have not always been open and honest about their performance. People see honesty and transparency as the fundamental starting point to enable consumers to hold companies to account.

Consumers want their water company to take responsibility for service failures or areas of weakness (for example, acting on consumer complaints). Consumers need a full understanding of issues, without any 'cover-up' of the nature and scale of the problem, to see what needs to change. Thus, honesty and transparency are seen as the key first step to water industry issues being acted on and resolved.

"If a company is open and transparent, everything else can fall into place."

Male, 35-44, Citizen Panel, England

"There's information that we need to know about, it might upset us, but we need to know as a consumer [so] we can use it."

Male, 35-44, Citizen Panel, England

"Taking responsibility for mistakes is huge in my opinion...admitting that one has gotten something wrong is a very powerful foundation for change."

Male, 65+, Citizen Panel, Wales

### Honest and transparent: How do consumers see this working?

- Companies would own up to any environmental harms caused by their actions (and would never be found embellishing credentials or 'greenwashing', or using vague, evasive language to try to avoid blame).
- Senior staff who are visible in local communities, putting a face to the company by attending consumer accountability meetings; or leading 'ask me anything' events in community venues.
- Information around mechanisms for accountability is available for all consumers to see, such as publishing minutes from any meetings.

"[They should] say, yes, we have got a problem, this is what we've done, this is what it's caused [by], this is what we plan to do in future."

Female, 55-64, Citizen Panel, England

"Once you have people turning up from water companies to events...you might see some movement of the dial. When it's all fobbed off by email and sitting in the call queue, it doesn't feel genuine."

Male, 25-34, Citizen Panel, England

"If [senior staff] don't attend a meeting, they're only getting the information second hand, and I think it's important they're there to hear it in the flesh."

Female, 55-64, Citizen Panel, England



## Empowering consumers



### Empowering consumers: Why is this important to consumers?

Consumers value the idea of the public having a voice in decision-making processes and believe public input can lead to tangible changes. As bill payers, they feel customers should have some input into company scrutiny, especially as many are dissatisfied with the status quo of perceived poor performance.

In a challenging cost of living context, experience of being a bill payer and experiencing bill increases, drives dissatisfaction with the water industry. Future and young customers were less passionate about being directly involved in accountability, and happier for experts and the Government to play a larger role in holding companies to account, compared to bill payers. More detail about future and young customer views is given in section 6.

Consumers were sceptical that water companies would voluntarily take responsibility for their mistakes and fix them without oversight. Current accountability measures did not seem strong enough to make them do so. Without sufficient power and autonomy, any consumer group would be unable to change this.

"[Consumer groups] would be pointless...if the water companies could decide what we spoke about. They'd choose to avoid difficult topics."

*Male, 35-44, Citizen Panel, England*

" [The consumer group has] got to have some sort of power."

*Male, 25-34, Citizen Panel, Wales*

### Empowering consumers: How do consumers see this working?

- Companies would have to listen to and act on consumer concerns within set time frames, enforced for instance via guidelines or legislation.
- Overall, consumers trust other consumers to take part in accountability on behalf of the wider consumer base. They thought that participants should represent the public based on their own experiences and acting on consumer feedback, rather than having direct contact with the public on every issue. Wider consumers could have a voice by feeding in or nominating representatives, for example.
- Consumers involved in accountability should have the power to call meetings, set agendas, summon company executives, accept or reject proposals, and challenge performance. This would include being able to say a company's proposed solution to a problem is unacceptable.
- Empowerment would also include ensuring companies are sanctioned for not acting on commitments, poor performance or mismanagement. After deliberation they recognised this may not be a suitable power for any group, nonetheless, they would want to be able to make recommendations in this area. They want consequences to affect those responsible in companies and not impact on consumers. Most assumed that the current penalty system impacts consumers because companies would increase consumer bills to make up the shortfall or invest less money into improving everyday services.

"[I'd like to see] quarterly- or half-yearly meetings, promises to be met, targets to be achieved. That would obviously bring about accountability."

Female, 65+, Citizen Panel, England

"It's very much like a union meeting. You could have a civil panel union that holds the water company to account."

Male, 35-44, Citizen Panel, England

## Realistic and measurable



### Realistic and measurable: Why is this important to consumers?

Setting realistic goals for companies to be held accountable on builds trust that real change will come from the process of accountability. Having measurable, time-bound goals ensures that companies are held to standards that can be tracked and verified.

"I would want to know what measurable goals are being undertaken in order that there is measured accountability."

Female, 55-64, Citizen Panel, England

"There has to be a range of criteria that needs to be met, and it's been seen that it's been done."

Female, 65+, Citizen Panel, England

### Realistic and measurable: How do consumers see this working?

- Consumer demands must be reasonable and realistic. Participants understood that any new collective mechanism should not set unreasonable demands, nor should the power of participating be abused by asking for unreasonable levels of service.
- Commitments and progress should be measurable, time-bound, and easy to understand which could be supported by publishing yearly objectives and a road map for achieving them, together with frequent progress updates.

"They can do a newsletter for your local area or your region and say what they've done each month to tackle issues people have brought up."

Female, 55-64, Citizen Panel, England

"I put down SMART targets ... which was an acronym ... specific, measurable, achievable, relevant and time bound."

Female, 65+, Citizen Panel, England



## Well-informed and supported

### Well-informed and supported: Why is this important to consumers?

Being well-informed relates to how consumers want their representatives taking part in accountability to be briefed. They envisage this will necessitate pre-read information before meetings and support from subject experts on complex topics. It also relates to how companies keep the wider population informed. Consumers want companies to take responsibility for this, with proactive communication.

Whatever the subject being communicated, consumers want companies to ensure that communications are consumer-friendly and accessible to everyone.

This principle will be pertinent in different ways, depending on the eventual make-up of any accountability mechanism and the role of experts etc. Support to understand complex information will be particularly important for people with no prior knowledge of water company practices, or for people with no prior experience of advocacy or the scrutiny of companies and their practices. Support may also be required for a range of needs relating to the practicalities of participating, including providing information in formats suited to individual circumstances and different abilities.

"If we've got a meeting coming up, we want to make sure that, at that meeting, we're well-informed, [as well as] pre-informed."

Male, 18-24, Citizen Panel, England

"I think there should be a subject matter expert that can answer any questions."

Male, 25-34, Citizen Panel, Wales

### Well-informed and supported: How do consumers see this working?

- Clear, accurate information about company plans and actions should be easily available to wider consumers and participants in any new mechanism. Consumers see it as the company's responsibility to proactively disseminate information, rather than them having to seek it out.
- Companies should provide timely updates on the progress towards goals, not just to participants but also to the general consumer body. For example, a regular newsletter, presenting actions in a 'you said, we did' type format.
- Participants should be supported by and work with experts, particularly in complex areas like finance. This will mean either including experts in any new consumer accountability mechanism, or having complex topics presented by experts in a concise, accessible way, with the opportunity to ask questions.

"Having people that are [regularly] going...and then if there's topics that people are really passionate or knowledgeable about, they could attend."

Female, 18-24, Citizen Panel, Wales

"Consumers like us, non-experts, we need support, we need information, we need training to be able to engage in a meaningful way, so that we know what we're talking about."

Female, 45-54, Citizen Panel, England



## Representative, unbiased and confident

### Representative, unbiased, and confident: Why is this important to consumers?

There was no clear consensus emerging from this research on how members taking part in an accountability mechanism should be selected, but the three above characteristics for members, were a point of agreement.

Consumers believe that broad representation across demographic groups, with different experiences and attitudes, is crucial for inclusive decision making and addressing the needs of all consumers.

Consumers want representatives who care about the issues and who are confident enough to challenge companies' practices. It is important to consumers that all parts of society are represented, including more marginalised voices, either through wider consumer consultation, specific panels, or being advocated for.

If a consumer group format is used, some envisaged there would be one consumer group per water company; others preferred groups for regional areas to give more localised representation.

"It would need a chair or someone in charge that is not from the company, just to make sure that all voices are heard, and it's independently run with information made available for both parties."

Male, 35-44, Citizen Panel, England

"It should be a mix of all people. Ensuring that it's not all the ones that can afford anything...making sure that everybody's accounted for."

Female, 35-44, Citizen Panel, Wales

### Representative, unbiased, and confident: How do consumers see this working?

- Any format should include diverse consumers, broadly representative of the public. This means ensuring consumers with vulnerabilities are represented.
- Participants must be screened for vested interests, such as financial interests or connections with water companies, and be genuinely committed to the issues.
- Participants should be trained and trusted to consider the citizen view, and to reflect broad local opinions, including those affected by service failures.
- Mixed views emerged about convening people reflective of the population at large, versus a selection of people more willing and able to engage on complex topics, or community experts and established and trusted local figures.
- Members must be confident in advocating for consumers, which might involve having a liaison or trusted intermediary who would be comfortable in a boardroom setting and assertive enough to challenge decisions.

"If you're going to have a representative body, it should be by people who really do want to represent their local community or customer base."

Male, 45-54, Citizen Panel, England

## 5. Findings: consumer involvement in water company accountability

### 5.1. Consumer context

The research fieldwork took place during December 2024 and January 2025. At the time, consumer confidence was declining, many millions of households were continuing to feel the cost-of-living squeeze, and the business community was taking stock of the first budget of the new Government. We incorporated pre-task exercises and introductory conversations to establish a snapshot of baseline views, attitudes and circumstances of this sample. We also sought spontaneous understanding and ideas about accountability. Notes on analysis and reporting can be found in the appendices. [See appendices for method note 4.](#)

**While people had heard of their water company, most did not know anything about them.** Direct interaction with companies was very low with only around 1 in 10 of this sample having contacted their company or recently experienced works in their home or street.

**Most people did not think about the work their water company does day-to-day,** the long-term planning they do, or the decisions they make – unless something goes wrong with the services they provide. They recognised their water company's primary functions as ensuring a clean, safe and reliable water supply (including fixing leaks and maintaining infrastructure) and (to a lesser extent but rising up the agenda due to media attention) managing wastewater and sewage.

**Dissatisfaction with the water industry was widespread.** People described the water industry as 'inefficient', 'ineffective', 'failing to live up to the standards', and 'not doing enough'. This dissatisfaction extended to consumer views on their local water company:

- Service quality and performance were described in emotive language like 'inadequate', 'rubbish', and 'appalling'. Concerns about environmental impact were also frequently mentioned (related mainly to storm overflows). To note, the sample did include people with experience of incidents, which may have increased prevalence of dissatisfaction.
- High bill costs and financial management were a common complaint, with many participants using words like 'expensive' and 'rip off' to describe the industry/their own companies.

However, respondents also gave neutral responses like 'not sure' or 'don't know' reflecting low engagement with the sector day-to-day.

**While a majority were concerned about climate change, most were trying to make a difference without spending too much time or money to reduce their environmental impact.** We see this pattern across wider research, where consumers' self-reported level of concern about climate change does not correspond with their level of effort to adopt positive environmental behaviours.

**Most consumers (in this research) did not see using less water as a pro-environmental behaviour.** Consumers demonstrated low awareness of the water resource challenges the UK faces now and in the future, and low levels of understanding of how personal behaviours relate to meeting these challenges. Throughout the research, consumers were more aware of and concerned about the environmental impacts of companies through issues such as storm overflows.

**Consumers have a low awareness of how the water industry is currently held to account.** They expected that companies are accountable to customers, regulatory bodies like Ofwat, and central government. Other bodies, such as local government, shareholders or internal policies, were less top of mind.

Other than awareness of Ofwat's powers to fine underperforming companies (generally felt to be insufficiently motivating to get water companies to improve), consumers struggled to describe how exactly companies are held to account in practice. There was widespread consensus that current water company performance, particularly in relation to storm overflows, demonstrates that **current accountability mechanisms are not working well enough and need to be changed.**

"Not really sure, because they get away with murder at the moment."

*Female, 65+, Citizen Panel, England*

"[Held to account] by regulators, but the fines are not working."

*Male, 18-24, Citizen Panel, England*

Consumers were sceptical about their power to influence water companies as they do not have the option to leave their current supplier. The most tangible ways to have a say were seen to be individual actions such as making a complaint, and, to a lesser extent, participating in research.

"[They are held accountable] through complaints, enquiries, market research."

*Male, 55-64, Citizen Panel, England*

However, low levels of trust meant many were also sceptical about whether companies do, or are compelled to, act on consumer feedback, and that it was probably a waste of time to provide it. The sense of disempowerment led some to consider the idea of withholding bills, although no one in this sample had done so.

"If they don't perform as they should - and they should report on it, every quarter - we should be perfectly within our rights to withhold agreed percentages of the bill. It's a monopoly, we can't take our business elsewhere."

*Female, 55-64, Citizen Panel, England*

"You pay the bill, and refusal would lead to bad credit. Complaint procedure? Punish shareholders financially?"

*Female, 25-34, Citizen Panel, England*

"You need water, you can't choose where you're getting it from. So, they can just do whatever they like. There are consequences, but it's a slap on the wrist or a fine, which costs them nothing."

*Female, 65+, Citizen Panel, England*

"I think as a bill payer...you're involved in a contract with your water company and if they're not fulfilling [it], then you shouldn't have to fulfil your end of the bargain where you're paying for water."

*Male, 65+, Citizen Panel, Wales*

Some also felt that pressure from external bodies, such as environmental groups, or negative media, have more sway than current regulatory accountability.

"They are held to account by complaints, activist groups and the media."

*Female, 35-44, Citizen Panel, Wales*



## 5.2. Scope: the issues on which consumers want to hold water companies accountable

### 5.2.1. Summary

- Consumers see accountability as meaning that any company, not just those in the water sector, keeps its promises, is customer-centric, transparent about their operations and performance, and takes responsibility for, and resolves, any mistakes.
- Most consumers feel that holding water companies to account is particularly important because they are monopolies. This was based on the perception that companies can currently perform badly and raise bills regardless. Consumers have strong emotive views on this and want to intervene directly to effect change.
  - In the context of an increasing cost-of-living, consumers want a way to ensure they are prioritised over profit and get value for money.
  - Two consumer segments particularly valued the concept of being able to hold their water company to account. Consumers affected by supply and service incidents wanted to intervene to prevent recurring issues and felt motivated by a sense of unfairness from receiving poor service. Some consumers in Wales felt they wanted to get involved to ensure they see some benefits in return for sharing a Welsh resource (supplying water to England).
  - While people welcomed the concept of being able to hold their water company to account, there was immediate scepticism about what impact this might have.
- Priority issues on which consumers want to hold companies accountable were areas where perceived poor performance or bad service had the biggest direct impact on the public and environment: ensuring a clean, safe and reliable water supply, affordable bills, and storm overflows. Woven into this were areas where consumers had the perception that companies have deliberately cut corners or misled them.
- While people wanted to be engaged in the business planning process more generally, they saw holding companies to account as relating more to the delivery of plans (specifically, where progress is slow or non-existent) than their development. Companies wanting to bring business planning topics to any new forum would need to focus on how they address current performance issues, and any bill impact, to help make them feel relevant.

### 5.2.2. What do consumers think holding a company (in any sector) to account means?

Consumers had strong ideas about what accountability means in general:

- Challenging companies to disclose and **take responsibility** for any mistakes made, and to **take action** to fix and avoid repeat problems – particularly regarding meeting quality and safety standards. For example, if a certain product has health and safety issues, it should be recalled. A small portion of consumers were aware of statutory standards enforcing this.
- That companies **keep their promises**, including performance and environmental commitments, without corrupt or unethical practices.
- Being **customer-centric** by meeting customer needs and expectations, keeping them happy, and ensuring a **satisfactory response to queries or complaints** – and the payment of compensation if standards are not met.
- Being **transparent and open** about their operations and performance (including financial information), so consumers can have this context when making decisions or forming opinions about areas to challenge companies.
  - The need for company openness and transparency was a key concern for consumers, which they carried over from the research and engagement discussions (see Part 1 of this report). The idea of consumers having accountability mechanisms in general, was valued due to their ability to require any company to be more transparent.

Consumers understood that, in most sectors, they can choose not to stay with a supplier. Consumers recognised that companies in a competitive environment have a commercial or reputational motive to gain customer loyalty. [See appendices for method note 6.](#)

### 5.2.3. Why is holding water companies to account important to consumers?

Most consumers felt strongly that holding water companies to account was important to them. They based this on the perception that companies can currently perform badly and raise bills regardless. In an increased cost-of-living context and dissatisfaction with services, people wanted greater understanding and transparency as to why bills were going up and how money is being spent.

Negative media also notably influences views, including companies being seen to:

- Cut corners by failing to invest in long term infrastructure.
- Not be transparent enough about their current levels of performance.
- Raise customer bills to fund services and activities, whilst still paying shareholders and staff bonuses (even when underperforming).

“Obviously the water company's been able to get away with so much, not investing in infrastructure, paying themselves massive bonuses. You hear it on the radio and the TV all the time. Scandalous, what they've been allowed to get away with.”

[Male, 45-54, Citizen Panel, England](#)

"At the moment there's a breakdown of trust between people and water companies, isn't there?"

Female, 65+, Citizen Panel, England

"All the water companies just across the board seem to be flouting the rules. Record numbers of leaks, record numbers of sewage spillages. The regulators have been keeping an eye on them all this time and yet they're still doing this."

Male, 44-55, Citizen Panel, Wales

Underpinning support for a new accountability mechanism, was recognition that water companies, as monopolies, do not have the same relationship with their customers as other service providers. Household consumers recognised that they were particularly angry about performance because they cannot switch company or to stop using water. In this context they wanted to ensure consumers get value for money and are prioritised over profit; that companies uphold a duty of care to consumers and provide them with the vital services they have paid for, at an acceptable level of quality.

They felt that recent company performance provided strong evidence that current accountability mechanisms, for example via regulators or current ways companies involve the public in decisions, are not working well enough and wanted to intervene directly to change this. The Special Measures Act was seen as a step in the right direction towards giving them the power to do so.

"It's important to have accountability, especially in an industry ... where we don't have a choice of who our provider is...what's the incentive for them to provide us with a good service?"

Male, 18-24, Citizen Panel, England

"We need to make our voices heard. If we're paying for service, we should get [it], and we should have input into their ideas, investments and the direction they're taking the company."

Male, 45-54, Citizen Panel, England

Some consumer segments (those with incidents experience and a minority of participants in Wales) particularly valued the concept of being able to hold their water company to account.

Consumers who had been directly affected by supply incidents, especially those in areas subject to repeat issues, were also more likely to want to have a direct route for consumers to engage with their company on accountability. For some, incidents or company responses to queries or complaints led consumers to want to hold their company to account to avoid repeat problems. For others, they were motivated by a sense of unfairness, i.e. feeling that they were paying for an unsatisfactory service or paying the same as other consumers with a better service.

"Obviously, our personal scenarios make a massive difference to what we're looking into...until all our problems in Hastings, I didn't really know anything about Southern Water...it makes you look into things a lot more."

Female, 45-54, Citizen Panel, England

"The frustrating thing is it all depends on what you're getting in your area. Some people get better quality water than others...for us... the water's really not very good quality. So that is one of the highest things on our list."

Female, 45-54, Citizen Panel, England

A minority of participants in Wales felt strongly about holding companies accountable, with water viewed as a more political topic. Some participants from

Wales, who largely came from Welsh-speaking areas around Wrexham, raised the controversial issue of the Tryweryn flooding. Recalling the unfairness of flooding a Welsh village to supply water to parts of England put the idea of customer accountability into a very meaningful, if historic, context.

These participants were aware that water sources located in Wales are used to supply consumers in England. They felt that consumers in Wales 'deserved' to see some benefits in return for sharing a Welsh resource. These consumers wanted to get involved directly in company decisions to make this happen.

"There should be more choice within Wales, but...how easy that would be, I don't know. Considering Wales supplies water to Liverpool and Manchester."

Male, 35-44, Citizen Panel, Wales

"I think the water companies will be facing different issues in different regions."

Male, 65+, Citizen Panel, Wales

A minority of consumers who valued the concept of having an accountability mechanism, referenced their support for de-privatisation of water services.

"It's still down to when they sold all the water companies off in 1989. How many people sat around here have bought shares...and have profited over years? And now you're all paying the price. So...it should be nationalised."

Male, 55-64, Citizen Panel, England

"Most people are only concerned when the bills go up or when the water companies get bad news. I think the water industry should be taken back into government ownership. If that is not possible then the water companies should be made into a non-profit organisation."

Female, 65+, Citizen Panel, England

While there was consensus about the importance of consumers playing a role in holding companies to account, a majority were immediately sceptical about how this might work in practice, particularly given that the industry is already regulated but this is not perceived to be working effectively.

"We didn't have water for five days because of a leak in the pipe. They'd known about it for years ...It's important that they're held accountable. We didn't get any refund. We never got anything."

Female, 45-54, Citizen Panel, England

"It seems in principle a great idea, but quite time consuming. I think it takes time away from the water companies doing their job, to do the consumer group and probably not get that much out of it. Maybe I'm a bit sceptical."

Female, 25-34, Citizen Panel, England

#### 5.2.4. What do consumers want to hold water companies to account on and why?

Consumers prioritised being able to hold water companies accountable where they felt that poor performance or bad service had the biggest **direct impact on the public and environment** (for issues they were aware of, like storm overflows). These topics felt easier to grasp and give views on, because of their direct impact on consumers' lives, especially when something goes wrong.

"The important stuff causes harm rather than inconvenience. So, pollution to the environment, polluting streams, or bill prices, because that can cause harm to families that are struggling."

Male, 55-64, Citizen Panel, England

"In the local area where I work, there's a lot of flooding concerns and a few years ago a brand-new estate actually got flooded ... The water companies were nowhere to be seen, there was no help, no support for the residents."

Female, 25-34, Citizen Panel, Wales

However, another driving factor, was whether they perceived the issue involving **deliberate corner-cutting or the misleading of consumers** or where companies seemed clearly to blame for any impacts.

"If they're not cleaning the system properly because... it saves them money, then they should be held accountable for things like that. But say...someone's water went off, and it was an accident, it's just as bad for the customer, but it's not like they've done it intentionally."

Female, 25-34, Citizen Panel, England

"No business is perfect 24/7, but [if the] water goes off [they need to] communicate with their customers within the time that's needed. If things don't work, that's okay."

Female, 25-34, Citizen Panel, England

Consumers' top three priorities for holding companies to account on were:

- **Ensuring 'clean, safe, reliable water supply':** viewed as minimising and efficiently resolving supply incidents and reducing chemicals in water.
- **Ensuring 'affordable bills':** viewed as limiting bill rises, which have affected consumers in recent years.
- **Tackling storm overflows:** influenced by negative news stories about the issue in general and poor-quality local bodies of water, which some people had also experienced themselves.

#### *Ensuring clean, safe, reliable water supply*

Water quality, minimising supply incidents and resolving them within a timely manner were the top things consumers want to hold companies to account on because of the direct impact any problems could have on consumer health and wellbeing. Clean and safe water was seen as fundamental to human life, and given people pay for supply, they deserve to receive it at a satisfactory quality in a reliable way.

Some were concerned that 'bad tasting' water could indicate a potential threat to health, or had worries about chemicals being added to water which they did not know about. These concerns reflect underlying worries about companies not being transparent or open enough with consumers, and for some are driven by incidents in the media, or by incidents they have experienced directly.

"People were saying...the water quality was really bad where they live. In the Southwest, the quality is not that bad, but in other parts of the country it is."

Female, 35-44, Citizen Panel, England

In relation to incidents, there was a sense, especially amongst those with direct experience of them, that some localities are subject to recurring problems that companies should be made to address. These issues appeared less top-of-mind for

consumers in Wales, some of whom appeared more concerned about the fairness of sharing Welsh water resources with English consumers.

### *Ensuring affordable bills*

Consumers felt affected by cost-of-living pressures, with rising bills, including water. They wanted to have a way to ensure affordable bills for all customers, and that sufficient, easily accessible support would be provided for the financially vulnerable.

Some wanted to be able to prevent company dividends and bonuses being prioritised over ensuring affordable bills for customers. They felt it was unfair that dividends/bonuses were being paid during a time of perceived poor company performance and also were angered by the perception that they had to 'pay more' for an unsatisfactory service through increased bills.

### *Tackling storm overflows*

Consumers felt strongly that it was important to hold companies to account on the issue of storm overflows. Consumers were mostly aware of this issue from the news, which to them was evidence of poor company performance, and they wanted to drive improvements.

Some consumers were also motivated by the direct impact on themselves and their local areas. They could name affected local bodies of water and were concerned about impacts on wildlife and the health risks of swimming in contaminated waters.

Consumer awareness of why overflows happen was mixed. Some thought it was deliberate 'dumping' by companies as a form of 'corner cutting' or trying to save money. Others were aware of issues and challenges around the management of sewerage infrastructure. In either case, most felt that companies were to blame for failing to invest in infrastructure or choosing to 'dump' sewage, and felt that without direct intervention from consumers, the issue would continue.

"The immediacy of having the safe and the fresh water and sewage facilities is [one priority]. Beyond that...I get angered by deterioration in water courses."

*Male, 45-54, Citizen Panel, England*

"The raw sewage going into rivers and seas shouldn't be happening. It doesn't matter how much it rains. We shouldn't be having raw sewage in places where people swim. I mean, how long has it been going on?"

*Female, 55-64, Citizen Panel, England*

"Flooding is happening on a regular basis and then polluting of the water, dumping, raw sewage...it all ties in together. So that would be something that I would raise my voice for."

*Male, 18-24, Citizen Panel, Wales*

In addition to these top three priority topics, consumers discussed other types of issues or decisions that they would like to hold companies to account on. These were seen to directly affect their local areas:

- Minimising disruption from works in the street.
- Maintaining good customer service/ease of contact when something goes wrong.



- For a few people in certain regions (Leeds, Bristol), tackling water hardness, seen as problematic in wearing out appliances.

Consumers could usually mention examples of how these other issues had personally affected them, demonstrating that they were easy to grasp and give views on when holding companies to account.

Consumers felt less strongly about holding companies to account when preparing business plans. They would rather hold companies to account on the delivery of their commitments in the short-term. Poor company performance was seen to affect consumers now, but the long-term impact of business plan decisions felt more abstract. Some consumers were also put off by the perceived complexity and length of business plans, which involve financial decisions with context they might not be able to understand. However, consumers with incidents experience, especially those in areas subject to recurring issues, were more likely to be concerned about companies making sufficient long-term investment to prevent such problems in the future.

Companies wanting to bring business planning decisions to a new consumer accountability forum could make these decisions feel more relevant by focussing on areas of perceived poor performance and stressing the impact of decisions and investment on consumers, such as on bills. Indeed, the minority of consumers who wanted to hold companies to account on business planning topics described their reasoning in this way, focusing on the impact of business plan decisions on the quality and cost of services provided to consumers:

- Companies were felt to be prioritising profit over addressing long term issues, such as spending on infrastructure, which could cause supply incidents and flooding in years to come.
- Delaying spending on infrastructure in the short-term was viewed as more expensive for consumers in the long term, as it could cause an incident or the need for more extensive maintenance work in the future.

## 5.3. Method: how consumers want to be involved in accountability

### 5.3.1. Summary

- Consumers initially thought of ways they could hold companies to account as individuals: making complaints, withholding payment, or giving feedback. A minority of consumers focused on more collective accountability mechanisms: social media, protests, research participation, or voting on key issues (either directly or through MPs). Creating new groups or having advocates was not top of mind.
- Most support the idea of having a new collective way to hold companies to account. When presented with the concept of a 'consumer group' as a neutral idea to explore what they wanted from any new mechanism, most consumers responded positively – they felt this would 'give them a voice' and direct involvement in holding companies accountable.
- A small number of consumers suggested improving existing groups and strengthening regulators' powers rather than, or in addition to, adding new mechanisms. This was largely linked to concern as to how any new group would work in practice and whether it could effect change.
- Consumers wanted the public to be involved in any new accountability mechanism, reasoning that they are affected by company actions, and they trust themselves more than company staff or third parties.
- It was important to consumers that a diverse range of consumers would be involved. However, views varied about whether members should be selected due to specific expertise or how trusted they are in the community, versus recruited as part of a body broadly representative of public demographics.
- There was consensus that participants should be independent but supported by experts, either as part of the group or advising and supporting it. Working with CCW as an 'independent chair', source of advice, or to suggest which topics to focus on was also relatively popular.
- Overall, consumers wanted any group to act on their behalf, based on evidence from consumer insight; for example, complaints data and their own expertise, only consulting the wider consumer base on key issues.
- Consumers wanted any group approach to have the power to require senior staff members and company experts to attend and provide information or answer questions, to set agendas and encourage action.
- Consumers saw it as vital that any new consumer group is well-informed, so that they can hold companies to account in a realistic but challenging way on the right topics. Some recognised the tension between this and involving diverse members of the public, some of whom may be unfamiliar with the issues.
  - They wanted to see accessible information about company operations, service quality and performance, financial accountability, and implementation of group and customer feedback, with support to understand complex information.

- There was a consensus on the Citizen Panel (the main method for this research), that it is crucial to ensure that the voices of consumers who need extra help are heard when holding companies to account. However, views varied on whether to include these consumers in any 'main group' with additional accommodations, engage them separately, or have representatives advocate on their behalf.

### 5.3.2. Consumers' unprompted ideas about what water sector accountability should look like in the future

Before being given ideas to explore in terms of new approaches for consumer accountability, ensuring that consumer feedback is acted on was consumers' initial priority for what accountability should look like in the future. They suggested making this mandatory where possible, as well as tightening and toughening up penalties to enforce this.

Consumers did not spontaneously suggest new methods to hold companies to account. They mostly focused on improvements to the ways they can already hold companies accountable as individuals, such as customer-wide surveys and making complaints easier to file. They wanted more people to be able to give feedback to companies. This focus on feedback mechanisms reflects low baseline knowledge of current accountability systems such as regulators.

A minority of consumers suggested that accountability could be improved by taking collective action, for example, withholding bills, protests, and voting on topics for companies to address (either directly or through parliament).

The idea of having someone else hold companies accountable on their behalf was not top of mind. Only a few consumers spontaneously suggested having customer representatives sit on company boards, or the introduction of regional customer groups or representatives.

"People should be able to make complaints and file for compensation where necessary, overseen by a consumer body with their interests at heart."

Male, 25-34, Citizen Panel, England

"Regularly listening, and if there is a consensus from people, then it should be acted upon. Potentially putting decisions on water management to parliament."

Female, 18-24, Citizen Panel, England

"We all should have a say in how they are made accountable by a vote, so that majority rules and they have to follow through."

Male, 25-34, Citizen Panel, England

"You have trustees to pension funds, and they're elected onto that board. So people should put their names forward and be elected by the customers."

Male, 65+, Citizen Panel, Wales

### 5.3.3. Testing consumer views on ways a new consumer accountability mechanism could work through the neutral concept of a 'consumer group'

#### Initial response to the concept of a new consumer group

Most support the idea of having a new collective way to hold companies to account. When presented with the concept of a 'consumer group' as a neutral concept to explore what they want from a new mechanism, most consumers responded positively. See appendices for method note 7.

It seemed logical and fair for them to have a collective way to intervene with companies directly, if a service they pay for is unsatisfactory. Consumers were not satisfied with performance or management and appreciated the proposal for a new mechanism, which would help change this by 'giving consumers a voice'.

Consumers specifically wanted to be involved in accountability because of this current dissatisfaction, rather than a general desire to have more input on companies' actions. They would rather have a service they were happy with and not have to intervene at all.

"[The group] will definitely be a positive step...Customers should be like the main focus for the water business because...we're paying for a service, and we expect that the service is up to standard."

Female, 18-24, Citizen Panel, Wales

"Ofwat and Defra have been there for accountability in the past and in my view, they failed. How is a consumer panel going to [make a difference], are we truly going to have power?"

Female, 45-54, Citizen Panel, England

"I quite like the idea of a group that watches the water company, to make sure that they're doing their job...If there's some way you could apply to be part of it. I could see myself doing it once a month."

Male, 35-44, Citizen Panel, England

Consumers envisioned a new consumer group as fitting into existing accountability/regulatory and consumer insight systems, rather than replacing them. They felt that group participation would not be suitable for everyone, or capable of covering all topics. Some topics seemed too complex for consumers to handle alone, for example, and others were specific enough to warrant separate exploration (regional issues, or issues related to consumers who need extra help). Consequently, other ways of gathering feedback, like consumer research and regional panels, were still seen as important for gathering full insight into public views, to be fed into accountability.

Consumers immediately had lots of questions about how a group would work in practice, relating to who could take part, for example, and the format of meetings. Without this information they did not feel sufficiently informed to fully support or discount the idea.

"How they get chosen again, is it online, is it in person? Do you need to have some understanding of how [a] business works?"

Female, 25-34, Citizen Panel, Wales

"Is this [consumer group] in addition to everything else that's in place or in place of [it]. You're at risk of having too many chefs here. I'm a bit confused as to how it would slot in with everything else."

Male, 18-24, Citizen Panel, England

Consumers felt strongly that any group would need to be different from existing regulatory and accountability mechanisms to be effective. Based on their perceptions of company performance, current mechanisms did not seem to be working well enough, although they did not have a strong idea of why this was.

A small number of consumers suggested improving existing groups and strengthening regulators' powers. Some would prefer this to a new mechanism, others felt it should be in addition to it. Suggestions included:

- Adding consumers or more representatives who are focussed on consumer interests onto Independent Challenge Groups (to add a consumer perspective, whilst maintaining the valuable expertise of the group overall).
- Better government oversight of regulators like Ofwat and bodies like CCW, to make sure that they're sufficiently independent (minimising recruitment of staff from water companies, for example) and holding companies accountable.
- Increasing the power of regulators like Ofwat and bodies like CCW.

"It strikes me that they've already got things in place to hold them accountable...I'm not sure that another group is going to actually make any difference. And I don't know quite how you make that work."

Female, 55-64, Citizen Panel, England

"...there's little point in having an advisory group unless their views are going to be listened to."

Male, 25-34, Citizen Panel, Wales

### Which audiences should participate?

The majority of consumers wanted the public to be directly involved in accountability mechanisms. They saw consumers as being directly affected by water company actions, through their experiences of service provision and billing, and better placed to represent the consumer base. Consumers struggled to think of third-party organisations or individuals who they would trust to represent their views.

Whilst consumers in Wales generally felt more strongly about wanting to receive benefits for sharing Welsh water resources with consumers in England, when prompted, they felt negatively about using politicians (as part of consumer groups or otherwise) to hold companies to account. None mentioned trusting politicians from the parties who campaign on Welsh 'water fairness' to represent them.

"Out of them all, I'd probably trust a consumer group the most."

Male, 45-54, Citizen Panel, England

"Consumer views [should be] gathered independently from water companies. This is because all trust has been eroded with the public and I wouldn't put it past them to mess with data dishonestly."

Male, 18-24, Citizen Panel, Wales

Most consumers wanted to make sure that a diverse range of people were represented as part of the group, so that it could give an accurate picture of wider consumer views. They wanted membership to include:

- A mix of ages, professions and socio-economic backgrounds.
- Consumers in need of extra help, who were seen as having specific needs and often marginalised voices. However, there was a range of views expressed by the Citizen Panel about whether to include these consumers in a 'main group' or whether to use more tailored mechanisms - see appendices.

A smaller proportion of consumers also suggested including consumers with certain expertise or experience, to make it as informed as possible. Suggestions included:

- Recruiting people with consumer expertise, including social workers (to represent vulnerable people), some people that have previously worked in the water sector, or who have business expertise.
- One group of consumers suggested recruiting a group representative or company liaison officer with water industry knowledge and boardroom experience. They felt this would provide the group with expert perspectives and the confidence to challenge companies, without negatively affecting its overall independence and representativeness.

"People with knowledge and experience, but not active employees in the industry. Someone who works around it. You still need that mixed bag."

*Male, 25-34, Citizen Panel, England*

"Regional panels, obviously someone in the middle of Birmingham probably has a different view than someone living in the sticks. Their service might be completely different. You need to get a good cross section of the UK public."

*Male, 45-54, Citizen Panel, England*

"[re. a selection process]...you'd have to put down the area of expertise...you've got that [shows you are] able to talk to the people of the water [company] on basically the same level."

*Male, 65+, Citizen Panel, Wales*

### *How to choose group members*

There was a range of views about the best way to recruit group members, with no clear consensus over whether the wider public should be able to nominate representatives, or whether they should be recruited in another way to ensure they more broadly reflect the consumer base.

Consumers who liked the idea of nominating members who could advocate for them, similar to a school governor model, felt that this system would help ensure that group members:

- Are trusted by consumers and local communities to represent their views.
- Have relevant expertise.
- Are passionate enough about the topics being discussed.
- Can spend significant time and effort holding companies to account.



Those who preferred a body broadly reflective of the general public, felt that this would better reflect the range of consumers affected by water company decisions. Some felt that members would be more trustworthy than nominated or elected representatives, who can be motivated by self-interest. They also felt that relevant experience would be built up over time. Encouraging as many people to apply to the group as possible was seen as ideal, since it creates a large pool from which to hand-pick the most representative group. However, we saw a tension between consumer desire for a group broadly representative of all consumers, and their recognition that members will need to be committed and confident.

There was consensus that any consumer group would need to be independent to function effectively, regardless of how members are chosen. Participants wanted consumer views to be gathered and represented without bias or influence by water companies. Water company staff, and those connected with companies in any way, were not trusted to be part of groups for this reason, although consumers were comfortable with staff speaking at meetings to inform members. Consumers also stressed that, to be desirable group members, consumer experts would need to have no vested interest in maintaining the status quo of current water company performance or management.

Consumers said that it was important for group members to be consistent (i.e. remain involved over a period of time), so they can learn about the issues discussed over time and become more informed, which would allow them to challenge the company sufficiently strongly on the right topics. They also wanted to see consumers with experience of incidents represented within the group; some suggested supplementing regular participants with ad hoc members affected by issues with their water or sewerage services for this reason.

“Even if a small group of people...have got a concern about a local issue, it's good that they get a chance to raise it, rather than a bigger group saying only a few people are affected.”

*Female, 35-44, Citizen Panel, Wales*

### **Ideal relationship with expert stakeholders**

There was tension between consumers' lack of trust in other parties to represent their views effectively, which means they would rather represent themselves, and their awareness of the amount of knowledge and time required to take part in groups effectively. The latter meaning that having experts or expert organisations involved in some way seemed sensible.

Most consumers recognised that they needed independent, expert advice to help them challenge companies forcefully enough and on the right things. They said that experts were needed to:

- Verify information that companies provide.
- Share necessary information with the group in an accessible format.
- Answer any questions group members have, which may involve doing additional research or liaising with companies.

Consumers felt that experts should either be part of the group, helping shape what topics it should focus on, or act separately by advising it and supporting members to understand complex topics.

There was also a minority view that experts should lead groups. For example, as mentioned earlier, some suggested revamping the Independent Challenge Group model to give it more powers and include 'normal' consumers.

"How will we know if the information we're getting from the industry is correct or misleading? If you have someone there that's experienced [and] can ... basically guide us ... Because we don't work in the water industry, so we have no clue."

Male, 35-44, Citizen Panel, England

### **Ideal relationship with regulators**

Consumers saw regulators as a useful source of expertise, but were sceptical about how much they could be trusted to help them hold companies to account. As has been mentioned previously, consumers perceived the regulatory system as insufficiently empowered or scrutinised. Without reassurance about their concerns, consumers were reluctant to include regulators as part of the new consumer group.

"Record numbers of leaks, record numbers of sewage spillages. But the regulators have been keeping an eye on them all this time and yet they're still doing this stuff... So, are the regulators fit for purpose? Who is regulating the regulators and how, as bill payers, can we monitor what's going on?"

Male, 65+, Citizen Panel, Wales

Engaging with CCW to steer the group, or set it up, was a fairly popular idea, since the body was seen as intended to represent consumers, and trustworthy. However, this view was likely influenced by interaction with CCW in this research. A few consumers said that they would also trust CCW to represent their views, but only if it was given sufficient power to enforce them.

"I just don't understand why it doesn't sit under CCW. They're meant to be the voice of consumers in relation to water."

Male, 45-54, Citizen Panel, England

"We should have somebody from Ofwat or CCW...to analyse the information that's been given to us by the water companies, because they could give you numbers that we wouldn't appreciate as being either good, bad or indifferent without having an expert [to] decipher it."

Male, 65+, Citizen Panel, Wales

Ofwat was perceived by many, as insufficiently holding underperforming companies to account at present. However, a minority of consumers felt that it could be useful for consumer groups to have links with Ofwat for practical reasons. These consumers saw Ofwat as the organisation that could action the group's findings, in its role as 'challenger' to the water industry. Some felt that engaging with them would lead to consumer demands being actioned more quickly.

"The consumer group should report into Ofwat, and then Ofwat should then report back and tell us, this is what we've put across, this is what they're planning on doing."

Male, 45-54, Citizen Panel, England

### **Relationship with wider consumers**

Overall, consumers wanted a group to act primarily on their behalf, based on their own experiences and evidence from consumer insight such as complaints data, only directly consulting the wider consumer base on key issues of particular importance. Ways they could connect with the wider public included:

- Holding public meetings in which the public can ask senior company staff questions, seen as particularly important after an incident.
- Allowing consumers to submit petitions suggesting topics for the group to focus on, much like the current <https://petition.parliament.uk/> website – with a focus on those with the highest signatures.
- Making consumer group members a point of contact to receive and action feedback from wider consumers, consumers from specific regions, and consumers who need extra help.
- Frequent voting on issues to focus on, or the hiring or firing of company management, while both initially suggested by some participants early on in deliberation, were dismissed as impractical.

### **Ideal relationship with the water company**

Any consumer group mechanism should have the powers needed to challenge companies and influence them to act. Consumers wanted to prevent groups being simply a “box ticking” exercise, or a new “talking shop” which does not result in sufficient change in the water industry. Whilst consumers recognised that the ultimate responsibility for decision making lay with companies, they wanted to influence this process by giving groups the power to:

- Require senior staff to attend.
- Get the company to provide information or answer their questions.
- Evaluate the company's solutions to problems.

“If they don't attend a meeting...they may not be getting all of the story and they're the people who are going to be influencing the decisions within the company itself. So, they need to be present.”

*Female, 55-44, Citizen Panel, England*

Consumers felt that meetings should be owned independently of companies, and consumers should have the power to set the agenda. There was a perception that water companies would pick topics that would show them in a favourable light. Some felt that Ofwat and CCW, seen as experts, should also contribute.

Consumers also wanted the power to be influential in encouraging more punitive measures which will make companies listen to, and act on, their consumers' concerns. This topic is explored in more detail in section 5.4.

In terms of the water company staff attending meetings, consumers felt that some continuity, that is having the same company spokesperson present at each meeting, was important. Consumers suggested that staff relevant to the issues being discussed should also attend, to provide their expertise and answer questions.

“The same reps from the water company [attending]. So that...even if they don't have all the information, they can go, okay, well, I can tell you the basics of what I know, and I can take this away and I can contact you directly afterwards or I can feed back. And then if it's not dealt with [you can say], what have you done to take this further for us?”

*Female, 35-44, Citizen Panel, Wales*

Some consumers also wanted senior staff to be more visible in local communities. These consumers referenced not knowing who they were or having come across them. They felt that staff members having more face-to-face contact with local communities and being featured more in the press would put greater pressure on them to improve company performance.

"Senior staff being visible in the community would be great as they would feel pressure to do their job properly and really care for what they are doing, because they could have anyone in the community bumping into them in the street asking why they haven't done 'xyz'."

*Female, 35-44, Citizen Panel, England*

Whilst consumers wanted to hold companies to account from a position of strength and power, they also stressed that they would want a productive relationship with the water company. Consumers were aware that public emotions about the industry are high and were wary of meetings becoming a shouting match between members and companies. They suggested that supporting two-way communication and structured meeting formats would help them work effectively together.

"If you've ever gone to a meeting with people who are annoyed about something ... everyone's shouting ... How do you get your priorities from that kind of thing and how do you get a realistic goal from that kind of situation? So, it must be a real controlled kind of meeting."

*Female, 45-54, Citizen Panel, England*

They were also concerned that company staff might use meetings as an opportunity to dissemble about progress and avoid being transparent and open about performance issues. Consumers suggested having a structured format for meetings would also mitigate against this. One group suggested including space for updates on issues resolved, any new concerns, and positive achievements by the water companies, as well as having an independent chairperson to lead.

Consumers recognised that demands for company action need to be realistic in terms of ambition and timeframe, to enable this co-operation and build trust.

### **What information do consumers need to hold companies to account effectively?**

Consumers wanted any new consumer group to be well-informed, so that they can hold companies accountable in a realistic, but challenging way on the right topics. They recognised that on complex topics, they would have to get into more detail, possibly supported by experts, and ideally still with clear and engaging information.

Consumers felt that, where possible, information should be published in an easily accessible format, so that the wider public can learn more about company decision making, and how the views of the consumer group (who represent them) are being acted on.

Consumers highlighted the topics below as key to inform the group about, focussing on areas seen to affect consumer lives:

#### *Company operations*

Consumers wanted to see a high-level summary of:

- The activities water companies carry out, day to day. This was seen as important background knowledge that many consumers admitted that they were not aware of before taking part in the research process.
- Company decision-making processes, including the impact of regulation and laws. This would help the group understand why past decisions have been made and allow them to input into future decision making in an achievable and realistic way.

Consumers also wanted to see the 'nitty gritty' detail of certain complex areas of basic operations, presented in a digestible way, when this is needed to understand certain performance targets. For example, they would need help understanding how storm overflows work, to understand what a realistic target would be.

### *Service quality and performance*

Consumers wanted data showing them where companies are over/underperforming, to inform the areas a new consumer group would focus on, and the recommendations they make. In their eyes, this consisted of:

- Detailed, regular or real time updates about how companies are performing against their targets and Key Performance Indicators (KPIs), presented in a way that is easy to access and understand, for example a traffic light system. Consumers had low awareness of resources like Ofwat's interactive dashboard detailing company performance<sup>2</sup>, even though they were shown this as part of the stimulus.
- Information about why targets are not being met, including details of any individuals responsible, and the actions being taken to rectify this.

There was a sense that companies tend to focus on positives, and cover-up any areas of underperformance, so consumers were keen for performance data to be independently verified by experts separate from the water company in question.

"It's interesting to me who's actually gathering the data. If Welsh Water have a vested interest in producing data that demonstrates a certain thing, then they shouldn't be collecting the data, somebody else should."

*Male, 55-64, Citizen Panel, Wales*

"In our society, you know, people tend to not take responsibility and look for something or someone else to blame when things don't go right."

*Male, 65+, Citizen Panel, Wales*

"Have it so that people have access to the information. It's not hidden."

*Female, 18-24, Citizen Panel, England*

Consumers, particularly those with experience of incidents, also felt that providing more detailed information about specific incidents was important, rather than just overall performance data. Some participants suggested that a personal explanation from a senior company staff member about what happened, and why, to both the consumer group and customers in the affected area was required. Consumers with incident experience were also more likely to want to know about

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<sup>2</sup> <https://www.ofwat.gov.uk/regulated-companies/company-obligations/outcomes/water-company-performance-report-2023-24/>

standardised compensation amounts, and see evidence that companies were paying this to affected consumers.

"I want to see what your performance has been and, and have you done what you said you were going to do? Have you done it on time, all of those things should have a, some kind of scale or percentage."

*Female, 55-64, Citizen Panel, England*

### *Financial accountability*

Water company finances were seen as an important topic but complex and difficult to grasp - on which consumers would need extra support from experts to understand. Due to the impact of bill rises, and the sense of unfairness related to shareholder bonuses and dividends, consumers were keen for the group to understand company finances to inform their recommendations.

Consumers wanted to know:

- Where customers' money is being spent, including the amount spent on infrastructure, which was seen as often neglected.
- Whether companies are providing value for money.
  - This was seen to include providing customers with what they want i.e. the service they pay for at a good level of quality and a fair, transparent price.
  - This could be communicated via clear information about what their money is spent on, especially if bills are increasing.
  - Whether companies are spending money wisely to improve the service rather than paying shareholders and dividends.

"It would be about the amount of money that they are charging for bills [and] how much ... they are putting into investment for future proofing pipes and the environmental strategies. It is really difficult for consumers to get involved with the technical side of things because we're not informed enough."

*Female, 25-34, Citizen Panel, England*

### *Action on customer feedback*

Consumers were sceptical that companies would act on the recommendations of a new consumer group. They wanted the group to be provided with regular updates about how consumer group recommendations and consumer feedback is integrated into business plans and company decision-making processes.

A minority wanted information about the aims and objectives of the group to be provided in advance of taking part, including details about what their contribution would consist of, and assurances that participation is not a tick-box exercise. This would allow members to make an informed decision about whether to participate.

### **Accessibility of information**

Consumers recognised that members of any group would largely be unfamiliar with the water industry and find topics complex. They would want the group to have accessible information. Consumers wanted to see:



- Clear communications written in plain language, avoiding jargon.
- Data visualised through videos, images and graphics where possible, to make it easier to understand.
- Examples of how the topic impacts consumers to help them understand the relevance.
- Paperwork sent out in advance, with structured preparation activities for members to complete, so that they're ready to question the company during a meeting.
- Independent experts to support members with understanding complex topics and answer any questions they have.
- Different options for consumer participation and the level of detail consumers can get involved with, to suit varied preferences and abilities.

"Companies publish their financial records every year, but no one's ... going to bother to look at that. They're just numbers on a sheet...you don't know what that really means or how that's going to impact you or your bills."

*Male, 18-24, Citizen Panel, England*

### Meeting format and logistics

Consumers had various opinions about the best way for meetings to run in practice.

Frequent meetings were preferred, so that the group can address issues promptly and check up on company progress. While monthly meetings were considered ideal by some participants, others suggested that quarterly or half-yearly meetings might be more realistic to allow time for implementing changes and observing results. Consumers preferred hybrid or completely online formats, noting that this can feel more accessible for those with health issues, and fits more easily into peoples' busy lives, which encourages more diverse participation.

"I think it can't just be a one-off slap on the wrist. I think it needs to be ongoing so that they know that there is a consequence to their performance."

*Female, 55-64, Citizen Panel, England*

"They can't just do it once every so many years or once a year...it needs to be made sure that it is continuous."

*Female, 35-44, Citizen Panel, Wales*

Consumers wanted the public to be able to see meeting minutes, so that they can see what the group does, and how the water company responds.

Renumerating group members was seen as key to encouraging diversity in participation, respecting participants' time, and enabling and incentivising them to prepare for meetings. However, consumers were keen to encourage participation for the right reasons, motivated by helping local communities, rather than by the money available. Modest remuneration, with expenses covered as a minimum, was the option preferred by most.

"I agree with everyone else. I feel like if you get too much money involved, you could get a lot of disingenuous people [coming]."

*Female, 18-24, Citizen Panel, England*

Consumers considered financial incentives, in combination with confidence that the group will be impactful, to be the top motivating factors encouraging them to take part. Suggested formats for incentives included cash payments, vouchers, or discounts on water bills. Some people also suggested offering entry into prize draws or lotteries for bigger prizes, like holidays, as additional financial incentives.

"A reward scheme, like a lottery. The more you take part, the more your name is put in. [Companies also] need to act to increase public trust [and] generate involvement."

Male, 18-24, Citizen Panel, England

### Including consumers who need extra help

There was a consensus among consumers on the Citizen Panel that it is crucial to that the voices of consumers who need extra help are heard when holding companies to account. The views of consumers who need extra help about their own needs, are explored in detail in section 6.1 of the report.

Citizen Panel household consumers emphasised hearing from these consumers is important because they may have unique water industry-related needs or require accommodations or additional support to take part in accountability mechanisms (without which, they are likely to be less represented).

Consumers who need extra help that were mentioned by the Citizen Panel for these reasons included:

- Those with physical health challenges, including sensory impairments and long-term health conditions.
  - These consumers may require extra support during a supply incident, require billing, or other communications in a different format (like braille), or use more water than others.
  - Physical health challenges like limited mobility or deafness can also make participating in consumer groups more difficult, if relevant accommodations are not made.
- Individuals with social anxiety, or other challenges, that can make taking part in group events difficult.
- Low-income customers, who may struggle to pay their water bill, and have a unique perspective on water company decision making for that reason.
- Those with limited English proficiency, who may require translation services to take part in group events.

"Vulnerable groups can have special needs that we don't understand and appreciate. We have no idea what their water needs might be...because they've got somebody who hasn't got bowel or bladder control. And things are not in place yet to help."

Female, 55-64, Citizen Panel, England

"I imagine there are quite a lot of vulnerable customers out there and they would probably need representation on that group."

Male, 45-54, Citizen Panel, Wales

There was a range of views about the best way to include these consumers. Some felt that it was best not to 'silo' their views, as most consumers will need extra help at some point in their lives and have common expectations for their water company. Rather, they would want them to have help to take part in an accountability group by providing accessibility accommodations, like enabling carer accompaniment, or providing materials in different formats. A full list of suggested accommodations consumers gave is listed in the appendix of the report.

"While there are already groups for vulnerable customers, they should not be separate from the general consumer group. Vulnerable customers have different tariffs but still share the same expectations as other consumers."

Male, 45-54, Citizen Panel, England

"Lots of people who suffer with anxiety and depression wouldn't be able to stand up there and give their vote...so there has to be a way to include them, so they don't feel pushed to the side and ignored."

Female, 35-44, Citizen Panel, Wales

Others pointed out that having specific groups or participation options for consumers who need extra help, would allow accountability activities to be better catered to suit individual needs, and therefore make sure that their voices are heard. Suggestions for different meeting formats included offering shorter, more flexible meetings, home visits, or having consumer representatives to gather feedback on the behalf of consumers who need extra help. A list of suggested alternative approaches is listed in the appendix.

A few consumers believed that the 'vulnerable consumer' panels already in existence were a good idea as well, to amplify the voices of consumers who need extra help. However, we recognise that consumers were unlikely to distinguish that these groups formed part of companies' engagement processes rather than having powers to hold companies to account, other than providing consumer views.

"We spoke about accessibility...and I think that's so important because [consumers who need extra help] still should be heard just like everyone else. They might just need alternative arrangements."

Female, 18-24, Citizen Panel, Wales

The following case studies have been selected to illustrate some of the different ways and principles, as to how participants in this research felt that a 'consumer group' could work:

### **Case study – Elsie: Empowering consumers to take part, with expert involvement**

Elsie is a baker who lives in Birmingham with her husband and three children. They are supplied by Severn Trent. She described herself as a busy mom and a 'wild swimmer' who enjoys swimming at places such as Dosthill Quarry. For this reason, she is particularly invested in the issue of sewage being dumped into the rivers and seas.

"I know there's been a lot in media saying that the water companies are being really naughty at the moment by what they're throwing into our natural rivers."

When asked about who should be able to take part in a consumer group, Elsie felt while information should be gathered from a wider consumer base, discussions involving a big group of people would be too difficult to manage – instead, discussions should be held with smaller, consumer-representative groups.

"You don't want a room full of people just complaining about potholes or flooding or things because then there's never going to be a decision made or real...kind of movement. Also, you need to make sure you've got a realistic kind of selection [of people] as well."

When it comes to how the consumer group should work, Elsie raised the idea that there could be someone sitting on the board of every company, who takes the lead responsibility for managing the consumer group – like how a school board works. This person would also have the power to make sure issues discussed in the group would lead to resolutions. They would integrate the consumer group's views with opinions from any expert group.

"You don't want to be going every single time to be discussing the same problems without any kind of impact or resolution. That person will have the consumer group feeding into them, but they'd also have the expert group feeding into them. Maybe some generalised consumer research as well, feeding into that one person [that] each company has to have."

Elsie believed it would be hard for the consumer group to be given the power and ability to act, as they lack the expertise and detailed knowledge of the sector. She felt the knowledge of experts would be required at this stage - Elsie could not see how the consumers could have influence, especially after learning even expert groups had been only given advisory powers in the past.

"This is hard because you've got consumers who haven't got this knowledge of what the targets are, how much money these things are going to cost, what the timeframes are, what other works getting done in that area that could impact that."

To tackle this, Elsie believed one possible solution might be involving Ofwat in reviewing opinions from the consumer groups. As experts in the industry, they would be able to understand whether suggestions from the consumer group are achievable.

"Why would water companies be giving consumers [...], more than advisory panel powers. When you've got somebody who has no real experience of the water industry advising and saying you're held accountable for this... I think you'd have more impact with Ofwat managing the information from the consumer group personally."

**Case study – Jenin: Give customers real influence to drive meaningful change**

Jenin is a university student from Hastings studying Economics. As a future customer, he currently lives with his parents and younger brother. They are supplied by South East Water.

Jenin was not aware of who his water supplier is. However, when asked about initial impressions of the water industry, he described it as 'poor', referring to the quality of tap water and that he only drinks bottled water. He felt there need to be something powerful to 'wake up' the industry and provoke change – therefore, a consumer group would need to be able to have strong impact.

"It needs to be a big impact. Clearly a slap on the wrist isn't working. It just doesn't show anything, and constantly doing it is not going to help. I think it needs to be something big, something that wakes people, like wakes them up, and makes them actually realise, you know, they need to change."

As companies operate in monopolies, Jenin felt a consumer group should have input and detailed involvement in company decision-making. However, he also noted the risk of having too much involvement, which could undermine the quality of useful input. Involving a knowledgeable and trustworthy intermediary – such as CCW or Ofwat, would, in his view, be beneficial.

"So, I wouldn't say direct power or direct decision making." "I think it should be [more involvement], but not to the point where like anyone can say anything."

"I feel like there'll need to be someone there who does understand the industry, who can clarify the pros of cons of making a decision[...] - being able to find someone like that I feel like would be most effective." "I think CCW, Ofwat, they have the expertise, they know what to do, they know the whole process."

Jenin firmly believed that the giving the consumer group power is a good way to hold companies accountable – including the ability to call on senior staff and request that they provide an answer.

"I think we should definitely be able to call any board member, any meeting and make it. You can penalise them if they don't come up for a valid reason. Yeah, 100%. I think being able to put pressure on them, not physically, but in person, is a really good way to get some sort of response."

## 5.4. Outcomes: from consumer involvement in accountability

**What kind of outcomes do consumers want to see from holding companies to account?** See appendices for method note 8.

Consumers were sceptical about whether companies would listen to and act on their suggestions. They wanted to see consistent evidence that any group is listened to, their concerns taken seriously and their suggestions implemented.

Consumers also wanted to see companies acknowledge that the public are not satisfied with current performance, as proof of their commitment to changing behaviour, and then take swift, decisive action to rectify this, including:

- Investing more in infrastructure, leading to better service in the future.
- Making local waterways cleaner, with less sewage going into the sea.
- Better support for and communication with consumers during incidents.
- Action taken to ensure a clean and reliable water supply.
- Making bills more affordable.

"I would just want to see action ... I didn't believe they'd do anything, to be honest. So, I guess what I'd want to see is some action happening."

*Male, 45-54, Citizen Panel, England*

"There's a lot of accountability on their end that needs to be enforced somehow. That's how people would understand that we were being listened to rather than nothing happening."

*Female, 55-64, Citizen Panel, England*

"I think they'd care a bit more because they're held accountable. Like they'd have to act on the complaints rather than just receive them."

*Female, 25-34, Citizen Panel, Wales*

We saw that consumers have low awareness of company business plans, both in general, and for 2025-2030. Publicising changes already being made more widely would go some way towards consumers feeling like their companies are acting on the issues that matter to them.

Consumers also stressed the importance of having company targets clearly set out, with regular updates on progress. Ideally, they felt that this data should be verified by a trusted third-party organisation, as they did not trust companies not to 'cover up' their underperformance. People also wanted to see tangible improvements in their local communities as evidence of targets being met, such cleaner local waterways, recurrent leaks resolved, and fewer supply incidents.

"I think in our society, people tend to not take responsibility and look for something or someone else to blame when things don't go right."

*Male, 65+, Citizen Panel, Wales*

"Have it so that people have access to the information. It's not hidden"

*Female, 18-24, Citizen Panel, England*



Consumers emphasised there should be significant consequences for companies if they do not meet targets or listen to a consumer group holding them to account. They felt that punitive measures, such as legal or financial penalties, were the only threats sufficient to make companies change their ways. Participants in this research self-initiated reflection on the practicalities of consumer groups directly levying sanctions. Most concluded that actions should be recommended by the group to the Government, or a trustworthy proxy, rather than levying measures directly, which was seen as impractical, and too much power for a consumer group to hold.

Suggestions for punitive measures included:

- Limiting or stopping bonuses and high shareholder dividends, so that senior company staff are not being 'rewarded' for underperforming, and more money can be invested into infrastructure instead of going to them.
- Penalties that target companies, not customers. There was widespread concern that consumers would foot the bill for penalties, either through raised bills, or experiencing a lower level of service caused by resultant budget gaps they cause. (N.B., we saw a lack of awareness about how Ofwat's enforcement processes work in practice).

"The fines that they receive should be paid by them and not fall onto us customers to pay for as we didn't choose where the money went and for their mistakes."

Male, 25-34, Citizen Panel, England

"I thought it was interesting about fines and stuff like that. Well, isn't that just costing us money? Because we're gonna have to be paying the fines in some way, shape or form."

Female, 45-54, Citizen Panel, England

- Jail terms or community service for repeated company failures, as there was a perception that senior water company staff were so wealthy that financial penalties would not affect them enough to incentivise changes in behaviour.

Consumers also wanted to see refunds or discounts on consumer bills when service is poor, so that their bills feel fairer. This similarly indicates low awareness of current regulatory processes (e.g. outcome delivery incentive frameworks, or compensation schemes). [See appendices for method note 9.](#)

Consumers felt that generating all the outcomes above would cause greater consumer awareness of the water sector, which would become more focused on consumers than shareholders, 'flipping the status quo', as consumers currently see it. This would increase consumer satisfaction with, and trust in the sector.

"We'll stop the huge bonuses if they're not performing. Perhaps give us a refund. We wouldn't get paid if we didn't do our job properly."

Female, 55-64, Citizen Panel, England

"Prosecution, because if you were to burn down a great swathe of the woods as an individual, you would probably either get a massive fine or go to jail. They do [the same] to rivers and it's like maybe we'll charge them."

Male, 65+, Citizen Panel, England

**How should the outcomes of accountability measures be demonstrated to consumers?**

Consumers felt strongly that they should not have to look for updates about the outcomes of accountability measures. Information should be disseminated directly to all consumers instead. Dissemination methods should be various and catered to the customer type to maximise visibility and consumer engagement. They believed that this would give more consumers the option to get involved with holding companies to account, not just the most engaged people.

Suggested methods for disseminating information included:

*Online options:* Most consumers preferred receiving a summary of information via email for convenience and accessibility, with easy links to more information online, for those that want it. A few consumers mentioned the importance of having the information available on the water company's website, which seems the most logical place to look for it, or through an app where it is easier to access. Some consumers, particularly future and young consumers, suggested using social media platforms, which allow consumers to easily share their feedback on any updates given and an opportunity to share video updates too.

"Email with links to reports on website and videos on YouTube."

*Female, 35-44, Citizen Panel, England*

*Offline options:* There was a consensus that online communications do not suit everyone, especially elderly people, and that they should be combined with offline methods. Some consumers suggested using physical mail, such as letters or leaflet drops, to ensure information reaches those who may not use digital platforms, but suggested targeting communications to those consumers, to avoid the environmental impacts of using paper. Some consumers proposed including information with their water bill, either in paper form or virtually, as this is a communication that consumers already receive and are likely to read.

Engaging with local communities was also popular, with people viewed as caring most about the impacts of company decision making in their local areas. Newsletters, either in paper form or digital, and using local community hubs such as libraries and community centres to post information, were also suggested. Some consumers recommended engaging with traditional media like TV and local newspapers or holding press conferences for a broader reach.

"I would want regular progress updates...I wouldn't want war and peace in letters. I'd like my communication to be very visual. Like a grid around the agreed actions. Are they on track? Off track?"

*Male, 18-24, Citizen Panel, England*

## 6. Audience and participant snapshots



### 6.1. Consumers who need extra help

Overall, consumers who need extra help cited similar principles for accountability as the Citizen Panel respondents. However, they typically placed more emphasis on companies proactively communicating with their customers, and delivering their services with empathy and care, than household customers.

A majority of this audience consistently stated three topics on which they would want to hold a water company to account: 1) treating, testing and delivering fresh drinking water, 2) ensuring affordable bills and supporting vulnerable customers, and 3) environmental issues.

These consumers also welcomed the idea of a new collective mechanism for accountability and would want to ensure they are fully represented by having people in vulnerable circumstances included or specifically represented by other parties.

#### 6.1.1. Scope: the key issues and services on which consumers who need extra help want to hold companies to account

**Treating, testing and delivering fresh drinking water:** some of this audience, in terms of the core service of 'delivering fresh drinking water', wanted to hold their company to account on **reliability of supply**.

For some, their symptoms caused higher water usage, such as using hot baths to manage pain or using the toilet more often. They were concerned about issues which affect their supply. Household customers with physical health problems were also coping with symptoms like pain, fatigue and limited mobility, sometimes reducing their ability to leave their homes or complete daily tasks. Consequently, many relied on help from carers, friends or family members, and said they would need extra support during a water supply incident.

People with chronic health issues also raised specific concerns about the serious health impacts issues with **water quality** could have. They wanted to be able to hold companies to account on this.

"I'd rather buy bottled water sometimes...because you just don't know what's in [tap water]."

*Female, 35-44, Consumers who need extra help depth, England*

**Ensuring affordable bills and supporting vulnerable customers:** this audience felt strongly that it would be important to hold companies to account on **delivering affordable bills** (seen to affect all kinds of people in the cost-of-living context) and **supporting customers struggling to afford their bills**.

The financially vulnerable consumers in this audience were having difficulties affording essentials due to the high cost of living and felt stressed and anxious as a result. Some were in debt and juggling payments. Poor mental and physical health was often combined with financial difficulty, with health conditions negatively affecting the ability

to work, and often increasing costs, for example for additional heating to alleviate health conditions.

They were more likely to carefully assess their expenses, including their water bill, with some accessing support such as social tariffs. This group was more likely to examine bills against the quality of service received, advocate strongly for compensation in the case of interruptions, and feel worried about or angered by any bill increase. Those using more water because of health conditions were also likely to scrutinise their bills in the same way.

However, water was not generally top of mind in the way other, higher bills were; and some were also aware that their water supply could not be cut off for going into arrears.

"In the current cost of living crisis, water companies need to be thinking about what they can do to better support their customers."

Female, 45-54, Consumers who need extra help depth, England

"I'm in constant pain, aches and what have you. So, I tend to have a bath at least three times a week which is not ideal financially speaking."

Female, 45-54, Consumers who need extra help depth, England

"I think we use a lot [of water] because I've had skin conditions ... my brother's autistic so he likes ...using a lot of water and then he leaves it on as well, because of his condition."

Male, 35-44, Consumers who need extra help depth, England

This audience felt strongly that companies should be accountable for providing sufficient **support to vulnerable consumers during incidents**, as they may need urgent or specific kinds of help. Good customer service was also seen as crucial, with proactive outreach preferred where possible, to assist those who may have barriers to getting in touch, for example accessibility needs or feeling overwhelmed.

Those on the Priority Services Register (PSR)<sup>3</sup> were generally unaware of the specific benefits it provides, aside from getting a priority response during an incident. Consumers who are not on the PSR were aware that companies keep 'lists of vulnerable customers' to support, but were not sure how to sign up, or of the benefits, and consequently had not made efforts to do so. This may have influenced them to want companies to be more accountable for support.

3) **Environmental issues:** a majority of these consumers also reported feeling that environmental issues such as flooding, spillage and pollution were important issues for which companies should be held to account, driven by consumers' concerns regarding the environment. A minority felt that if water companies were contributing to pollution, then their money wasn't being used appropriately.

### 6.1.2. Method: consumers who need extra help - views on approaches and methods

This audience typically placed greater importance on being actively engaged by organisations, as many felt their voices and circumstances are marginalised.

"If they were able to come and investigate and see for themselves...to know that somebody cares and that they're listening to you and you're not just another number on a screen."

<sup>3</sup> <https://www.ofwat.gov.uk/households/customer-assistance/special-assistance/>

Female, 35-44, Consumers who need extra help depth, England

This audience was equally supportive as the Citizen Panel of the idea of a new collective accountability mechanism, such as a consumer group. They could see its relevance to people in difficult circumstances. However, they also shared similar concerns about the potential efficacy of such a group.

"They're all sort of saying, well, this is what we think you should be doing. [But] why aren't you doing it? You get a load of people's opinions."

Male, 65+, Consumers who need extra help depth, England

"[It would be] for the people that have problems to find they've been listened to."

Female, 18-24, Consumers who need extra help depth, England

"I hate committees ... You'll have your typical committee, people who love the importance of being on it, and anyone else will just not ... be interested."

Female, 55-64, Consumers who need extra help depth, England

The most salient point about the makeup of the consumer group is that they felt it should be broadly representative of the population, allowing diverse voices to be heard. It was particularly important for this audience that what they called "vulnerable" or "marginalised" groups should be included and have their own voice within the group, rather than being represented by customers who may not have the same experiences to draw on. They believed that their experiences were unique and should not simply be represented by other members of the public.

Some, however, were open to including trusted organisations who have the necessary insight to represent their circumstances, or to support in the recruitment of a diverse range of group members. Compared to the Citizen Panel, participants in vulnerable circumstances showed an increased willingness to be advocated for by a representative or supportive of enabling carers to accompany participants.

"I would have the selection process in the hands of groups that care...when it's disabled groups, [get] Help The Aged [to] help in the recruitment process."

Female, 55-64, Consumers who need extra help depth, England

To ensure these marginalised voices are heard and can be part of holding companies to account, this audience wanted meetings to be accessible, inclusive and easy to get to. They wanted allowances for those who could only attend online, or to participate in their own time, making sure that any materials are accessible. This way "marginalised" groups can get more involved with holding companies to account. See appendices for participant suggestions made on how to make meetings more accessible.

"I think vulnerable people do like to be heard because [we can be] a minority and sometimes we are overlooked."

Female, 55-64, Consumers who need extra help depth, Wales

"I think that it should just probably be an online thing where people who couldn't make it [to the consumer group] can go online."

Female, 18-24, Consumers who needs extra help depth, England



## 6.2. Future and young customers

See appendices for method note 10.

In contrast to other people on the Citizen Panel, future customers (not yet bill-payers) and young customers (recently started paying bills) did not initially have strong views on the need or importance of holding water companies to account. The issues over bills and perceived poor performance which motivated older age groups were less notable, despite the often-challenging economic circumstances of this age cohort in society. However, when they were introduced to the concept of a new accountability mechanism, they saw value in it and suggested additional focus areas compared to other age groups, such as the use of renewable energy.

These people were more detached from their local water company than other age groups. Of 15 participants, none had directly interacted with their water companies. Other than those who had experienced a supply incident, or issues related to a body of water local to them, any awareness of water industry-related issues primarily came from media coverage of sewage releases – but many had low awareness. This audience may need separate engagement in accountability, or heavy support.

"I've never seen any of the videos [about leakage, sewage leaks and water company debt levels] before so I wouldn't have known that was the situation... in the UK. So, I think it's quite eye-opening."

*Female, 18-24, Future customer event, England*

### 6.2.1. Scope: the key issues and services on which future and young customers want to hold companies to account

Younger consumers focussed on companies delivering essential services: treating, testing and delivering a reliable supply of fresh drinking water.

"Think about...a better overall service ... I know everyone would like reduction of bills, but I think in a best-case scenario, a reduction of a bill if you're not getting the service that you require [is not preferable]." *Female, 18-24, Future customer event, England*

A minority suggested environmental issues as an important accountability topic. Like the Citizen Panel, they were concerned about river and sea quality, and how sewage was affecting this. A few were interested in whether companies were using renewable energy sources and, if not, felt they should be held to account on this. Although the wider Citizen Panel had environmental concerns, they did not raise companies being held to account for their energy sources in this way.

The research process gave information about current areas of customer dissatisfaction, at which point a minority became more motivated to hold companies to account to rebalance what they saw as an 'unfair' system which prioritises dividends and bonuses over consumers. This reflects the findings from Part One of this report - [customer engagement and research](#), about the value younger consumers place on social responsibility.

"How they're impacting the environment is a big one. Whether they're using renewable energy where they can and recycling the water properly."

*Female, 18-24, Future customer event, Wales*

"I didn't know that these bosses were getting six figure figures as we just learned there... it just makes you feel horrible. [...] some retribution's needed."

*Male, 18-24, Future customer event, England*



### 6.2.2. Method: future and young customers' views on approaches and methods

Spontaneous ideas about how to hold companies to account involved lobbying the Government to enact legislative changes, with some young people feeling that accountability was an issue for Government more so than for consumers. This focus on governmental oversight may be linked to the fact that very few of the young consumers had complained or given feedback to utilities providers (which were top-of-mind suggestions from older participants). However, they did suggest social media complaints as a method to hold companies to account.

"The only real thing that we can do [is] lobbying the government. That's the only thing that potentially could see real change. A lot of it is on the government."

Male, 18-24, Future customer event, England

"If you've got bad social media [...] for a company, surely that's going to make them make some changes."

Female, 18-24, Future customer event, England

When introduced to the idea of a consumer group, young people supported the concept, with similar reasons to older consumers: accountability was seen to be necessary, and consumers should be directly involved. They suggested that it should be inclusive and diverse but did not suggest that their age group should be overrepresented in accountability as some had thought for research practice.

"In terms of representation, [have] as much as you can...you don't want to specify your information to one group in society, old, young, male, female, [...]  
Everyone's a consumer. Everyone should have a voice."

Male, 18-24, Future customer event, England

This age group, being non-bill payers, or more newly paying bills, felt they had low knowledge about the water industry. They were more open to the idea of people with expertise taking part and slightly more open than others to collaboration with experts and regulatory bodies to help consumers grasp complex topics. This may also be linked to lower emotional response to the issues of performance and bills, which motivated other age groups to want consumers to take part directly.

"I just think you need real expertise on those customer panels. You can't just have anyone off the street...you do need that expertise to ask the right questions, to be able to judge the answers that you get back."

Male, 18-24, Future customer event, England

They highlighted that social media would be attractive in encouraging their age group to take part, if learning about participatory opportunities does not rely on following any water industry accounts. However, one respondent noted that giving feedback in this way seems easier for companies to ignore, as they're not talking to consumers face-to-face.

"I don't even know if you could subscribe to water companies. So, I think it would be hard to get to younger consumers."

Female, 18-24, Future customer event, Wales

"It feels like [social media] doesn't have anywhere near as much of an impact because anyone can complain on Twitter. So, it doesn't feel the same as if you went to like a town hall and we're face-to-face".

Male, 18-24, Future customer event, England



### 6.3. Non-household customers

We spoke to 20 non-household organisations, including small and medium sized businesses across England and Wales. Water consumption varied according to the type and size of business. Some used water for operational needs such as on construction sites or in healthcare facilities. Others used water in consumer-facing settings, such as food service and hospitality, while some had relatively low usage focused on basic amenities or office usage.

This audience prioritised holding companies to account on issues seen to directly impact the running of their business: reliable supply, incidents and good value bills – the latter particularly important to higher water users and those affected by incidents.

Non-householders welcomed the opportunity of a new collective way to hold their water company to account, such as a consumer group. However, there was widespread confusion about the supplier/retailer split. This audience was more open to delegating some accountability tasks to experts or other organisations, and less likely to feel strongly that consumer views should influence decisions.

Desired outcomes included financial sanctions, be it better compensation for businesses, or caps on water company dividends and profits (non-household customers feeling strongly that this showed poor business practice). This audience also demonstrated a desire for transparency and honesty, wanting to see higher awareness of the retail market, easier access for raising supplier issues, and financial transparency.

#### 6.3.1. Scope: the key issues and services on which non-household customers want to hold companies to account

Non-household customers generally prioritised holding companies accountable for issues directly affecting their businesses:

- **Ensuring a reliable supply** was a top priority as incidents can have significant impacts.
- **Swift resolution of incidents**, with proactive company communication around how long they will last, and if they might happen again, to help mitigate any impacts.
- **Good value bills:** especially for high water consumers, or those scrutinising their bill more closely after receiving a bill higher than expected, or an incident experience which makes them feel they're not getting the service they pay for.

High water usage businesses, incurring significant costs from their water bill, were more likely to monitor it closely, and to question value for money. Some non-household customers had also experienced service issues which had the same effect.

For others, water was considered one of the least expensive costs for non-household customers, and the amount of attention paid to their water bill was correspondingly low, provided it arrives on time and reflects the amount they expect.

"If our trading is interrupted [...] if business or customers are affected would be the only reason we would looking at holding anyone accountable really."

Medium business, high water consumption, non-household depth, Wales

"I suppose if we're not getting the service that you signed up for...So, if it's not being provided adequately or it's affecting the business operation then I think that's when I would hold them accountable."

Small business, high water consumption, non-household depth, England

"Charging us £30,000 more last year. How do you pass that on? If customers expect to come into your establishment, use the toilet, wash their hands. If they ask for water, they get a jug ... they don't give a monkey's about how much more you're paying...whether you had to lose a member of staff or whether it knocks your profitability, it's not on their radar."

Small business, high water consumption, non-household depth, Wales

"At the moment, because we're so small and our bills are relatively small, we tend to get them, pay them and move on."

Small business, low water consumption, non-household depth, England

Overall, non-household customers felt less strongly about holding companies to account for storm overflows than the wider household sample. A few customers cared about holding companies accountable for environmental issues, either reflecting on their personal interest in these issues, or (for one business) the importance of environmental issues to their organisation's core business. While many were aware of sewage releases, and disapproved of them, they did not directly affect business operations.

### 6.3.2. Method: non-household views on approaches and methods

Most non-household customers supported the idea of holding their supplier to account through a consumer group, with a collective mechanism for accountability where all consumer voices, including businesses, are included.

However, there was widespread confusion about the retail/supplier relationship. Few could name their retailer spontaneously or appeared to be mixing up their retailer and supplier. Only one business customer in the sample had switched retailer; without a proper understanding of the retailer and supplier split, or who their retailer was, many did not know this was an option. Within the sample, familiarity with Welsh Water tended to be higher and related to its not-for-profit status.

"I wouldn't have thought of the company that supplies me with the water as the retailer. I would have just assumed they were the wholesaler."

Small business, medium water consumption, non-household depth, Wales

Non-household customers were more supportive than household customers about delegating some accountability tasks to experts or other organisations. They were more aware of the various complex factors involved in running a business and felt that the group needed to be sufficiently 'expert' to give meaningful feedback on company actions. Some also had concerns about members of the public making unrealistic demands. Provided the experts or organisations do not have vested interests, non-household customers did not see any issues with including them as part of consumer groups.

Suggestions included:

- Involving industry experts on consumer panels.
- Nominating members of panels according to their expertise.
- Having their own complaints and feedback aggregated or represented by someone else, like their retailer or a similar business.

"You've got sort of the business groups avenue, like the Federation of Small Businesses and you've got organisations like that that could represent this."

*Small business, low water consumption, non-household depth, Wales*

"I think you need to have a lot of knowledge because you're dealing with major companies that can ... blag it really. If you've got somebody that actually can stand up to them and knows the water business inside out, then you've got half a fighting chance."

*Medium business, medium water consumption, non-household depth, England*

Generally, non-household customers felt less strongly than household customers that companies should be required to act on consumer feedback. They noted that companies are the experts on the workings of their own businesses, and that working collaboratively might prove more effective than unrealistic demands.

Areas they felt companies should retain decision-making power over included:

- Business operations.
- Technical issues relating to day-to-day operations.

"Maybe direct involvement where you say, you need to do this, because I think that's what the companies are for. That's why they employ certain amount of people you know. Because they have the expertise. But I'll be able to say to them, this is what we recommend."

*Small business, medium water consumption, non-household depth, Wales*

"I guess there comes a point where you may disrupt the fact that it's a business ultimately and that it relies on profits and things like that in order to be sustained."

*Small business, medium consumption, non-household depth, England*

### 6.3.3. Outcomes: of accountability

Non-household customers demonstrated a preference for outcomes focussed on rules and regulation which would help them know what to expect from companies:

- Guaranteed amounts of financial compensation when incidents are experienced, or targets for levels of service breached (including compensation for lost business or damages).
- 'Caps' on shareholder dividends and company profits in relation to performance. This idea came up for household consumers too, but non-household customers felt especially strongly that the status quo of rising bills, poor performance and high dividends or bonuses is evidence of 'poor business practice'.

"You just look at it and think they don't seem to run efficiently or like a business should."

*Small business, medium consumption, non-household depth, England*

"It should be a consistent minimal profit that enables people to live and that is household consumers [and] business consumers."

*Small business, medium consumption, non-household depth, England*

Non-household customers also felt strongly that companies needed to be more transparent and honest with their non-household customers. They wanted to see an increased profile of the retail market, so non-household customers can move retailers if it suits them and are clear who is responsible for any interruptions. They also wanted it to be made easier for non-household customers to raise issues with their suppliers, either directly or through a consumer group.

"Retailers sort of become a middleman that allows you to keep the customer at arm's length."

*Small business, medium water consumption, non-household depth, England*

"They need to make it obvious [that] if you change from company X to company Y, nothing other than the paperwork will change...the quality of the water coming through will remain the same."

*Small business, medium consumption, non-household depth, England*

"If a business like mine had a problem, if we had somewhere to report to...that maybe wasn't Welsh Water...but it went to the consumer group. The consumer group could use that to influence or sort things out with the water company."

*Small business, medium water consumption, non-household depth, England*

This audience also wanted more financial transparency, which includes:

- More clarity about how companies are performing, so that customers can see they 'get what they're paying for' (especially for high water consumers, those with increased bills, or those who are aware of upcoming bill rises).
- More transparency about how bills are spent, and the reason behind any bill rises. A few people aware of upcoming price rises felt especially strongly about financial transparency for this reason.

## 7. Conclusions

**Spring 2025 bill rises will increase the salience of the water sector.** With consumers already feeling concerned about the cost of their water bills and whether they 'get what they pay for', the public will want to know more about why they are going up, and what service they will get in return, pushing accountability up the agenda.

**Consumers welcome the idea of a new collective mechanism for consumers to hold water companies to account. They respond positively to the concept of a consumer group.** Whatever format a new mechanism takes, it must be underpinned by the key principles of **honesty and transparency** from companies. It must **empower consumers**, and involve broadly **representative, unbiased and confident** participants. Any mechanism needs to **support** members for them to be **well-informed** to engage with and scrutinise water company issues against **realistic and measurable** goals.

**There is a tension between having a new accountability mechanism to broadly represent the public, and a recognition that holding companies to account effectively will require sufficient time and expertise.** Involving people who have the time and skills to become more informed may be necessary, supporting them with experts and training. There is some appetite for CCW to liaise with companies and support groups.

**Putting a new accountability mechanism into practice will be challenging in whatever form it takes.** Due to the breadth and depth of issues to consider, resource and consideration will be needed to make it effective, and to recruit, inform and retain suitable participants. The sector will need to consider how to ensure that any new mechanism is not simply another 'research vehicle' and truly has the power to scrutinise and effect change in realistic ways.

**A new collective consumer representation mechanism is an important step** in ensuring consumers feel prioritised in a monopoly system – where trust and satisfaction have fallen. Indeed, the introduction of a new accountability mechanism represents an **opportunity for companies to engage better with consumers and raise the level of the public's trust** as they deliver significant investment from 2025- 2030. A proactive approach could move beyond scrutinising performance to helping prevent future issues of public concern.



## 8. Reflections for practice

These have been developed by Blue Marble Research based on consumer insight from this research and wider utility consumer engagement. They also build on discussion with the project Advisory Group. They are intended to support companies to put the consumer principles into practice.

### **Honest and transparent: Reflections for practice**

The Special Measures Act gives Ofwat new powers to set rules requiring companies to involve customers in decisions that have a material impact on their interests. It has the potential to be a key part of addressing the perceived shortfalls of a monopoly system, where consumers currently have low trust that companies are acting in the best interests of the public.

Consumers want companies to earn back trust. Company efforts to do so can be demonstrated to consumers involved in accountability and the wider public, through provision of clear information and being transparent about performance problems and progress. Consumers expect attendance of senior staff at whatever form consumer accountability takes. They also want them to be more visible in the community and give opportunities for contact with the wider customer base.

### **Empowering consumers: Reflections for practice**

Consumers welcome the opportunity for members of the public to have a new collective mechanism to hold their water company to account. However, it must have sufficient power and autonomy to act, for example being able to set the agenda and require company staff to attend and report back.

Consumers want there to be consequences for failing to act on the views of any new collective accountability mechanism. This poses a challenge for the industry and must be considered in the wider context of the provisions of the Special Measures Act, as consumers want any sanctions on responsible staff (for example, decreased bonuses) instead of fines on the company, which may ultimately affect, or be perceived to affect, investment in services and customers.

After deliberation, consumers concluded that setting sanctions should not be a power for the new accountability mechanism, but they would still want these consequences in place.

The industry will need to consider how to ensure any new mechanism moves beyond being a 'research vehicle' and has the power to effect change.

### **Realistic and measurable: Reflections for practice**

Consumers are clear that an accountability mechanism needs to be independent of water companies. However, in practice it will be important to collectively develop Terms of Reference between the company and any mechanism such as a new consumer group. Members will need to spend time upfront to work on a forward agenda with the company. Companies should prepare to share key performance data in ways that are accessible to members. Support will be needed for members to understand current performance commitments, and whether any 'asks' would work within the regulatory and legal framework.

### **Well-informed and supported: Reflections for practice**

Consumers think there is a key role for experts to support them with advice, and possibly to make representations to companies and Ofwat on their behalf.

The use of experts to immerse consumers in complex topics is a central part of citizen-based engagement and deliberative democracy practice. However, it is not something that has been adopted widely by the water sector. There are significant barriers to including 'expert witnesses' in deliberative research which would likely be similar for supporting participants of a new accountability mechanism: who should the experts be, independent or from water companies? Can they afford the time to engage with consumer groups (potentially on multiple occasions)? Are there risks of introducing bias or misinformation?

Clearly, consumers want to feel they are being supported, not led, by experts, but how experts should be integrated in a new accountability mechanism is a key consideration for the sector.

There is a role for company communications to support the dissemination of news and outcomes to the wider consumer base and equally, for research and insight teams to feed in views from that wider community to people taking part in a new accountability model.

### **Representative, unbiased, and confident: Reflections for practice**

While consumers like the idea of a new collective mechanism such as a consumer group, they are aware that it would take time and commitment from members.

A key decision for the sector will be who sets up and manages any such consumer group, and how participants are selected. This research reveals a tension between consumer desire for a broadly representative cross-section of the public to take part, and recognition that members will need to be committed and confident and have sufficient ability to work with complex topics.