



The voice for water consumers
Llais defnyddwyr dŵr

The Bottom Line:

Helping customers understand water
company finances

Prepared by Impact Research
May 2026

All projects are carried out in compliance with the ISO 20252 international standard for market, opinion and social research and GDPR.

[ccw.org.uk](https://www.ccw.org.uk)

Foreword

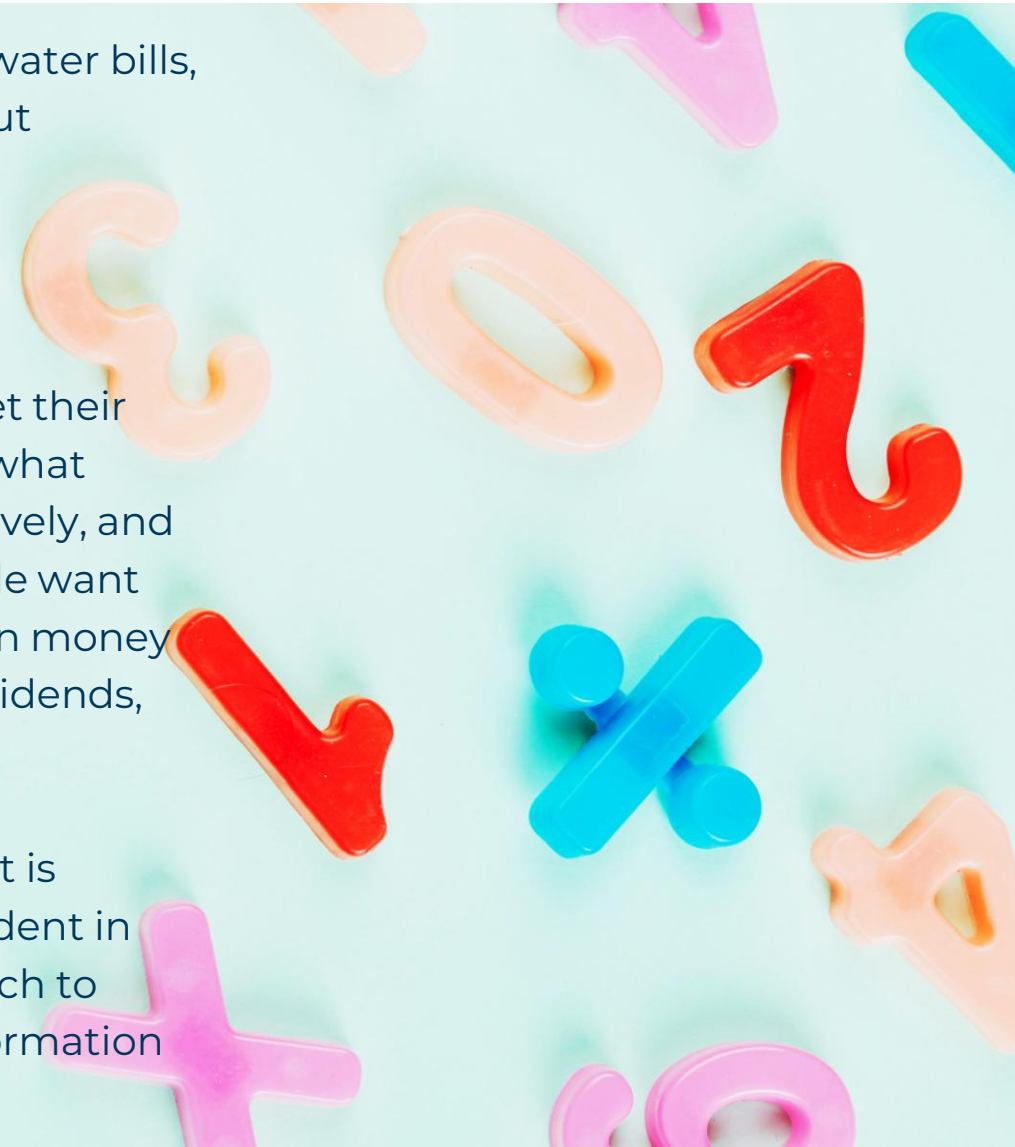


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At a time when customers across England and Wales are facing rising water bills, increased scrutiny of company performance, and growing concern about environmental outcomes, transparency over how water companies use customers' money has never been more important.

This research shows that while customers recognise the importance of transparency, much of the information currently available does not meet their needs. It can feel inaccessible, overly technical, and disconnected from what matters most to them – whether their money is being used fairly, effectively, and to deliver tangible improvements in service and the environment. People want meaningful, clear, plain- English explanations, transparent links between money and outcomes, and honest engagement with difficult issues such as dividends, debt and executive pay.

Improving financial transparency is not simply a matter of compliance; it is fundamental to rebuilding trust and ensuring that customers feel confident in how their money is being used. CCW will use the evidence in this research to challenge water companies to meet customers' expectations of the information they want to know and how they want to receive it.



Background and methodology



Background



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- Water companies must publish financial information to provide transparency about how they operate, including how customer bills are used, how companies are funded, and how they invest in infrastructure and services
- However, much of this information is designed for regulators, investors, and financial audiences. As a result, it may not always be accessible or meaningful for their customers



- CCW commissioned this research to explore how customers understand and interpret water company financial information, and what information they expect to see
- The research aims to understand:
 - How aware customers are of water company finances
 - How they interpret financial information when it is presented to them
 - Whether current reporting helps customers feel informed or reassured
 - What type of information and communication would better support transparency and trust



- Qualitative research was conducted with household customers across England and Wales through online focus groups and in-depth interviews, including digitally disadvantaged customers, bill payers and non-bill payers



Research Objectives



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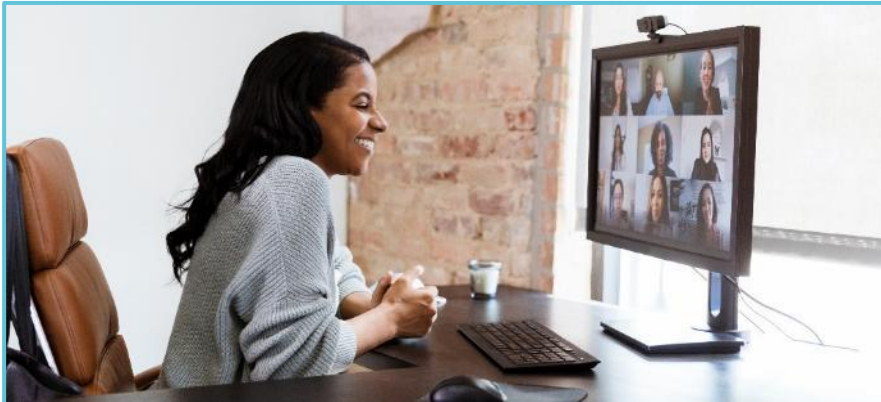
1. Understand how customers currently perceive and interpret water company finances
2. Identify the financial information customers consider most important in understanding how their water company is performing
3. Assess how accessible and understandable current financial reporting is for customers
4. Explore how the way financial information is presented influences customer perceptions of transparency, accountability, and trust
5. Identify which formats and types of explanation help customers engage with financial information more easily
6. Understand the level of detail customers want about water company finances
7. Provide practical insight to help CCW support water companies in improving how financial information is communicated to customers



Qualitative Methodology



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Five online focus groups
(32 customers in total)



Six in-depth telephone interviews
(digitally disengaged / vulnerable customers)

Fieldwork conducted
12th February – 4th
March 2026

Respondents were from
a mix of water
companies and had a
mix of interest in water
company finances
(none selected 'not at all
interested')

- During the sessions participants:
 - Discussed their relationship with their water company and levels of trust
 - Explored their current awareness of water company finances
 - Reviewed and reacted to examples of financial reporting materials
 - Considered what financial information they would want water companies to provide
- Participants were provided with a **short pre-read information pack** ahead of the research to introduce key concepts and examples of financial reporting

The results of qualitative research cannot be projected onto the overall population, due to sample selection, interviewing methods and sample size

Sample design: 38 customers interviewed



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Online focus groups:			
1	Southern England, age 45+	Thursday 12th February	18:00 - 19:30
2	Southern England, age 18-44	Thursday 12th February	20:00 - 21:30
3	Northern / Mid England, age 18-44	Monday 16th February	18:00 - 19:30
4	Wales, mixed ages	Thursday 26th February	18:00 - 19:30
5	Northern / Mid England, age 45+	Thursday 26th February	20:00 - 21:30

Telephone depths:	
1	Female, age 64, digitally disengaged
2	Female, age 43, medically vulnerable
3	Male, age 63, medically vulnerable
4	Female, age 81, digitally disengaged
5	Male, age 35, medically vulnerable
6	Male, age 70, digitally disengaged

Respondent profile:
<ul style="list-style-type: none">• Mix of SEG, gender and ethnicity• 1-2 Vulnerable customers per group• Max 2 non-bill payers per group• Min 2 water metered customers, but not all• Mix of water companies• Min 4 must be aware of their water company• Mix of knowledge about / interest in water company finances• Mix of satisfaction with the water company



**Context: Customer perceptions of water
company finances**



Trust informs the basis of financial engagement

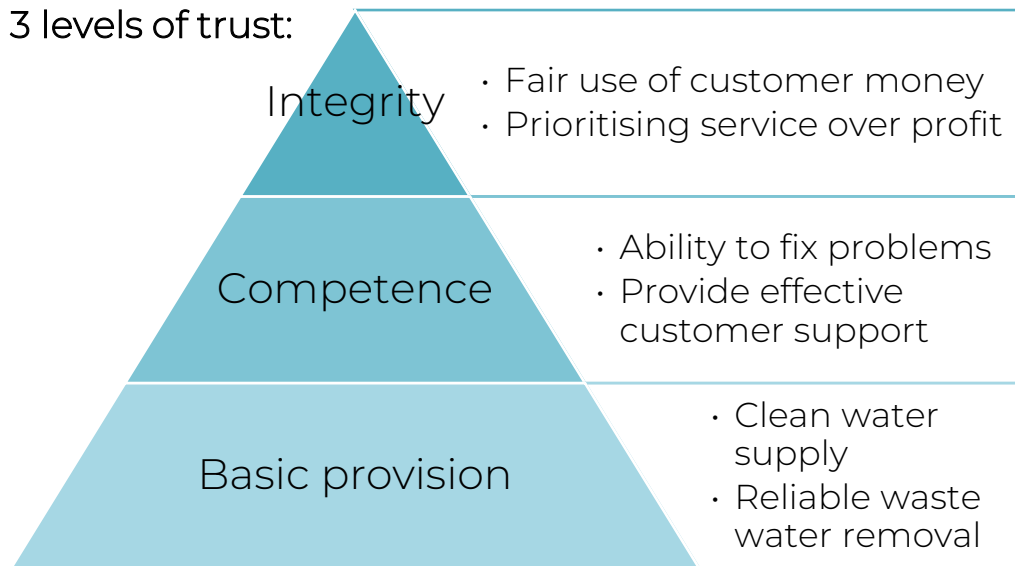


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Customers engage with financial information differently depending on how they trust their water company

Where **basic service reliability** is trusted, interest in finances tends to be low. Where **competence** or **integrity** are questioned, customers become more attentive to financial information when it is presented to them and more likely to notice or listen to wider discussion about company finances

3 levels of trust:



Few customers in this sample feel their water companies act with integrity, yet this is an important driver of trust



How a company deals with issues can have short and long term impacts on trust (either positive or negative)



As long as this baseline is met, trust is stable for most customers even when there are wider issues

'For me, the level of trust is based on how transparent they are. And I think my water company are pretty transparent. They are very clear on where the money that we're sending them as customers is spent. And they're quite straightforward in showing their plans for the future and where that investment's going.'

45+, Northern England group



Public discussion of water company finances



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Most customers do not engage directly with formal financial reports. Instead, **perceptions of water company finances** are largely shaped by **secondary sources**: media coverage, social media discussion, and word of mouth.

A sweep of UK consumer news coverage, social media discussions (particularly Reddit), and broader online commentary about water company finances, alongside insights from the **qual research** raised four top themes:



Profits, dividends and executive pay

Media coverage frequently highlights shareholder payouts and executive bonuses, often contrasting them with rising customer bills



High debt levels

Financial discussions commonly reference the large debt carried by water companies and concerns about long-term financial stability



Rising customer bills

News reporting often links financial information to increasing household costs and questions about value for money



Environmental issues linked to profit

Stories about sewage pollution or infrastructure problems are frequently framed alongside issues such as dividends, investment levels or corporate governance

Secondary information sources shape perceptions



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Because customers often get their information on water company finances through secondary sources, perceptions may not be based on factual evidence

Common customer perceptions:

Limited awareness of how bills are spent

Customers often assume that a significant portion of their bill becomes profit because they rarely see clear explanations of where money goes

Suspicion about fairness and priorities

Stories about dividends, bonuses or debt can lead customers to believe companies prioritise shareholders over service improvement

Trust linked to service performance

Financial decisions are often interpreted through the lens of service experiences such as pollution, outages or infrastructure failures

Financial information seen as inaccessible

Customers frequently view financial reporting as technical and written for investors rather than customers

'You hear [on the local radio news] about these big bonuses and then sewage in the rivers.'
Digitally disengaged, age 81, SW England

'It's always in the news about profits and shareholders and then the state of the rivers.'
45+ Southern England group

Take out: Water companies need to join the conversation



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As we've seen, customers rarely engage directly with finances, meaning perceptions are shaped by media coverage and social discussion. Clear, accessible communication is needed to counter simplified narratives and build trust

- **If companies do not explain their finances clearly, others will do it for them**
 - Media headlines and social media discussions often simplify complex financial issues, which can reinforce negative or inaccurate assumptions
- **Lack of transparency fuels mistrust**
 - When customers cannot easily see how their money is spent, they may assume it is going primarily to profits, bonuses, or shareholder returns
- **Financial information needs to be designed for customers, not investors**
 - Traditional financial reporting is rarely accessible to the public. Clear explanations, visual summaries, and simple breakdowns of bill spending can help improve understanding
- **Linking finances to outcomes is critical**
 - Customers want to understand how money translates into investment, service reliability, environmental improvements, and future resilience



**Segmenting customers based on their
interest in water company finances**



Financial engagement segmentation

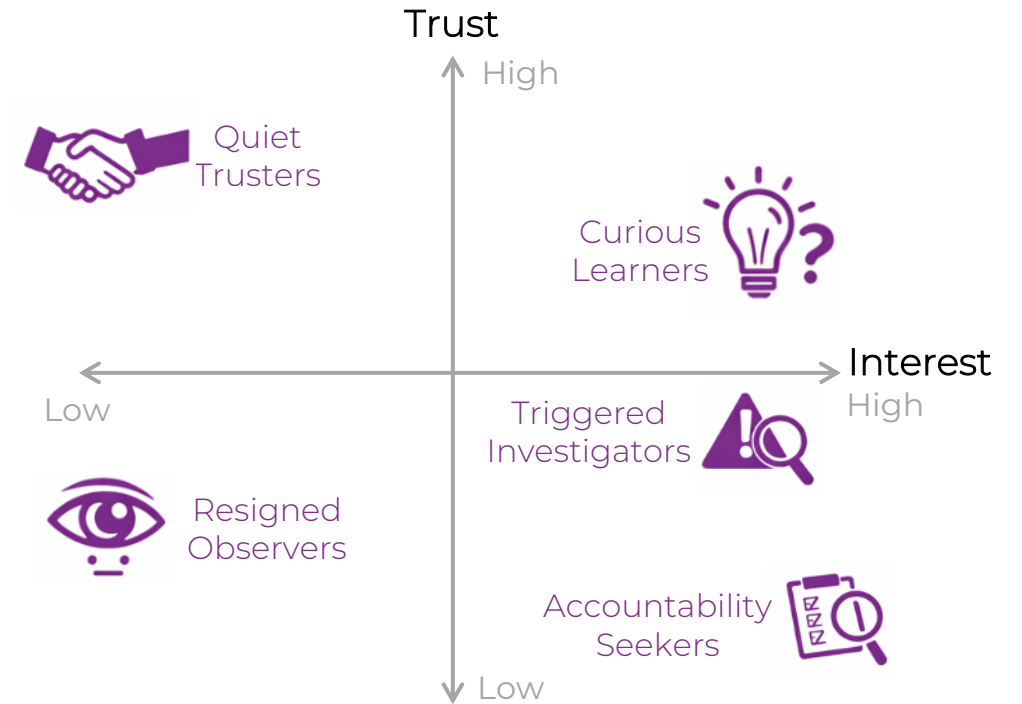


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Across the focus groups and depth interviews, engagement with financial information is shaped by two key forces:

1. Interest in understanding water company finances
2. Trust in water companies and how they use customer money

Customers rarely approach financial information neutrally. Instead, their level of trust strongly influences whether they ignore financial information, accept it, question it, or actively seek it out



The segmentation is based on attitudes identified in a small qualitative sample and therefore cannot be projected onto the overall population

Financial engagement segment summary



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Accountability Seekers



Actively interested in water company finances and motivated to scrutinise how money is used to hold companies to account

High interest
Low trust

Triggered Investigators



Normally disengaged from financial information, but becomes highly interested when an issue, bill change, or news story raises concerns and impacts trust

Medium to high interest
Medium to low trust

Curious Learners



Open to understanding water company finances if the information is explained clearly and linked to things that matter to them

High potential interest
Medium trust

Quiet Trusters



Generally, trust that the company is doing its job and see little reason to seek out financial information unless something goes wrong

Low interest
High trust

Resigned Observers



Feel disengaged from financial information because they believe they have little influence over how water companies operate

Low interest
Low trust

The segmentation is based on attitudes identified in a small qualitative sample and therefore cannot be projected onto the overall population

Financial engagement segment: illustrative quotes



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Accountability Seekers

High interest
Low trust

'How can they get a bonus when they've not achieved everything and kept people safe? There should be no bonus if you've not done the basics of clean water.'
45+, Southern England group

Triggered Investigators

Medium to high interest
Medium to low trust

'The amount that the water did go up was just incredible really. So I do think it's important that we do know what is being spent.'
Vulnerable, age 64, NW England

Curious Learners

High potential interest
Medium trust

'I didn't realise how much goes into infrastructure and things like that. When you see it broken down it's quite interesting.'
45+, Northern England group

Quiet Trusters

Low interest
High trust

'I do trust my water company... They've been pretty good at keeping into communication with me quite regularly.'
18-44, Southern England group

Resigned Observers

Low interest
Low trust

'It's a lost cause really because there's nowhere else for me to go. I don't have a choice and I need water.'
45+, Southern England group

The segmentation is based on attitudes identified in a small qualitative sample and therefore cannot be projected onto the overall population

How to engage with each segment



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Accountability Seekers

Already aware of issues such as debt and dividends and strongly influenced by media coverage. Want transparency so they / the media can challenge

They need access to deeper information and evidence of independent scrutiny

Triggered Investigators

When a problem occurs, they want clear financial explanations. They want to know whether money is being spent a) fairly and b) locally

Financial reporting needs to explain real-world outcomes. They respond best to information linked to bills, local investment and spend on fixing issues

Curious Learners

Likely to be the largest segment. They become interested when information is linked to bills and accessible / visual

They need clear visuals, plain English explanations and simple summaries

Quiet Trusters

Low engagement as see water as a background utility that should just work. The assumption is that everything is fine unless they are directly impacted by a problem

Won't look at information unless there's a highly engaging, simple hook

Resigned Observers

Feel powerless as can't choose their water company. Think financial information is therefore irrelevant. Don't believe change will happen

Unlikely to increase engagement through any level of financial reporting, but can start to build trust with myth-busting and answers to simple questions about fairness and value

The segmentation is based on attitudes identified in a small qualitative sample and therefore cannot be projected onto the overall population

Customer understanding of water company financial information



Customer exposure to financial reporting



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Most customers have very limited direct exposure to financial reporting. Awareness tends to come incidentally through bills, occasional communications, or wider media coverage rather than deliberate engagement

- Most customers don't actively look for financial details, but are more likely to notice financial information when something triggers concern
 - For instance, if a customer's bill increases, they are more likely to read a newspaper article about water company bonuses, or read an annual financial summary provided with the bill
- Some recall receiving occasional information with bills or through the post, often summarising planned spending or future investment. However, these materials are rarely read in detail and are often set aside
 - A small handful of customers (from a number of different water companies) appreciated receiving a summary of their company's finances and priorities each year (with a bill)
 - Even if they didn't always read it, it felt positive and transparent to be send it.

'We always get it on an annual basis when we get the bill. There's always a statement as to how they spend it. I've not really ever looked at it properly, to be honest, but it's about profits and how they spent them. It's good to know that if you actually want to know how it's been spent or where your money's going, at least it's there for you.'

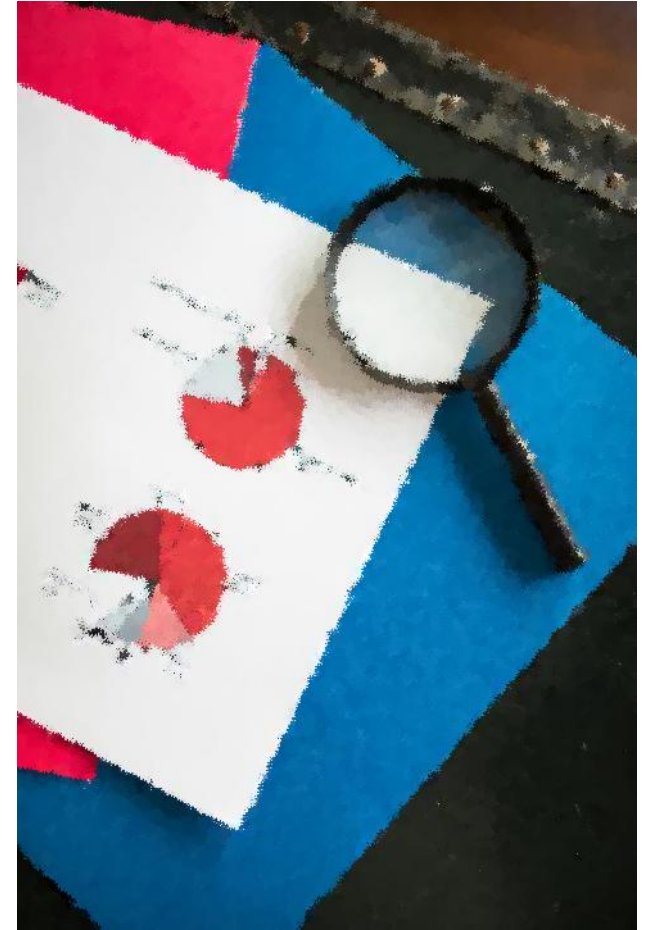
45+, Northern England group

Despite low interest in financial reports, customers are able to remember and recall simple summaries



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- Customers typically say they have not received clear information about areas that interest them most
 - Such as shareholder dividends, executive pay, or how bills relate to spending in their local area
- When financial information is encountered, it is usually through simplified formats such as summaries or graphics rather than full financial reports
 - This is fine for most customers, and visual breakdowns of spending are more eye-catching and easier to understand
- Wider awareness of water company finances often comes from news coverage and public debate rather than direct company communication, meaning perceptions may be shaped by external narratives rather than official reporting



What might prompt customers to seek financial information?



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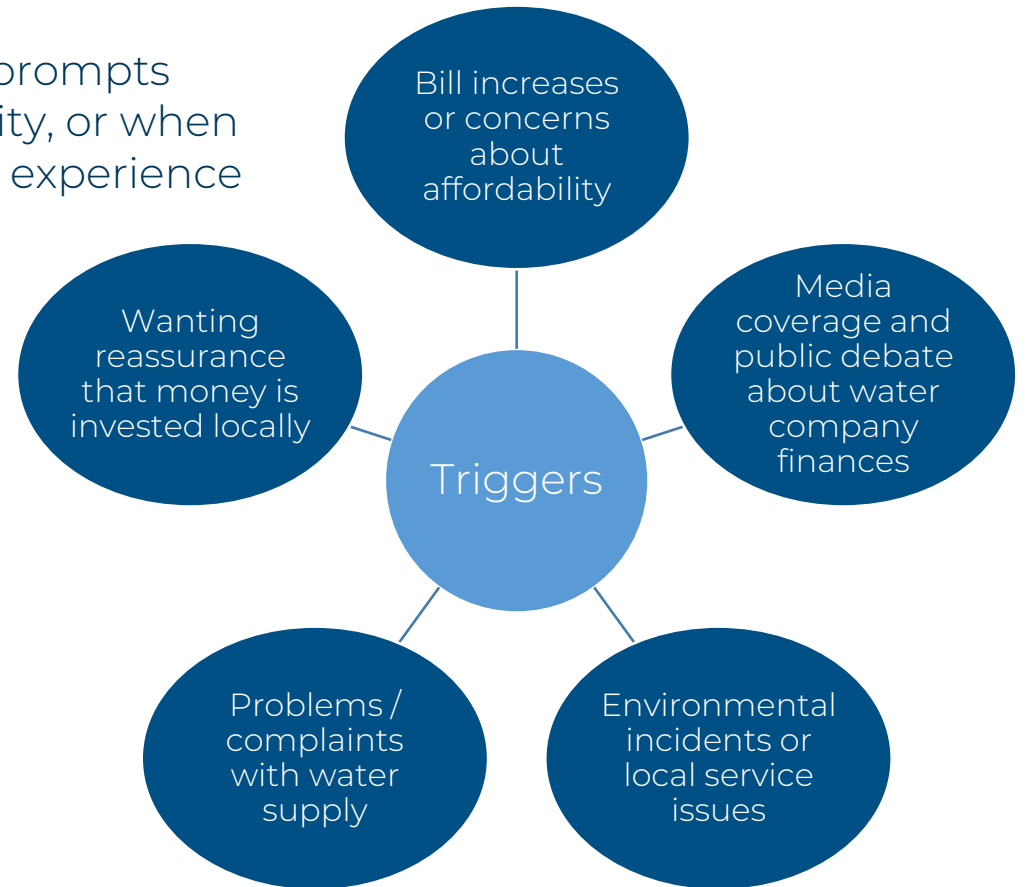
Interest in financial information is usually situational

Customers are more likely to pay attention when something prompts questions about costs, company performance, or accountability, or when the information is presented clearly and feels relevant to their experience

'You're more interested in what's happening in your own area... you want to see the problems with your water company fixed.'
Vulnerable, age 43, NE England

'The amount that the water did go up was just incredible really... I do think it's important that we do know what is being spent really.'
Vulnerable, age 64, NW England

'When I had a bad experience... I was quite interested because I wanted to know what's happening and why nothing's being fixed.'
18-44, Southern England group

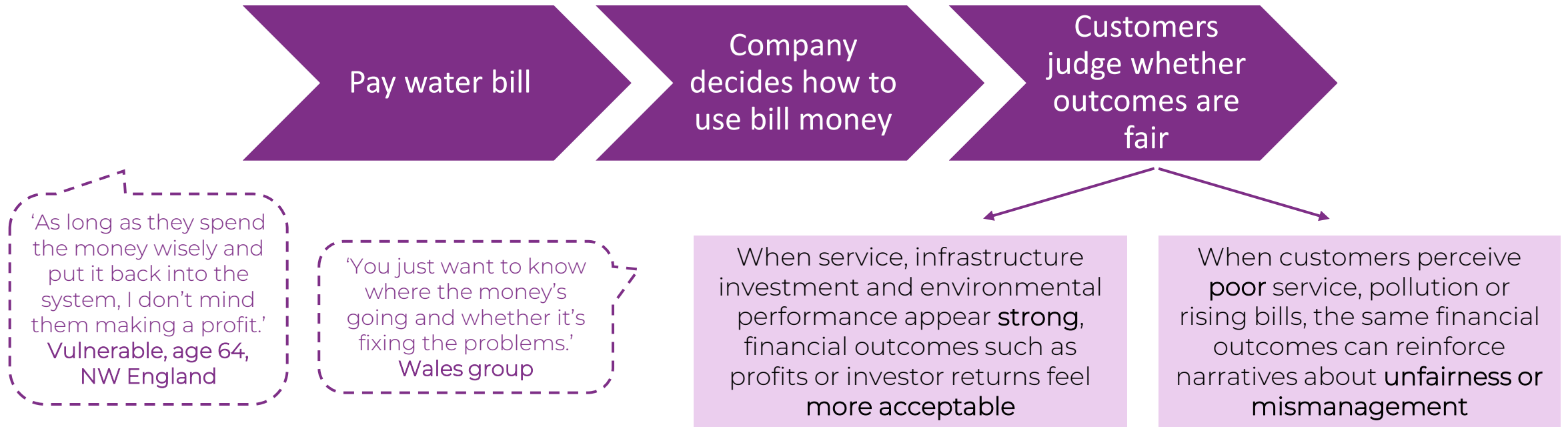


How customers make sense of water company finances



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- Customers tend to think of water company finances in a straightforward chain with little top-of-mind appreciation of investors, debt repayment or other nuances:



- Transparency is needed to help connect financial decisions to outcomes such as improved infrastructure, environmental protection or local investment
- Without these connections, financial reporting can feel abstract and disconnected from customer experience

Customer understanding of financial terminology



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- Financial terminology is a barrier for many customers
- While most recognise that financial reporting is important, unfamiliar terms and technical language reduce confidence in interpreting the information without explanation
- Common words such as 'profit', 'debt', 'investment' and 'expenditure' were widely understood
 - More emotive words that trigger negative perceptions were understood by the majority but not all, e.g. 'dividend', 'shareholder'
 - More technical words were generally not understood and were felt to be an unnecessary level of detail for domestic customers e.g. 'gearing ratio'
- We provided a glossary of words to help respondents engage with the pre-read material
 - Most welcomed the glossary because it helped them navigate unfamiliar financial terminology
 - But it also highlighted that much of the language still feels technical and even having a glossary up front could discourage engagement

'Some of it is a bit dry... you don't get the nitty gritty stuff unless you go and dig it out.'

Vulnerable, age 70, SW England

'I need it in more layman's terms. A lot of the examples seemed to be like in financial talk. As a customer I found it all just a bit above my head and I had to reread some of it to take it in, really study it. So if I got this in real life, I just would give up on it.'

45+, Southern England group (talking about the pre-read examples)

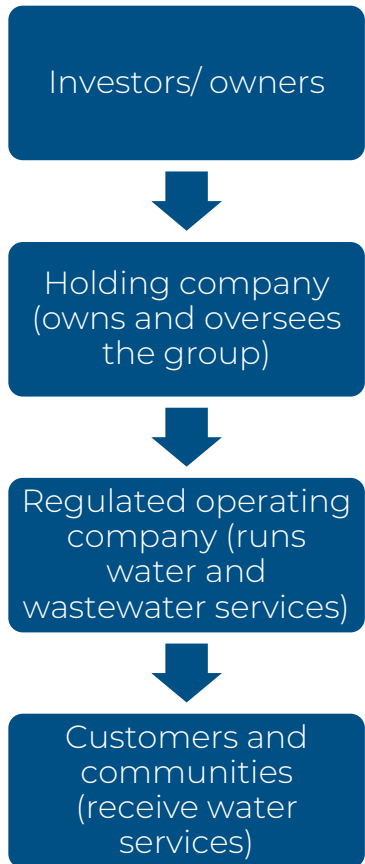
'Had I not had that glossary, I would've just switched off a little bit.'

Vulnerable, age 43, NE England

Low familiarity with ownership structures



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- Most customers had little awareness of the layered ownership structures behind water companies
 - Once explained, ownership mattered more to those who already distrusted company motives
 - Not everyone saw ownership as important in itself. Some said it mattered less who owned the company as long as the service worked and bills felt fair
- For lower-trust customers, **distant (foreign) ownership** reinforces the sense that decision-makers **are too removed from local customers** and local consequences
- One customer only became aware of the ownership structure when his MP (who was helping him with a complaint) emailed the holding company instead of the water company
- For a few, **external ownership was not a major concern** and could even be acceptable if it meant more money coming into the business rather than more being taken from customers

'It's not really something that I'm bothered about and is not something I can really control to be honest with you. You would hope even though if they are owning them, they're pumping more money into them so they don't take more money out of us.'

18-44, Southern England group

'I still see [the holding company] Pennon as much more of a distant owner rather than the operating company. In some ways, I feel quite sorry for South West Water because they're kind of stuck in the middle. They've inherited a really leaky water system and the holding company wants to make profit for their investors.'

Vulnerable, age 70, SW England

Key metrics: Customer expectations of profit and debt



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- Most customers do not have a business understanding of these terms, so they interpret them through what they already feel about their water company
 - Where trust is low, profit and debt are more likely to be read as signs of unfairness, mismanagement or risk
- Profit and profit share are acceptable in principle, but becomes contentious when customers feel service, environmental performance or value for money are poor
- Debt is often read less as a financing tool and more as a warning sign. Some customers questioned how companies could have such high levels of debt while still making profit and paying investors and senior leaders so well
- A minority did recognise that both profit and borrowing play a role in funding infrastructure improvements, but this was usually conditional on seeing evidence that money was being reinvested and customers were benefiting

'South West Water don't appear to be doing very well financially, yet the top person is walking away with huge sums of money in a salary. So obviously people get quite emotionally upset about that kind of thing.'
Vulnerable, age 70, SW England

'I don't feel entirely comfortable with [profit levels]. I know it's obviously a business and people have to make money, but water is an essential part of our everyday life. We need water to survive so it feels a bit harsh that people are making profit out of it.'
Vulnerable, age 43, NE England



Welsh Water: Implications of not-for-profit on financial reporting perceptions



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What customers in Wales understand

- Customers broadly grasp the basic model: Welsh Water has no shareholders, and any surplus should go back into the business
- But they do not take “not-for-profit” literally; some assume a company of this size must still make money
- Most had never looked into Welsh Water’s finances before
- *Note, not all customers in Wales were Welsh Water customers*

What their perceptions are

- The model is seen as preferable to shareholder payouts and can suggest greater stability
- But it does not remove scepticism: Customers still want to know where the money goes, whether senior pay/bonuses are justified, and whether the model is really delivering for customers

What this means for financial reporting

- As in England, customers in Wales are unlikely to engage with dense financial reporting on its own
- They are more likely to engage when reporting clearly shows where their money goes, why bills are rising, and what is being improved
- Short summaries, plain-language explanations and simple glossaries are more effective than technical jargon, which can feel evasive

‘It's not to a degree relevant in terms of whether we think it's good or not [that Welsh Water is not-for-profit]. The question is, is it transparent? And the answer to that is, I don't know.’

Wales group

There are no shareholders getting dividends and whatever, but where is the money going? Is it cost-effective? How much they're paying in bonuses, et cetera, and is that reflective of the service that they're providing, with obviously the cost of living rising?’

Wales group



Reactions to profit differ between customers in England and Welsh Water customers



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Participants in England viewed the Welsh Water not-for-profit model positively in principle. However, those in Wales were noticeably more sceptical, suggesting that ownership structure alone does not determine trust or customer satisfaction

- In England, customers reacted favourably to the idea that Welsh Water is not-for-profit and reinvests financial surpluses back into the business. For some, this sounded fairer and more aligned with the idea that water is an essential service rather than a commercial product
- The not-for-profit structure was interpreted by some customers in England as reducing the risk that money from bills would be diverted to shareholders rather than invested in infrastructure or environmental improvements
- However, those in Wales themselves were more cynical about whether the model actually delivers better outcomes. Several suggested that the structure makes little difference to their everyday experience as customers
 - The absence of shareholders did not automatically increase trust
- This contrast highlights how perceptions are often shaped by distance: the model appeared attractive in principle to non-Welsh Water customers, while Welsh Water customers evaluated it through lived experience

'I didn't know that Welsh Water was a not-for-profit and it just makes me wonder why more are not set up like that. Because water, is something that everyone needs as a basic right. When profits are involved and it becomes a moneymaking business.'

18-44, Southern England group

'Just because they don't pay dividends, they're obviously paying the managing directors and whoever on their boards a lot more not to have their dividends because the people who run these big companies must get a good package.'

Wales group

Customers are concerned about profit share and want it to be tied to multiple performance metrics



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Customers do not always distinguish between dividends, bonuses and any other types of profit share, but they do see all three as signals of who benefits from the company's finances and whether money is being used fairly

- Dividends were generally understood as payments to shareholders, but many participants questioned whether these payments were appropriate when bills are rising or service and environmental performance are under pressure
- Dividends were seen in moral rather than technical terms. A number of customers felt that if there are sewage spills, there should be no bonuses or dividend payments, showing how payouts of any kind are quickly linked to public expectations of performance
- Executive pay and bonuses were especially emotive because they were seen as rewards for leaders rather than necessary costs of attracting senior leadership talent
 - Customers weren't opposed to paying top salaries to the best leaders, but felt that the actions of their water company bosses didn't justify such high salaries
- Even those who accepted that investors expect returns wanted a much clearer explanation of why they are paid, and what metrics are used to make decisions
 - Environmental performance was seen as just as important as financial performance

'We shouldn't be having all this sewage going into the sea and everything. Who decides how much payouts they'll get? Because really they shouldn't be getting anything at the moment with all this going on.'
Digitally disengaged, age 81, SW England

'Group turnover of £2.4 million and the shares are £1.12, but the dividends per share was £1.21. So they got more dividends than they did the value of the share. That shows too much profit, too much money being taken off the customers and not enough going back into doing what they should be doing.' Female, 45+ Southern group

How customers interpret water company financial information



Initial reactions to the pre-read reporting examples



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Engagement with the material varied widely. Some customers were able to follow the summaries and explanations, while others found the information challenging, or disengaged / gave up when it felt too technical

- **Some participants said the material was understandable**, particularly when explanations were simple and supported by visuals or examples
 - Others said they had to concentrate carefully to follow the information, especially where unfamiliar financial terminology appeared
 - A smaller group said parts of the material went over their head and they would normally switch off from information presented in this way
- **Customers were also struck by the idea that much of the clearer, more customer-friendly material, such as Plain-English short summaries are optional rather than mandatory**
 - This surprised some, who felt that if customers are paying the bill, they should have a right to clear explanations of where the money goes
- **For some, that point changed how they saw financial reporting more broadly**, making it feel less like information produced for customers and more like something done mainly for legal and regulatory purposes

'I didn't realise they had to publish all this... but it sounds like most of it isn't really written for customers.'

Vulnerable, age 64, NW
England

'There's quite a lot there. Some of it you'd probably just skim.'

18-44, Northern England
group

'The fact that they're optional... you should have the right to know where, if you're paying a bill, where the money's going.'

Wales group

Good reporting examples



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Visual and colourful:

How we spend each £1 of your water supply bill



- Plain English explanations
- But too positive for some ('Exceptional customer experience')
- Doesn't include salaries and overheads or existing debt financing

Our annual performance

Annual Lost Time Injury Rate (LTIR) of 0.14 (2024: 0.10)
See our [Our people](#) section for more details.

Reduced leakage by 15.1% since 2020 (2024: 12.7%)
See our [Right for customers](#) section for more details.

Two-star Environmental Performance Assessment rating (2024: two-star)
See our [Right for the environment](#) for more details.

Supported nearly 167,000 customers with their bills (2024: 125,000)
See our [Right for customers](#) section for more details.

Tenth position in Ofwat's Customer Measure of Experience (C-MeX) league table out of 17 companies (2024: ninth position)
See our [Right for customers](#) section for more details.

£343.3m increase in total Regulatory Capital Value (RCV) to £9,475.5m (2024: £9,132.2m)
See our [Chief Financial Officer's report](#) for more details.

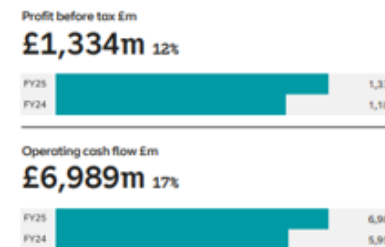
Return on Regulated Equity (RoRE) of 2.52% (2024: 6.2%)
See our [Chief Financial Officer's report](#) for more details.

Annual investment in our capital programme of £889.8m (2024: £684.6m)
See our [Chief Financial Officer's report](#) for more details.

Engaging mix of information:

- Colour helps to break up text
- Honest year on year comparisons (10th place C-MeX* in 2025 down from 9th in 2024)
- Hyperlinks to more detailed reports
- Though industry / financial terminology isn't easily understood (LTIR, RCV, RoRE*) which is a turn off for many

Bar charts are familiar:



- One customer likened it to the way his favourite football magazine shows performance stats
- Year on year comparisons seen as honest
- Interesting to see these big numbers for some

*Definitions: 'C-MeX' is Ofwat's Customer Measure of Experience. 'LTIR' is the Lost time Injury Rate. 'RCV' is Regulatory Capital Value. 'RoRE' is Return on Regulated Equity'

Poor reporting examples



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Defensive language:

What we won't be spending your money on

The increase in bills is not to improve our financial position. This is untrue and misleading. The proposed extension to our debt is an interim funding solution. It won't impact our increase in customer bills. We're working through the next steps to stabilise the business further. This is so we can deliver an investable and financeable business plan.

Money we raise won't be used to pay off our debt or external dividends. We're also following Ofwat's guidelines on bonuses. We won't use customer bills for executive bonuses unless our performance meets expectations.

- Myth-busting and clear explanations when things go wrong is valued by customers
- However, this comes across as too pushy and invites further scepticism "What else are they hiding?"

Focus on shareholders not service:

Dividend

We have declared a final dividend of 5.76 pence per share (pps) (FY24: 5.69pps), bringing the full year dividend to 8.16pps (FY24: 8.00pps).

We reconfirm our progressive dividend policy which is to maintain or grow the dividend each year whilst taking into consideration a number of factors including underlying medium-term earnings expectations and the level of business reinvestment.

The Board expects to continue with this policy for future years, and to declare two dividends per year with the interim dividend being fixed at 30% of the prior year's full year dividend.

- Customers are interested in dividend payments but this is too complicated
- No mention of what metrics dividends are based on
- Talking about growing dividends without any mention of improved outcomes for service reliability, infrastructure or environment invites anger from customers

Jargon and data overload:

Line description	Units	Current year	AMP to date
Financial indicators			
1 Net debt	£m	8,052.954	-
2 Regulatory equity	£m	3,166.836	-
3 Regulatory gearing	%	71.77%	-
4 Post tax return on regulatory equity	%	2.19%	-
5 RORE (return on regulatory equity)	%	-3.69%	0.001
6 Dividend yield	%	2.57%	-
7 Retail profit margin - Household	%	-1.38%	-
8 Retail profit margin - Non household	%	0.00%	-
9 Credit rating - Fitch	Text	A- (Stable)	-

- Clearly not aimed at customers
- Although some metrics might be of interest there is no explanation of what each line means
- Presentation is too plain and wouldn't encourage engagement even for customers looking for something specific

Visual explanations work best as long as they aren't overly 'polished'



The voice for water consumers
Llais defnyddwyr dŵr

Simple visual explanations helped customers quickly understand financial information. Charts and breakdowns were easier to interpret than text-heavy explanations and tables. However, there is a balance to strike: if information feels too reduced, too curated or too polished, some begin to question whether they are being shown the full picture

- Visual formats helped customers engage quickly with material they would otherwise have ignored
 - Pie charts, bar charts, bold figures and short bullet points made it easier to grasp how money is spent and what the main messages are
 - Customers often preferred a combination of visuals and a short explanation rather than visuals alone
- Simple breakdowns of where each pound goes were especially effective because they translated abstract finance into something customers could relate to
- At the same time, an oversimplified presentation could create suspicion
 - Some customers felt that very polished summaries, reassuring wording or simplified pie charts risked looking like PR rather than transparency
 - Many customers identified that the simplest examples did not fully explain what profits were made, or dividends paid, or what was happening behind the scenes

'It's easier when you can see it like that rather than just reading numbers.' 18-44, Northern England group

'I just feel like they're trying to make you trust them too much by overdoing the info.' 18-44, Southern England group

'What I really liked was the pie chart, it broke it down on what was spent. I think that was very interesting, and actually it made me think you paid 20p for this, 13p for maintaining the water and everything. So yeah, I thought that was very useful.' Vulnerable, age 64, NW England

Information customers found less relevant



The voice for water consumers
Llais defnyddwyr dŵr

Information that felt technical, abstract or disconnected from customer experience attracted less interest. Participants were quick to disengage from content that appeared written primarily for regulators or financial specialists

- Some financial metrics and technical terms were seen as **overly specialised**. Measures such as **gearing ratios, equity structures** or **regulatory capital** values felt difficult to interpret and less directly relevant to customers
- Customers were unlikely to spend time trying to understand complex financial tables or detailed breakdowns unless these clearly related to their bill or service
- **Large blocks of text were another barrier**. Participants consistently preferred short explanations supported by visuals or summaries rather than long paragraphs describing financial performance or commentary around it
- For some customers, highly detailed information felt unnecessary because **they trusted regulators to scrutinise it**. They saw their own role as understanding the key points rather than reviewing technical financial details

'I'm not interested how much tax they are paying. Of course the government will fix the tax and they have to pay.' 18-44 Southern England group

'Some of it is quite financial language... not something you'd normally read.' 45+ Northern England group

Information customers felt was missing



The voice for water consumers
Llais defnyddwyr dŵr

Customers wanted financial information to connect more clearly to outcomes they care about. Without this, figures felt abstract and did not help them judge whether their water company was performing well

- The most common gap customers identified was a clearer link between financial figures and real-world outcomes. Many wanted to understand how spending translates into improvements, such as fewer leaks, cleaner rivers, or more reliable infrastructure
- Local relevance was another important missing element. Participants were more interested when information related to their own region or local water company rather than national examples
- Several customers wanted clearer explanations of how customer bills relate to company finances. This included understanding how much of their bill funds investment, operating costs, or shareholder returns. For some, this was the most meaningful way to interpret financial information
- Customers also wanted clearer explanations of financial decisions that generate public debate, such as dividends, debt levels and executive pay. Some felt the examples explained how money was spent but avoided addressing the issues customers most often hear about in the media
- Finally, some participants said financial information would be more useful if it showed whether companies deliver on commitments over time

'You want to know what the impact of that is and how it benefits customers and the environment.'
Vulnerable, age 70, SW
England

'You're more interested in what's happening in your own area... you want to see the problems fixed.'
Vulnerable, age 43, NE
England

Impact of in-depth discussion of water company finances on interest levels



The voice for water consumers
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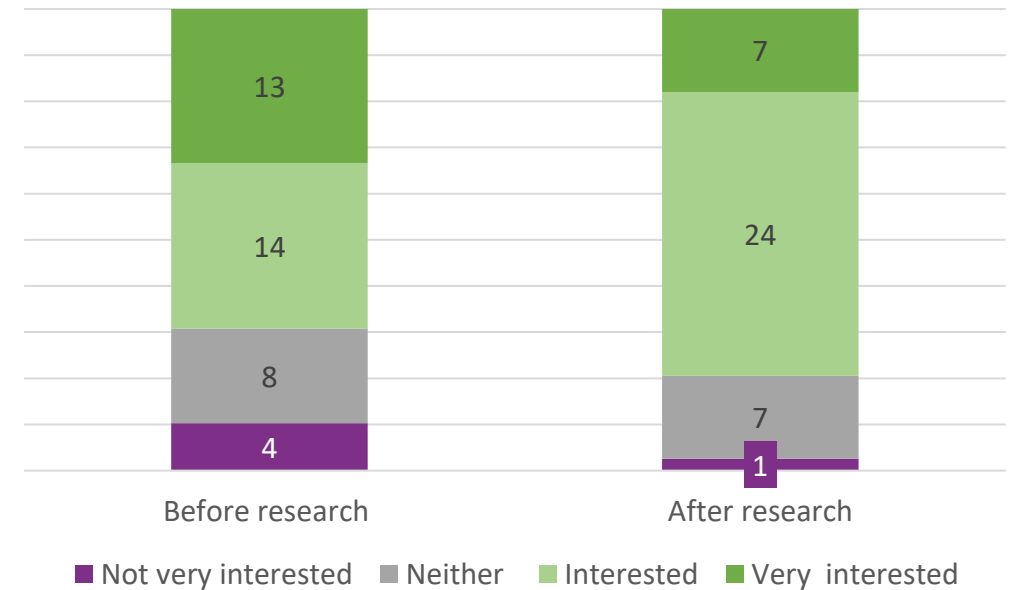
- Customers were asked to rate their level of interest in water company finances before the focus group / depth interview, and again afterwards

“How interested are you in your water company finances?”

Not at all interested	Not very interested	Neither interested nor uninterested	Interested	Very interested
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- Before the research 27 people (71%) had some level of interest in finances. After the research this rose to 31 people (82%)
- This is to be expected as customers had just been in a discussion about finances
- But this isn't just 'research effect' – some people said they were less interested after the discussion
- This shows that clearer financial information can engage some consumers, but its complexity or format may disengage others, highlighting the need for communication that's tailored to different audiences

Interest in your water company finances
(Before/after research) n=38



Screeener (before) / Discussion guide (after): How interested are you in your water company's finances?
Anyone saying 'not at all interested' in the screener was excluded from participating in the research

Communication preferences



Who customers trust to communicate financial information



The voice for water consumers
Llais defnyddwyr dŵr

Customers are comfortable hearing information from the water company, but trust improves when it is clearly validated or compared by an independent organisation



- Most participants expected water companies to provide the information because they control the finances and make the decisions
- However, some were sceptical about companies explaining their own performance without external scrutiny
- Independent validation from regulators or consumer bodies increased perceived credibility
- CCW and Ofwat were often seen as potential “referees” that could challenge companies or verify claims

‘You’d want someone independent checking that what they’re saying is actually right.’
45+ Northern England group

‘It’s their information, but you’d want someone making sure it’s not just their version of events.’
Vulnerable, age 63, SW England



What makes financial information credible



The voice for water consumers
Llais defnyddwyr dŵr

Customers judged credibility based less on technical detail and more on whether the information felt transparent, balanced and consistent

- Plain English explanations significantly improved perceived credibility and understanding
- Customers found financial information more credible when companies explained the assumptions and choices behind decisions, such as why bills may rise or how investment is prioritised.
 - Acknowledging trade-offs, for example, between affordability, infrastructure investment and environmental improvement, felt more honest than presenting everything as straightforwardly positive
 - Overly reassuring or one-sided messaging could trigger scepticism, because some customers felt it suggested the company was smoothing over difficult realities rather than being fully transparent
- Consistency across companies was seen as important for comparison and accountability
 - Customers expressed interest in comparing companies, but only through very simple, visual formats that can be understood at a glance, rather than detailed tables or technical comparisons
 - Many said they wouldn't read an in-depth comparative analysis of how their water company fares against others, as they can't choose their water company
- Participants also wanted explanations of controversial topics such as dividends, debt and executive pay rather than avoiding them

'You just want it explained clearly so you can understand what's going on.'
45+, Southern England group

'If they're open about it, even the difficult bits, it feels more honest.'
Vulnerable, age 43, NE England

'It would be good to compare them, but it would have to be simple... otherwise people won't look at it.'
18-44, Northern England group



Preferred formats for receiving financial information



The voice for water consumers
Llais defnyddwyr dŵr

Customers preferred short, accessible summaries delivered through familiar channels, with the option to explore more detail on the website if they wished

- A short financial performance summary **with the bill** was widely seen as the most visible and likely to be noticed
 - Some customers had already received this and thought it was positive even if they didn't read it
 - Either printed, or part of the digital bill depending on their bill preferences
 - This should include spend (and categories of spend), profit, debt and dividends
- **Email updates or links** were also acceptable for those comfortable with digital communication
 - Some participants suggested a dedicated online hub or dashboard where customers could explore more detailed information if interested
- Several participants wanted information that could be **localised**, showing how investment affects their own area
- Others suggested this information should be **publicly available** at local libraries / town halls / community hubs, though not many people thought they would seek it out there

'If it came with the bill you'd probably read it because you're already looking at it.'
18-44, Southern England group

'Maybe a website where you can go and see it all if you want to dig into it.'
18-44, Northern England group

Tone and accessibility considerations



The voice for water consumers
Llais defnyddwyr dŵr

The way financial information is framed strongly affects trust. Customers respond best to explanations that feel honest, balanced and respectful. The information also needs to be accessible to customers with different levels of confidence and different language needs

- Participants preferred a **neutral tone** that explains decisions without appearing defensive or promotional
- Messaging that acknowledged trade-offs or challenges felt more credible than purely positive messaging
- Overly polished or “PR-style” communication risked undermining trust
- Simple language and clear explanations are essential for customers with low financial confidence
- **Visual explanations** and summaries can help make complex topics more accessible
- Some participants emphasised the importance of Welsh language availability for communications in Wales

‘It's got to have a visual graphic to help display what they're trying to say. Especially if you've got the stats and numbers and things like example two and three on the previous page. I wouldn't even bother wanting to start reading that to be honest with you.’
18-44, Southern England group

‘If it feels too polished you start wondering what they're leaving out.’
44+, Southern England group

‘Some of those words aren't things people normally use.’
Wales group

Communication needs of digitally disadvantaged and vulnerable customers



The voice for water consumers
Llais defnyddwyr dŵr

While most participants had low engagement with financial reporting, digitally disadvantaged and some vulnerable customers (especially age based) faced additional barriers. Their understanding and access to information were shaped more strongly by trust, simplicity, and communication channel

- **Lower exposure to financial information.** These participants were less likely to actively seek information online and relied more on traditional channels such as letters, bill inserts, television news, or word of mouth
- **Greater reliance on simple explanations.** Technical financial language such as dividends, gearing, or investment structures was often unfamiliar. Clear, plain-English explanations were particularly important for this group
- **Stronger link between trust and engagement.** Where trust in the water company was low, participants were less inclined to engage with financial information at all
- **Importance of accessible formats.** Printed summaries, simple visual explanations, and clear links between spending and service outcomes were viewed as more helpful than complex financial tables or long reports

'With our paper bill we just had it the other day saying it's going up by £11.50 a month. I know things have got to go up, but it would be nice to have a breakdown of it really. And if you can have a summary [of finances] when the bill comes out, I think people will definitely be more likely to look at it.'

Digitally disengaged, age 81, SW England

'We're getting a bit older now and I like something that stands out quite a bit. If it's just like a load of writing, I just won't read it. But if it's something that's quite clear like different colours or something like that, I'll look at it.'

Vulnerable, age 64, NW England

Conclusions



Overall conclusions



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Financial information matters, but only when customers can see why it is relevant

Most customers **do not actively seek out financial reporting**, and baseline awareness of what information is published / available is low

Views are shaped more by **media coverage, word of mouth and prior perceptions** than by direct engagement with company information

Trust is central. Where trust is low, financial information is interpreted more critically and can reinforce scepticism unless handled transparently

Customers are more likely to engage when they are **triggered by a service disruption or complaint** (and are likely to be more judgemental about any information as a result)

Customers are also more willing to engage when information is **simple, visual, and has options for further exploration when required** (layered information)

When customers do engage, they want to see **clear links to outcomes** such as bills, service, investment, and the environment **in their local area**



The opportunity is not to make all customers interested in finance, but to make core financial messages understandable, relevant, and credible



Implications by customer segment



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Customers engage with water company finances in very different ways depending on their level of trust and interest (segment). Effective communication therefore needs to be layered and tailored, ensuring key messages reach those who want reassurance, those who want explanation, and those who want accountability

Accountability Seekers

Provide deeper transparency and address difficult topics directly.
Be clear on dividends, executive pay, debt and investment decisions.
Offer access to fuller detail for those who want to scrutinise more closely.

Triggered Investigators

Be ready to explain financial decisions clearly when issues arise.
Link finances to things customers notice, such as bills, service failures or negative news.
Show how money is being used to fix problems and improve outcomes.

Curious Learners

Use plain English, simple visuals and short summaries.
Help them understand where money goes and why it matters.
Focus on building understanding rather than providing heavy detail.

Quiet Trusters

Keep communication simple, visible and reassuring.
Use short summaries with bills or regular updates to show where money goes.
Reinforce trust without expecting active engagement.

Resigned Observers

Focus on fairness, transparency and independent oversight.
Show that customer interests are being protected, even if they do not engage deeply.
Avoid overly detailed reporting that feels technical or irrelevant.

What next?



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Opportunity for 'reporting scorecard' guidance from CCW to help water companies

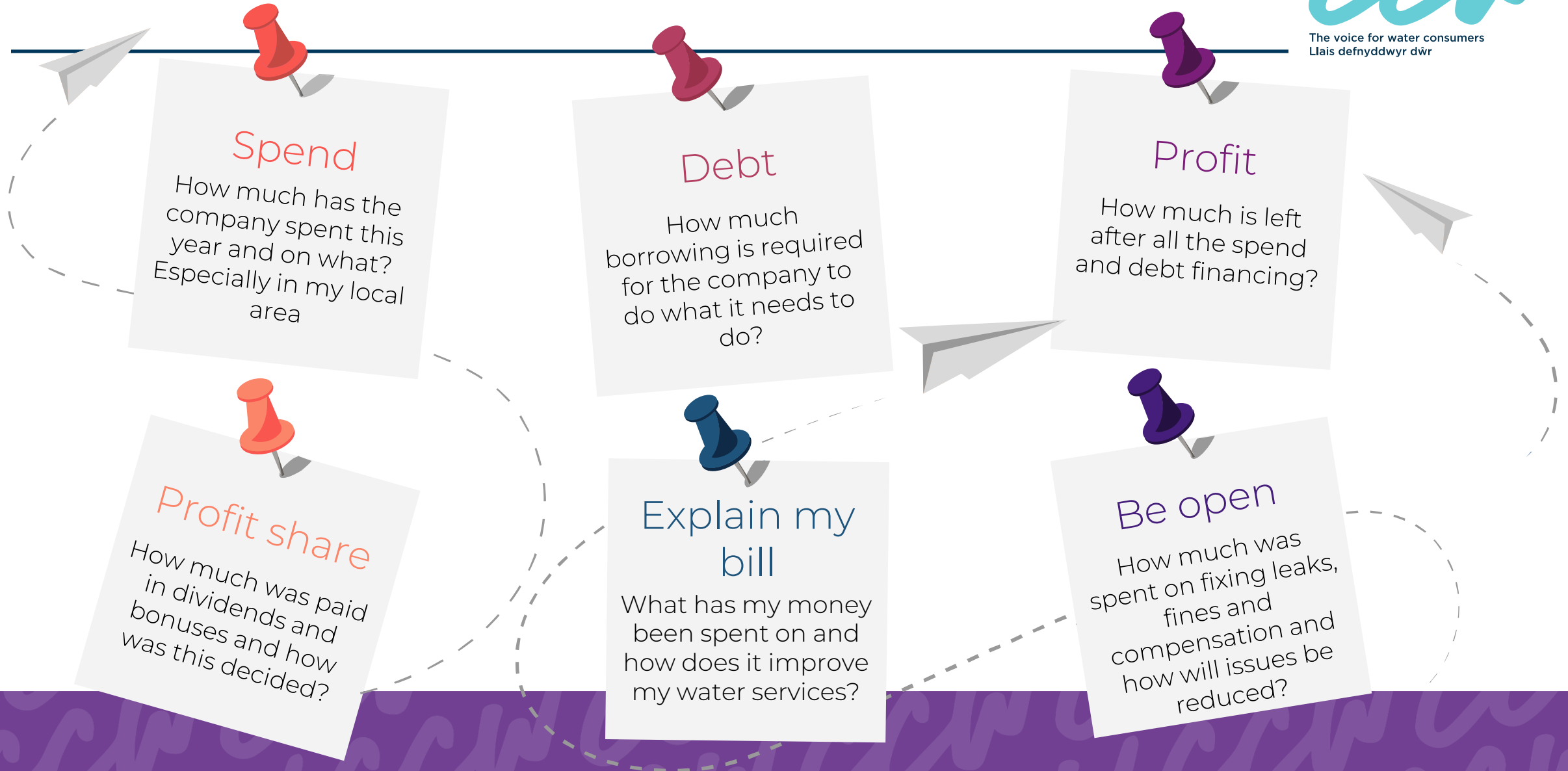
Broad principles that invite creativity yet reassure customers that the information they see is accurate, transparent, clear, and comparable to other companies



The key metrics that customers want to see



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Spend

How much has the company spent this year and on what? Especially in my local area

Debt

How much borrowing is required for the company to do what it needs to do?

Profit

How much is left after all the spend and debt financing?

Profit share

How much was paid in dividends and bonuses and how was this decided?

Explain my bill

What has my money been spent on and how does it improve my water services?

Be open

How much was spent on fixing leaks, fines and compensation and how will issues be reduced?

Considerations for requirements CCW could implement (with companies and Ofwat)



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1

Lead with what the information means for customers, not just the financial metric itself

- I.e. 'Where your bill goes' and 'What are we spending on in your local area?'

2

Use plain English, short explanations, and visual summaries (e.g. pie charts showing how their bill is spent) to explain complex topics

- For example: What are dividends and why are they issued? Why do companies raise debt for financing?
- Place definitions close to where terms appear (for example, hover text, tooltips, or side notes) rather than relying only on a separate glossary page

3

Provide layered information, with a short headline summary for most customers and optional detail for those who want more, including local level information

4

Use multiple channels, including bills, inserts, website summaries, and non-digital formats, rather than relying on customers to search for information

5

Address sensitive issues directly and transparently, explaining how financial decisions relate to investment, service delivery, and oversight



Thank you!

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All projects are carried out in compliance with the ISO 20252 international standard for market, opinion, and social research, as well as the GDPR.



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About Impact Research



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- Impact Research is a full-service market research agency based in Walton-on-Thames, Surrey. Founded in 2010, the agency initially focused on consumer and utilities research before broadening its expertise into other sectors, including services and healthcare
- Since its inception, Impact has delivered both quantitative and qualitative research programmes designed to help clients better understand their customers, stakeholders and markets, and to support evidence-based decision-making
- In 2017, the agency achieved ISO 20252 accreditation and has maintained this standard every year since, reflecting its continued commitment to quality and robust research practice
- Impact has worked across a diverse client base spanning FMCG, services, local government, gas, electricity, water and government bodies. Through careful research design, clear analysis and practical recommendations, the agency has developed a well-established reputation for delivering reliable insight and meaningful outcomes

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