

# South Staffs Water & Cambridge Water Social Tariff Research – Quant Report



**Michael Fountain, Nick How & Richard Bryan**  
**Qa Research**



**October 2019**  
**(updated edition from August)**

Mill House, North Street, York, YO1 6JD  
01904 632039 [www.qaresearch.co.uk](http://www.qaresearch.co.uk)



# Background and objectives – stage 1

- In order to help water customers in financial difficulty to manage and pay their bill water companies are taking the initiative and also being encouraged by the regulators Ofwat and CCWater to offer a range of well delivered, effective support mechanisms.
- One element of support often includes the **provision of a bill reduction scheme**, known as a social tariff. But whilst such schemes can be of great benefit to those that receive them, the key challenge for water companies is that the reduction is paid for by all other household customers, (known as cross-subsidy).
- As part of its Acceptability Testing research to inform the PR19 Business Plan, South Staffs Water and Cambridge Water (SSC) found 61% of household customers supported an increase of £3 per year (from £1.50) on their bill to subsidise SSCs social tariff scheme 'Assure'.
- SSC wished to commission a **standalone study in order to provide more evidence** of levels of support. Therefore, this research was primarily focused on gathering robust data regarding the acceptable level of contribution customers would be prepared to make to cross-subsidise SSCs social tariff *Assure*.
- Additionally, the research also tested;
  - *Views towards the possible creation of a **two-tiered Assure scheme** (tailored to two distinct types of recipients) and measured the likely impact on acceptable contribution levels if such a scheme was introduced.*
  - *Customer attitudes towards SSC **match funding contribution levels** (above the current £3 level) and the likely impact on acceptable contribution levels if such a scheme was introduced.*

# Background and objectives – stage 2

- Following insights gained from general customers with regards to their level of support for contributing more on their bills to increase the volume of people that could receive a discount from the Assure tariff.
- SSC also needed to understand how they could better promote the scheme so those in need of support.

## **Specific objectives of this second phase of the study were to:**

- Investigate and co-create with customers how SSC could best raise awareness of the Assure social tariff to promote the help available in order to encourage more eligible households to apply
- Examine and co-create how SSC could best support customers to become regular bill payers after they have left a social tariff or other bill payment plan
- Gauge levels of support for SSC to implement a two tier approach to the Assure social tariff so that customers in more severe or transient financial difficulty could receive additional support.

# Stage 1: multi-method iterative approach with general customers

- **Exploratory Qualitative** – to inform the development of the Stage 1: Quantitative Survey 3 focus groups were undertaken;
  - 2 groups with SSW customers (one with pre-family and young family life-stage and one with older families)
  - 1 group with CAM customers in the post-family life-stage
- **Quantitative Survey** – a survey of 906 customers;
  - **Main:** 727 online surveys completed via an access panel - 503 with SSW and 224 with CAM customers with regional quotas set on age, gender and social grade
  - **Vulnerable:** 179 interviews with customers identified by SSC as vulnerable completed through online, telephone and face-to-face interviewing.
    - *Covers both financial and other types of vulnerability based on SSC's internal clarifications*
    - *NOTE: At analysis, 79 Main Sample customers were reallocated to the Vulnerable Customer Sample based on their survey responses.*
    - *Split 127 SSW & 52 CAM in unweighted data*
  - *Data weighted to reflect census data in both regions (see appendix for details)*
- **Stage 1: Follow-up Qualitative** – 2 focus groups were completed w/c 26 August which explored views towards the survey findings and an updated two tier scheme;
  - 1 x group SSW in Dudley and 1 x group CW in St Ives



# Stage 2: focused on the target audience for Assure

- **Qualitative Co-creation Workshops with Assure target audience**
  - **Customers invited to attend co-creations workshops were all bill payers of either South Staffs Water or Cambridge Water and were conducted in:**
    - *North Cambridge on Weds, 18th Sept with 8 x Cambridge Water customers*
    - *Smethwick on Thurs, 19th Sept with 9 x South Staffs Water customers*
  - **The main criteria for customers attending each workshop included a mix of:**
    - *Currently receiving the Assure tariff discount*
    - *Not currently receiving Assure but had done within the last 24 months*
    - *Likely to be eligible to receive the Assure tariff, but were not aware of it*
  - **We recruited a broad mix of customers from the following criteria:**
    - *Bill affordability: mix of 'sometimes struggle to pay' and 'regularly or always struggle to pay'*
    - *Those with a long term health condition or disability and those who have neither*
    - *Metered and unmetered & rural, urban and sub-urban dwelling*



# *Summary of Key Outcomes and Recommendations*

# Contribution level of £4 acceptable

- Household customers support the notion of contributing more on their bill to help those in financial difficulty
- When **Uninformed**, **60% would accept a £5.00 annual contribution**;
- When **Informed**, **64% would accept a £4.00 annual contribution**
- 58% found the next highest level of £5.00 to be acceptable
- SSW customers were accepting of a lower annual contribution (63% would support £4.00) than CAM customers (62% would accept £5.00)
- In the focus groups, a notable proportion of customers were angered that they didn't already know they were paying a £3 contribution to the Assure tariff and felt they may have been more generous with their offer of additional support had SSC made them aware of this





# Two tier tariff supported with Assist seen as essential

- Customers in the survey, focus groups and workshops support the **two tier Assure** scheme and felt the Assure Assist category was especially important as:
  - Circumstances of those with financial difficulties vary in severity
  - Anyone receiving no household income will need any additional support they can get
  - If someone is receiving no income they won't be able to pay their water bill anyway
  - Bad luck and unexpected circumstances can happen to anyone at any time
  - Not having to pay for 8 weeks would mean one less thing to worry about
  - The individual would be able to get back on track sooner
- However, most wouldn't change their contribution level if two-tier was introduced – 62% would support a maximum contribution level of £4 with the scheme.





# Be stringent on two tier but don't penalise complex lives

- Whilst supportive of the two tier scheme and the addition of Assure Assist customers urged SSC to consider the following paradoxical factors:
  - Do all you can to check that applicants for the scheme are legitimate in the circumstances they claim to be experiencing
  - Those waiting for Universal Credit is fine as an initial eligibility criteria, but consider wider circumstances that can cause a household to have no income
  - Be open to making a value judgement on more nuanced and complex household circumstances that may mean no income is being received



# No additional contribution offered for match funding

- The “part” match funding proposal made customers angry and suspicious
- If the water company was prepared to put in its own money customers wondered why it was not doing this anyway
- Most wouldn't change their contribution level if the approach to **matched funding** outlined in the survey was introduced
- Under the matched funding scheme, 63% would support an annual contribution of £4 – the informed figure was 64% before match funding was mentioned
- Had the water company offered to match fund any form of additional contribution general customers may offered more than the £4 maximum level
- Although in a 2018 survey only 1 in 5 customers would have been happy to pay more if a “full” match funded scheme was applied.



# Simple flyer with direct message to trigger call for support

- Customers in the co-creation workshops welcome efforts being made by SSC to help people in their circumstances but most are unaware of the much of the promotional efforts SSC have made so far
- Assure recipients tended to find out about the scheme via word of mouth, a third party and/or when one of the call centre operatives suggested it
- Customers often expected to receive communications about financial support in a private capacity such as direct mail to their home or phone or via a third party trusted advisor
- The Assure flyer was cited as the most effective style of communication to encourage someone to pick up the phone and ask SSC for support
- But it needs to be simplified by including a direct message that the recipient can identify with and then reveal a very clear call to action
- To ensure somebody can then progress to receiving the tariff call handlers need to work harder to check whether the individual understands the details of the support being offered
- And can SSC simplify the application form as this acts a key barrier?



# 'Call-letter-call' approach to support after leaving Assure

- The current Assure letter has a counter-productive impact on those leaving Assure due to its harsh language and lack of empathy in its tone
- Whilst an Assure recipient may eventually become financially ineligible for the scheme Assure, they may still have a range of issues to deal with that could easily tip them over the financial cliff edge again
- Therefore any form of communication to those about to depart from Assure needs to be delivered in a way that shows the individual that SSC understands that life could still be tough and that you are still there to help
- The channel of communication would be an initial telephone conversation to the individual whereby SSC seeks to understand their current circumstances and then make aware of Assure Departure, followed by a letter to confirm departure using conciliatory language and details of further support. Then a follow up call to clarify understanding and offer a face to face visit if required
- On payment plans, those in more severe circumstances would prefer to pay a lower amount on a more frequent basis, those in less severe circumstances more likely to accept DD, but want to be able to change the date of payment.



# Final recommendations

## **Implement at least £4**

Contribution  
across CW &  
SSW regions

## **Drop Match funding**

consideration

## **Assess best option**

for communicating  
bill change to  
general customers

## **Implement two tier**

scheme, but  
ensure that wider  
than UC for Assist

## **Review promotion of Assure**

Clear messages & call to  
action, review use of  
visuals, multi-channel,  
direct to customer

## **Support After Assure**

call – letter – call  
offer home visit,  
payment plan choices  
Suitable payment plan /  
support

# *Overall summary of acceptability at different levels of contribution*

# Acceptance levels at different levels of contribution across SSC as a whole

	SSC overall £3 contribution	SSC overall £4 contribution	SSC overall £5 contribution
Uninformed	75%	69%	60%
Informed	<b>77%</b>	<b>64%</b>	<b>58%</b>
Two tier	74%	62%	56%
Match funding	73%	63%	57%



# Acceptance levels at different levels amongst vulnerable customers vs. main sample customers

	Informed Acceptance		
	SSC overall £3 contribution	SSC overall £4 contribution	SSC overall £5 contribution
Vulnerable customers	90%	73%	68%
Main sample customers	74%	63%	56%

# Acceptance levels at different levels of contribution amongst SSW customers

	SSW overall £3 contribution	SSW overall £4 contribution	SSW overall £5 contribution
Uninformed	75%	68%	59%
Informed	<b>76%</b>	<b>63%</b>	<b>58%</b>
Two tier	74%	62%	55%
Match funding	73%	62%	57%

# Acceptance levels at different levels of contribution amongst CW customers

	CW overall £3 contribution	CW overall £4 contribution	CW overall £5 contribution
Uninformed	75%	71%	64%
Informed	<b>79%</b>	<b>69%</b>	<b>62%</b>
Two tier	75%	66%	58%
Match funding	75%	67%	60%

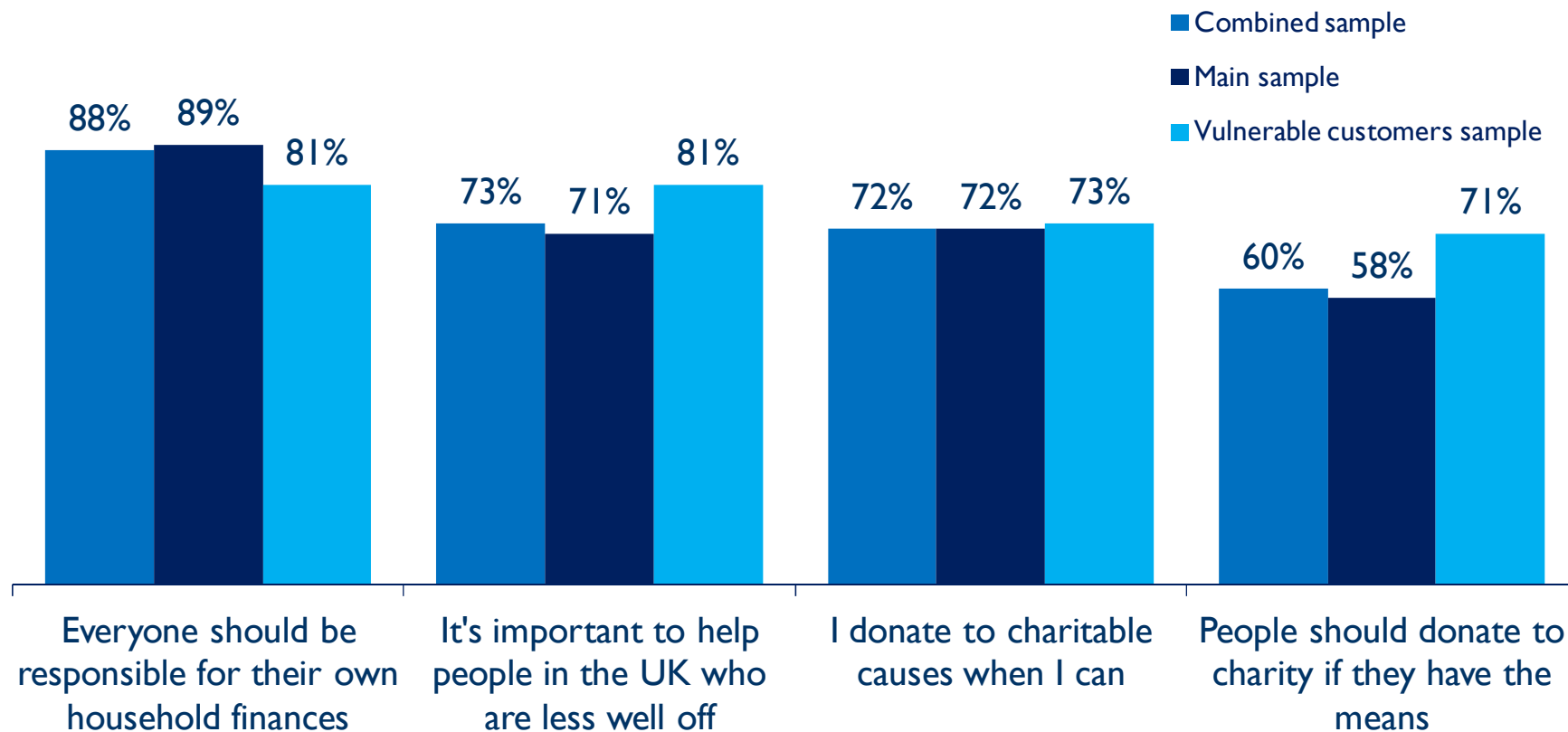
# *Attitudes towards charitable giving*

# Customers are generally benevolent in their attitudes

- Most customers agree that people should donate to charity and three-quarters claim that they do so when they can (Vulnerable customers are more likely to support charitable giving)
- But, clearly a belief that people should take responsibility for their own finances;

## Q2. Overall, how far do you agree or disagree with the following, on a scale of 1 to 5 where 5 is agree strongly and 1 is disagree strongly?

- Showing NET: Agree (a score of 4 or 5) -

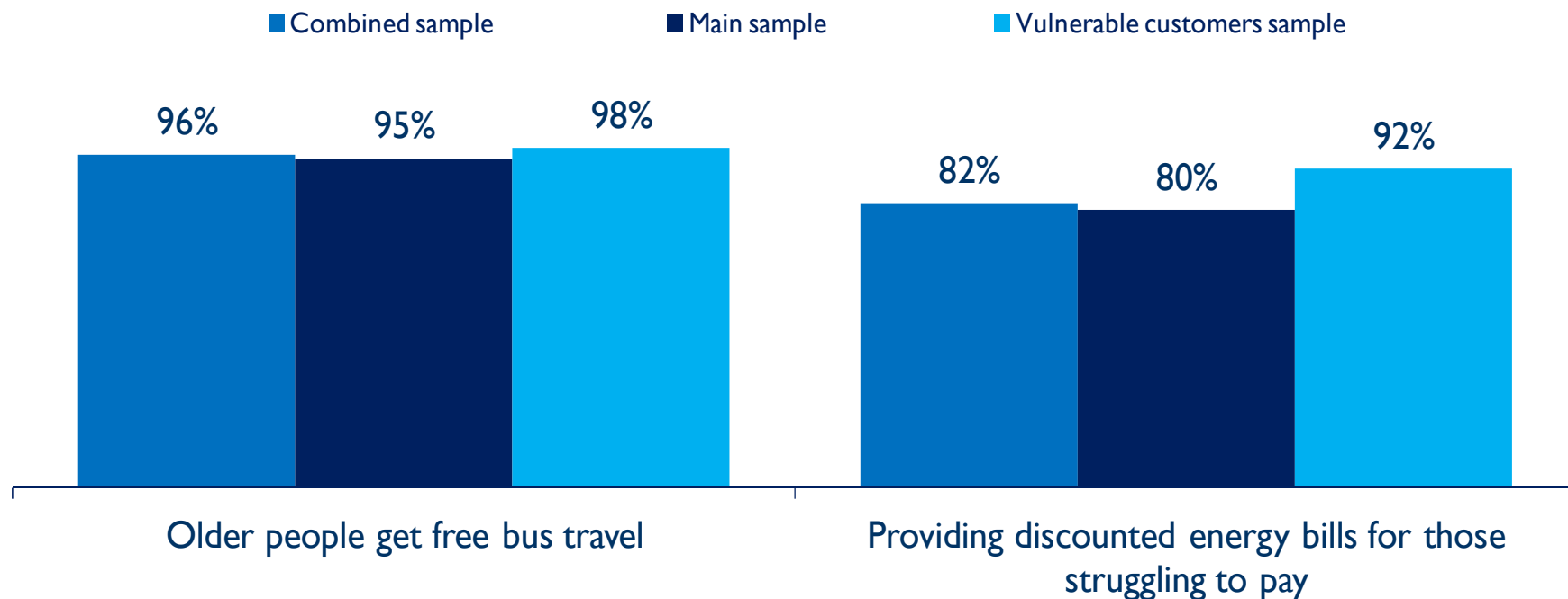


# There's high support for cross-subsidy in energy and bus travel

- Two examples included in the survey to illustrate how cross-subsidies work in other markets aside from water; respondents asked how acceptable they thought each scheme was
- These examples were mainly included to highlight that schemes already exist which are funded by cross-subsidy before respondents were asked specifically about the water sector;

**Q3a. We now want you to think about paying for things on your household bills that may not always benefit you directly. How acceptable or unacceptable do you find this?**

- Showing NET: Acceptable -



Source: Qa Research 2019 Base: All respondents - Combined (906), Main (727), Vulnerable (179)

# Notion of cross subsidy seen as a fact of life but can frustrate

- When discussing awareness and views towards 'cross subsidy' during the initial Stage 1 groups, a number of customers gave examples such as Council Tax where local residents pay a set amount to cover a wide range of services, some of which they may never use but are used by others. This seemed to be a fact of life
- A number of customers across the three groups recognised that the notion of cross subsidy most probably applied to a wide range of services and products that they paid for
- When shown a number of examples of how cross subsidy can be applied the majority were generally accepting of the notion of cross subsidy for initiatives such as 'free bus travel for older people' and 'postage stamps'
- But customers were less supportive of cross subsidy for schemes such as 'home insurance, protecting those at risk of flooding' as a small number of customers felt it didn't seem fair to pay extra to cover a risk that somebody else had decided to take i.e. living in a flood risk location
- When told that cross subsidy also existed as part of their water bill, customers were unaware of this and hoped to receive further explanation before they could really say how much they supported cross subsidy within this context.

*"I do read the Council Tax bill to find out what it covers...money being wasted!"*  
Lichfield, ABC1 (SSW)

*"That's wrong though isn't it (home insurance cross subsidy) because they've chosen to go and live in that area...If they're in need that's different though."*  
Dudley, C2DE (SSW)

*"It's something that could benefit you one day, rather than definitely won't benefit you."*  
St Ives, ABC1 (CAM)



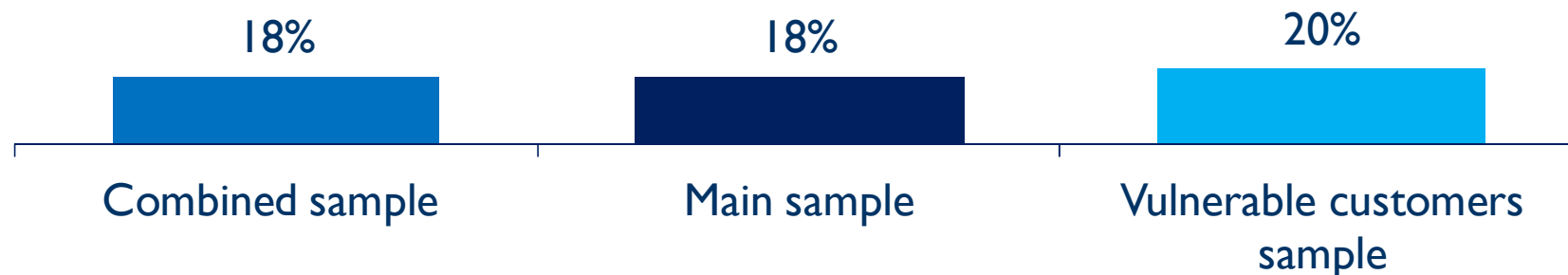
*Maximum uninformed amount*

# Most customers unaware bills will be flat from 2020 to 2024

- A detailed description of how typical household bills for clean water are likely to look between 2020 and 2024 was shown in the survey, explaining how bills will fall between 2019 and 2020 and then remain flat
- Respondents were asked if they were aware of this and around a fifth said they were aware
- The secondary purpose of including this question was to provide context for the remainder of the survey which examined acceptable levels of contribution to a social tariff (ensuring respondents understood their water bills would fall when deciding what they'd contribute);

## Q1. What extent were you aware that your bill would fall in 2020 and then stay the same up to 2025?

- Showing NET: Aware -

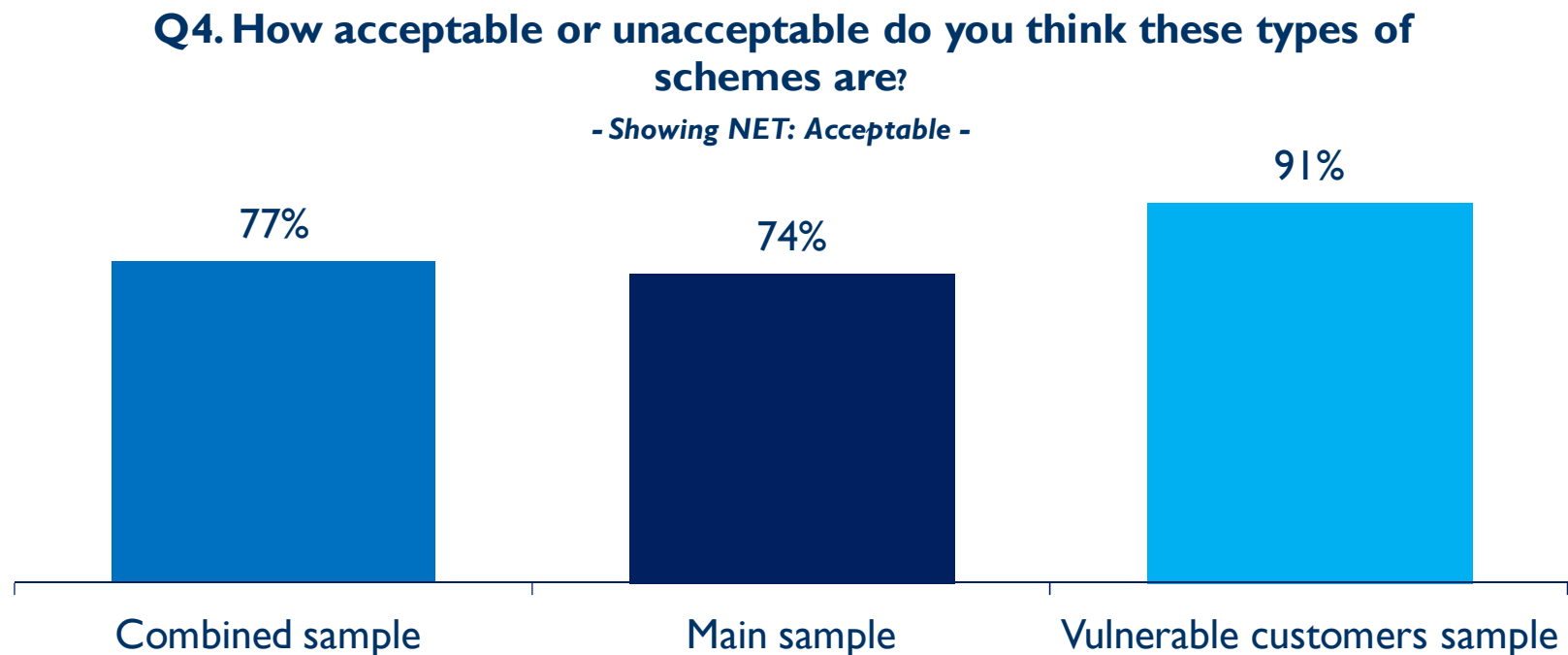


# Three-quarters show initial support for a social tariff

- Respondents were presented with the following description and asked how acceptable they felt “these types of schemes are”;

**Most water companies now operate schemes called “social tariffs” which offer lower charges for those people with financial difficulties and who struggle to afford their water bills. All customers pay a small amount towards funding the scheme and this then goes directly towards helping other customers in their area. In summary, these schemes aim to reduce water poverty and make bills more affordable for those in need.**

- Acceptance was higher amongst Vulnerable customers than the Main Sample.



# Establishing the maximum uninformed amount

- Respondents were presented with the following description and asked how acceptable or unacceptable they'd find a level of contribution of £3 to fund this scheme;

***A similar scheme provided by (South Staffs Water / Cambridge Water) might offer discounts to eligible customers of 60% in the first year and 40% in the second year and subsequent years. To fund this scheme, a contribution of £3 a year would be required from every customer. That would mean that around (20,000 customers / 2,000 customers) could receive help through the scheme.***

- Respondents who found £3 'Acceptable'<sup>1</sup> were then asked how acceptable they would find higher levels of contribution to be – this continued until a maximum acceptable level was reached
- Respondents who found this level 'Unacceptable'<sup>2</sup> were then asked how acceptable they would find lower levels of contribution to be – this continued until the lowest acceptable level was reached
- Within the survey, the lowest level of contribution a respondent could say was **£0.00** ('Nothing') and the highest level was **£10.00**.

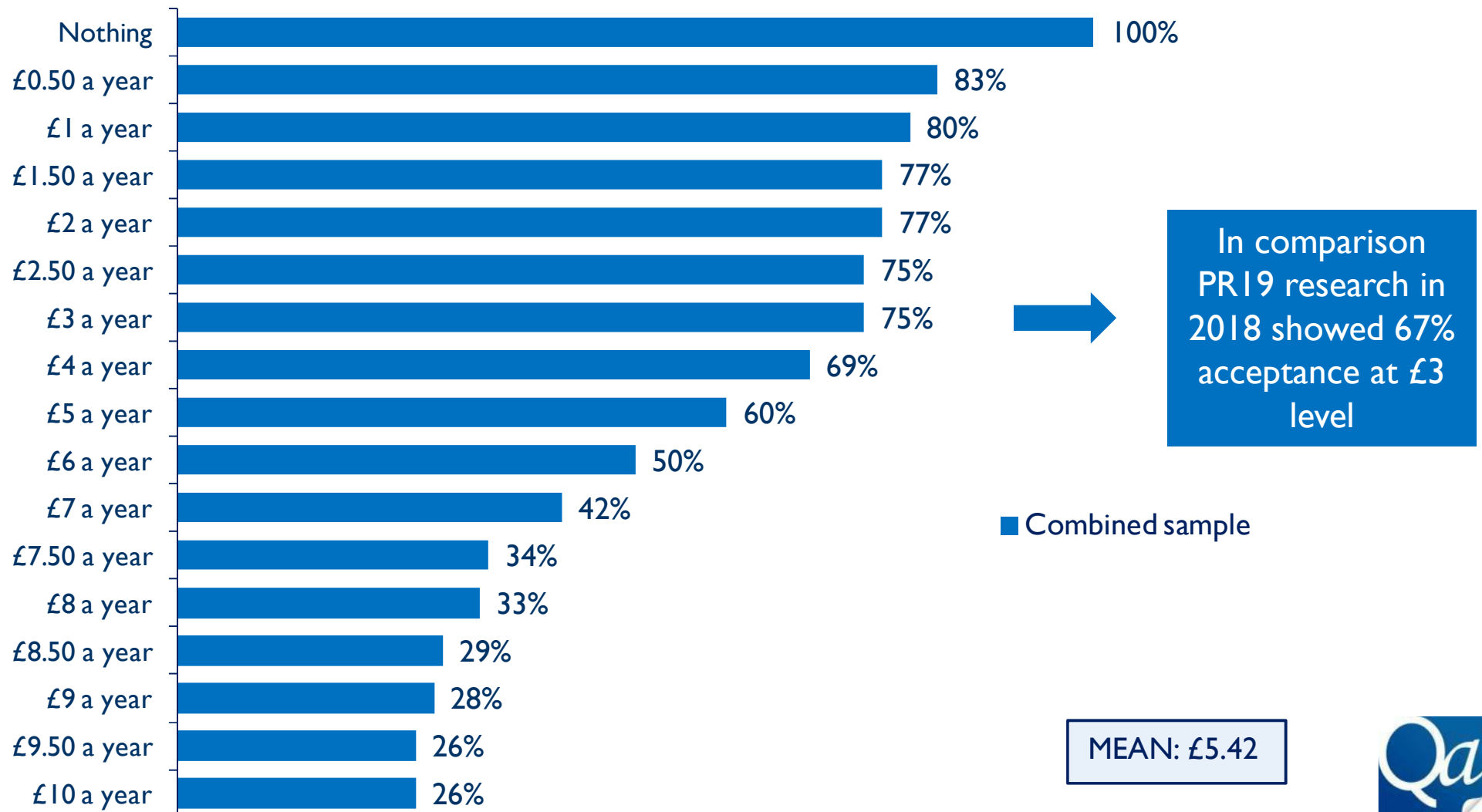
<sup>1</sup> References to 'Acceptable' in this report refer to the combined proportion answering 'Very acceptable', 'Acceptable' or 'Don't mind'.

<sup>2</sup> References to 'Unacceptable' in this report refer to the combined proportion answering 'Very unacceptable', 'Unacceptable' or 'Don't know'.

# Maximum Uninformed Amount

- The chart below summarises the Maximum Amount that respondents said was 'Acceptable' when Uninformed;

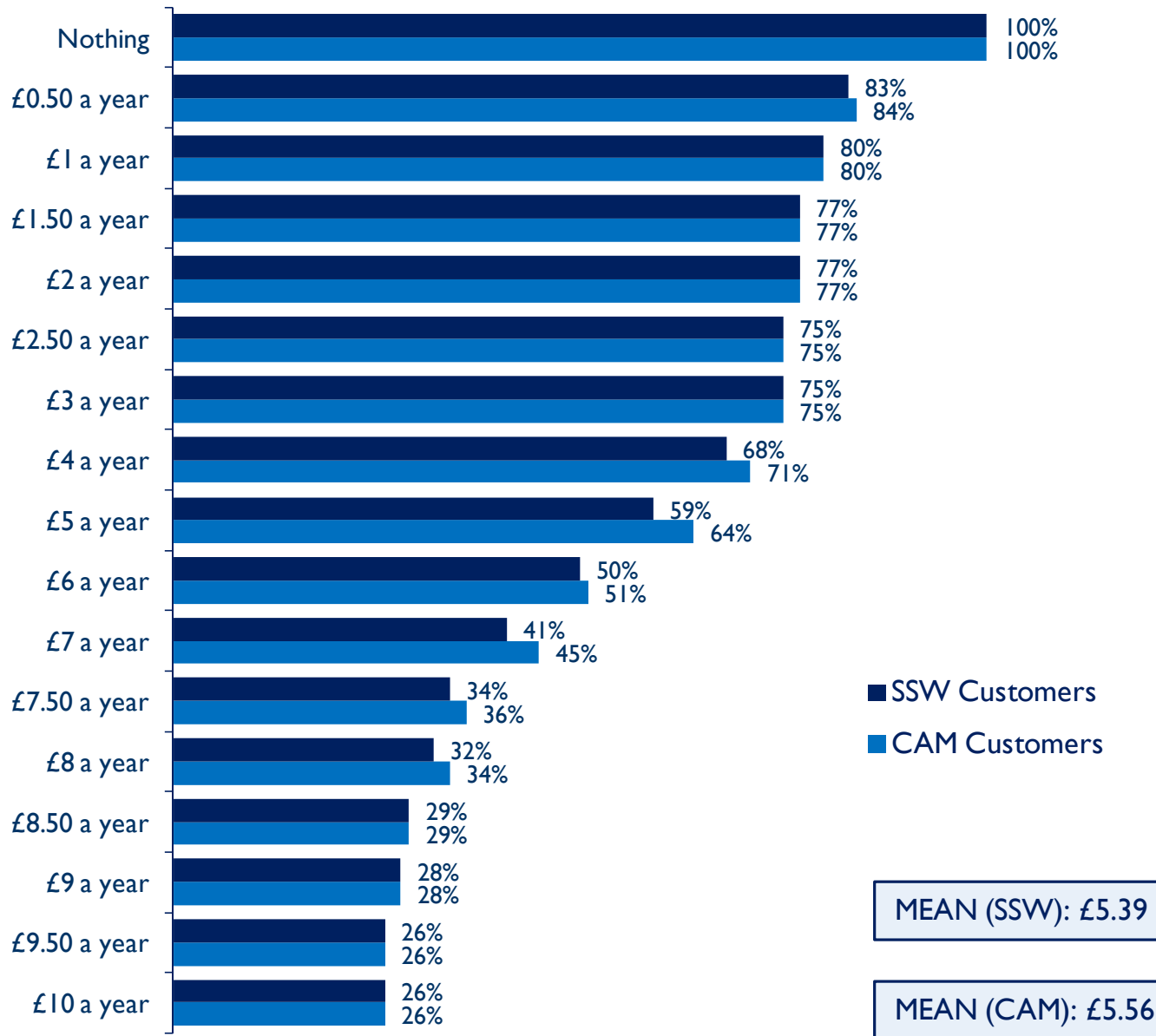
**Q7-Q14. Maximum Uninformed Amount**  
- Cumulative figures -



# Maximum Uninformed Amount (by SSW/CAM)

## Q7-Q14. Maximum Uninformed Amount

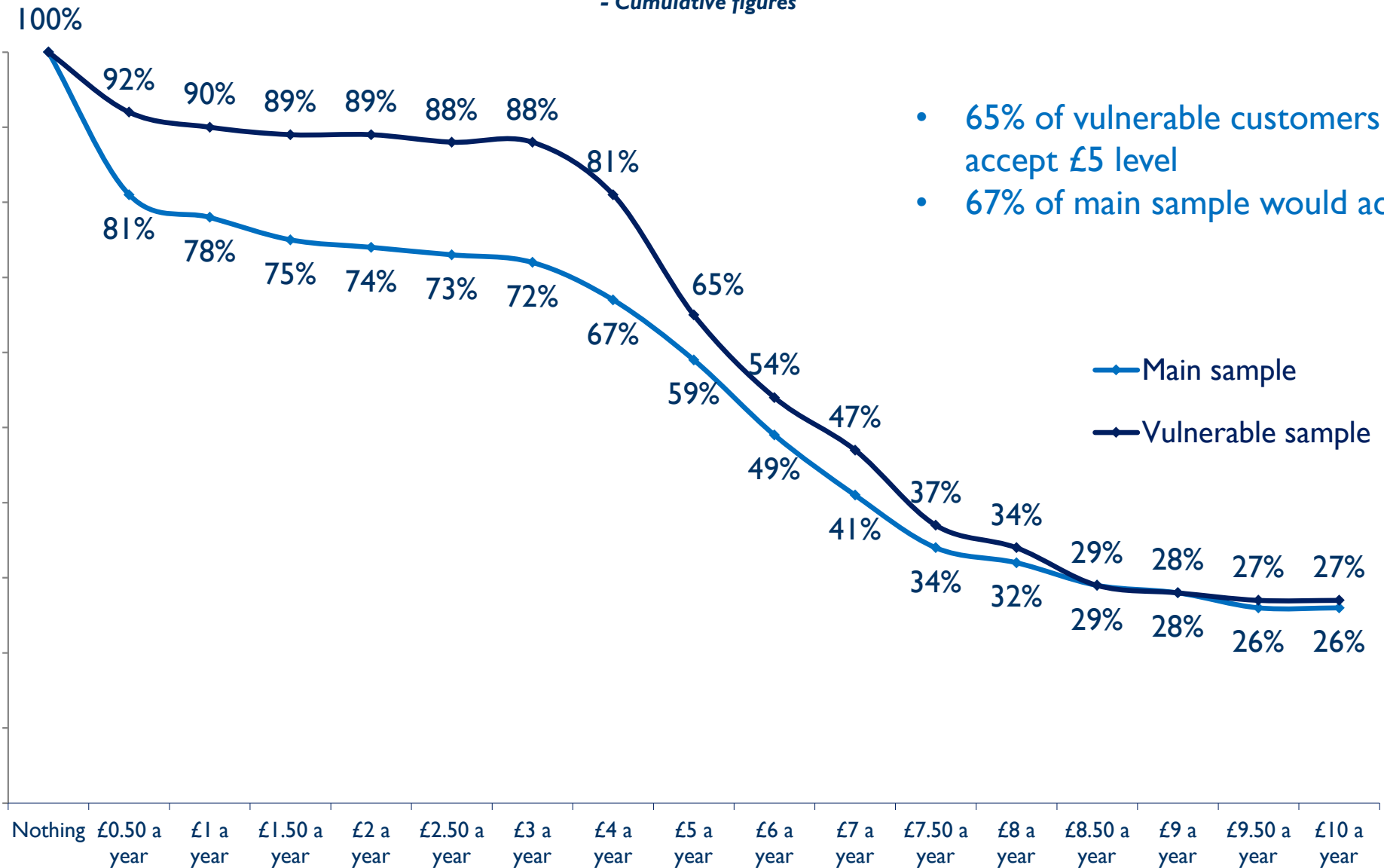
- Cumulative figures -



- CAM Customers generally more likely to accept a higher contribution when uninformed than SSW customers
- 64% of CAM customers would accept £5.00 - (59% amongst SSW customers)
- 68% of SSW customers would accept £4.00 a year.

# Up to £4 level vulnerable sample display a statistically significant higher level of acceptance than the main sample

**Q7-Q14. Maximum Uniformed Amount - split by main and vulnerable sample**  
- Cumulative figures



- 65% of vulnerable customers would accept £5 level
- 67% of main sample would accept £4

Source: Qa Research 2019 Base: All respondents - Main (759), Vulnerable (147)





## Statistically significant differences by audience types based on the £5 level which overall 60% found acceptable

- Only differences in acceptance at £5 based on the cumulative total that are statistically significantly different are shown below

ABCI	64%	vs	C2DE	56%
5+ in household	70%	vs	2 in household	56%
Caring but time pressed	63%	vs	Don't bother me	46%
Engaged loyal carers	67%			
Aware of Assure before today	70%	vs	Not aware	58%
Social tariff schemes are acceptable	72%	vs	Unacceptable	17%
Aware bill will fall in 2020 then be flat up to 2025	70%	vs	Not aware	58%

# Summary of *uninformed* contribution levels

- As the previous charts show, 60% of combined SSC & CAM customers would find an annual contribution level of £5.00 acceptable when *uninformed*.
- This would represent an uplift in annual contribution of £2.00 from the current level
- Levels of acceptability differ between customers of the two companies;
  - 68% of **SSW customers** found **£4.00** to be acceptable – 59% found the next highest level (£5.00) to be acceptable
  - 64% of **CAM customers** found **£5.00** to be acceptable – 51% found the next highest level (£6.00) to be acceptable.
- Amongst the combined sample, significant variation in the actual amounts chosen exists – 17% said they would accept paying ‘nothing’, while 26% found a £10 annual contribution to be acceptable.
- Uninformed contribution levels were not examined during the initial Stage 1 pre survey focus groups

*Maximum informed amount*

# Assure scheme seen as important for those in genuine need

- When customers during the initial Stage I focus groups heard the description of the Assure tariff the vast majority felt the purpose of the scheme was important as they agreed that those struggling with their finances should be supported
- Although nobody claimed to have heard of the Assure tariff before the focus groups the majority said they supported contributing a percentage of their bill towards the scheme
- A number of customers felt a scheme such as Assure could be needed by anybody, including themselves in future. They felt that getting in to financial difficulty could happen to most people quite easily after a period of badluck and unexpected events
- However, whilst the majority were supportive of contributing to help customers in the Assure scheme a large number of participants were unhappy that they had not already been made aware of this
- This perceived lack of transparency from the water company triggered a sense of mistrust and suspicion in a number of people across the groups – particularly those in the Dudley and St Ives groups whereby some were genuinely aggrieved by finding out about their current £3 contribution for the first time.

*“You wouldn’t want a family with children on a low income to struggle, and to not have water for the sake of pennies.”*

*Lichfield, ABC1 (SSW)*

*“I wouldn’t mind helping people who are genuinely struggling, who are elderly or disabled/can’t get out; but I wouldn’t be very happy about contributing to somebody who just couldn’t be bothered to go out to work.”*

*Dudley, C2DE (SSW)*

*“The fact that none of us had ever heard of it is a little bit off, it makes you think what else is being taken from us without us knowing? Although it’s only a small amount, it’s the transparency.”*  
*St Ives, ABC1 (CAM)*

# Initial focus groups supportive of paying more beyond £3

- Despite a number of customers feeling disappointed they didn't already know they were contributing, the majority of customers across the initial Stage 1 focus groups supported, in principle, paying a little more beyond their current £3 contribution so that SSC could increase the number of people that could receive the Assure tariff:
  - Those in Lichfield were the most generous with the majority stating they would be happy to pay an additional £5, £4 or £3 with a small number stating 50p
  - Dudley and St Ives were similar in their views with at least half of customers stating £2 or £1 and a minority offering an additional £3 to £5
- Those offering £4 or £5 felt this was because this amount wouldn't be very noticeable over a whole year and that if it would help those in need then it was worth this level of contribution.
- A small number of those offering £2 or less were slightly concerned about their bill going up as they felt it was high enough already.
- Others simply felt the extra £2 was adequate as this would add to the £3 they were already contributing – so would end up as a £5 total contribution
- But the majority of customers across all three groups wanted assurance that the scheme would only help those that really needed assistance and that the water company would make customers aware of the contribution they would be making especially if it would be going up even further.

*"I see that as helping someone out that's in a worse situation than yourself, you don't miss it."  
Lichfield, ABC1 (SSW)*

*"Looking at it that way, it's just pence."  
Dudley, C2DE (SSW)*

*"I probably wouldn't want my price increasing to be honest, just because I already pay a lot."  
Lichfield, ABC1 (SSW)*

*"I think with this, the fact that none of us had ever heard of it as well is a little bit off, it makes you think what else is being taken from us without us knowing? Although it's only a small amount, it's the transparency."  
St Ives, ABC1 (CAM)*

# Establishing the maximum informed amount

- Survey respondents were presented with the following description and asked how acceptable or unacceptable they'd find a level of contribution of £3 to fund the scheme;

*(South Staffs Water / Cambridge Water) does already offer this type of scheme which is called Assure. Please read the following description of it:*

*Customers with a household income of less than £16,105 per year, may qualify for a discount on their water charge. This amount excludes income from specific benefits they may already be receiving such as Housing Benefits or Personal Independence Payments. If a customer is eligible and their application is successful, their charges will be discounted, in the first year by 60% and then by 40% in the second and subsequent years, if they still qualify.*

*If the customer has any dependent children living at their address, an additional allowance of £1,500 per child may be added to the £16,105 per year income limit.*

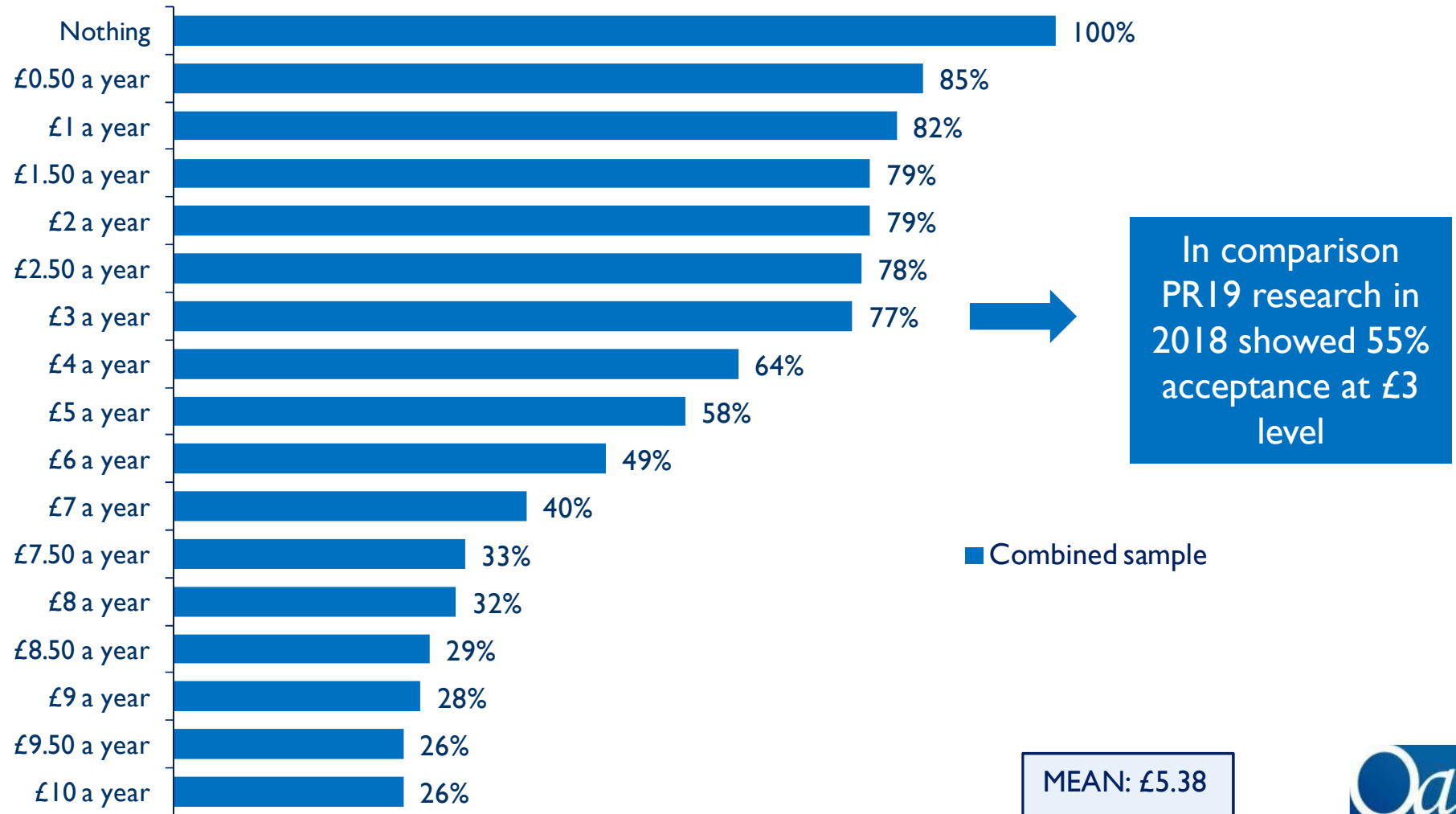
*Currently, (South Staffs Water / Cambridge Water) customers pay £3.00 a year through their clean water bill to fund the Assure tariff which was approved by customers through research. This raises enough money for around (20,000 customers / 2,000 customers) to receive help through the scheme.*

- Survey respondents who found £3 'Acceptable' were asked how acceptable they'd find higher levels of contribution to be – until a maximum acceptable level was reached
- Those who found this level 'Unacceptable' were asked how acceptable they'd find lower levels of contribution to be – until the lowest acceptable level was reached
- The lowest level of contribution was **£0.00** ('Nothing') and the highest level was **£10.00**.

# Maximum Informed Amount

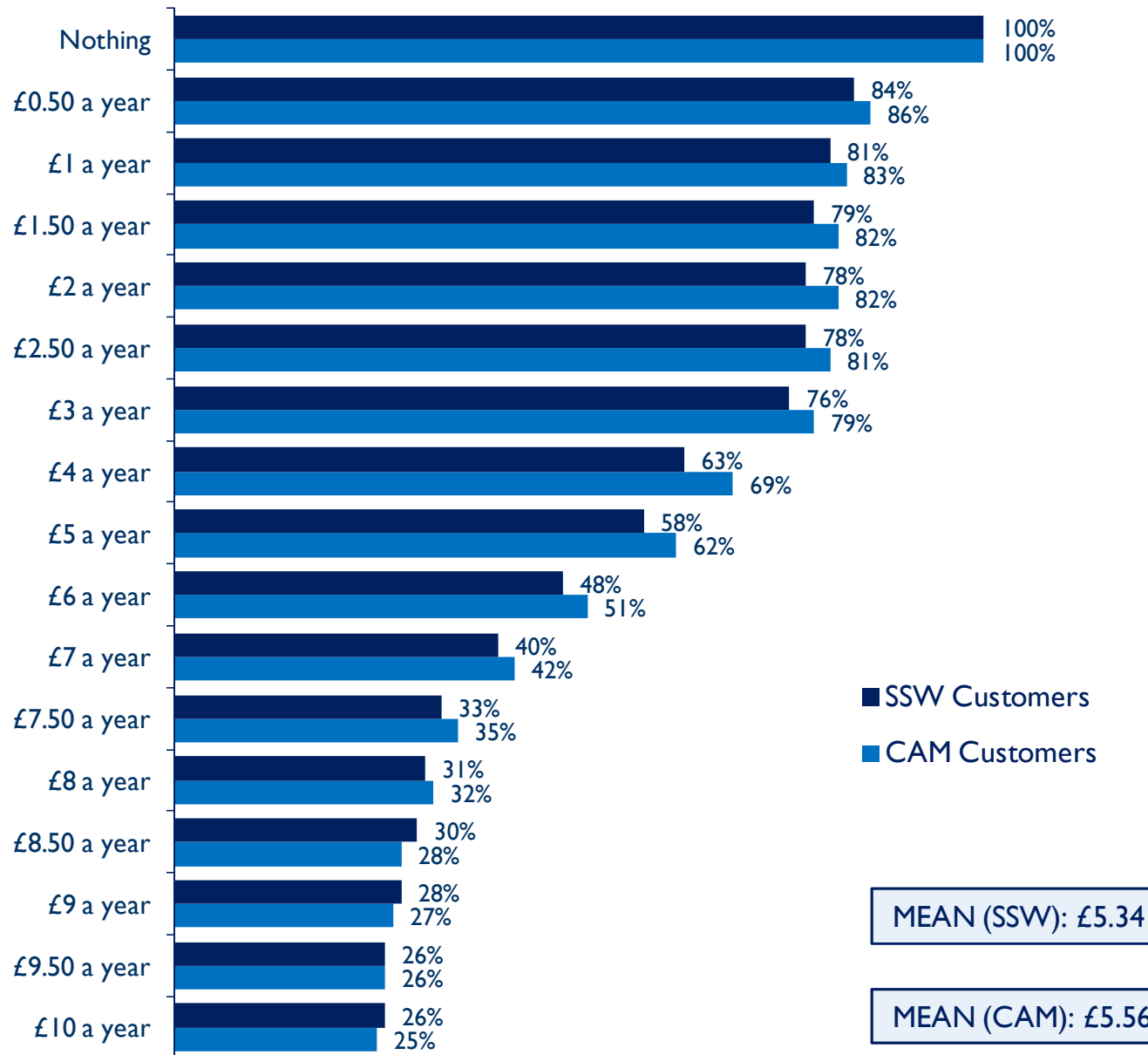
- The chart below summarises the Maximum Amount that respondents said was 'Acceptable' when Informed;

**Q15-Q19. Maximum Informed Amount**  
- Cumulative figures -



# Maximum Informed Amount (by SSW/CAM)

**Q15-Q19. Maximum Informed Amount**  
- Cumulative figures -



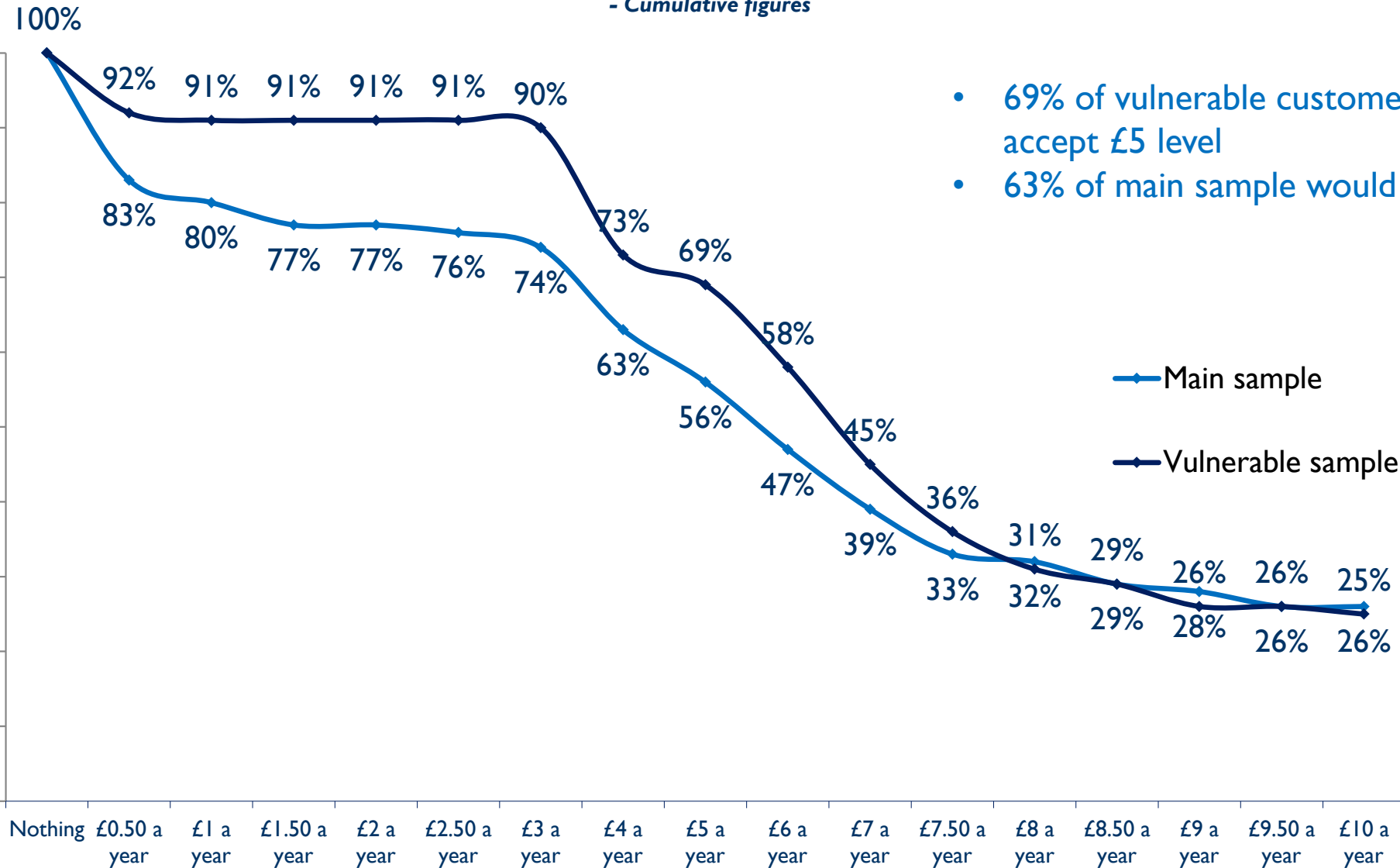
- When informed, CAM customers generally more likely to accept a higher contribution than SSW customers
- 62% of CAM customers would accept £5.00 - (58% amongst SSW customers)
- 63% of SSW customers would accept £4.00 a year.



# Up to £6 level vulnerable sample display a statistically significant higher level of acceptance than the main sample

Q15-Q19. Maximum Informed Amount - split by main and vulnerable sample

- Cumulative figures



- 69% of vulnerable customers would accept £5 level
- 63% of main sample would accept £4

Source: Qa Research 2019 Base: All respondents - Main (759), Vulnerable (147)



# Statistically significant differences by audience types based on the £4 level which overall 64% found acceptable

- Only differences in acceptance at £4 based on the cumulative total that are statistically significantly different are shown below

Vulnerable customers	73%	vs	Main sample	63%
65+ years old	69%	vs	35-64 years old	61%
ABCI	69%	vs	C2DE	60%
Male	68%	vs	Female	61%
5+ in household	74%	vs	3 in household	59%
Caring but time pressed	70%	vs	Don't bother me	54%
Engaged loyal carers	68%			
Aware of Assure before today	77%	vs	Not aware	62%
Social tariff schemes are acceptable	78%	vs	Unacceptable	18%
Aware bill will fall in 2020 then be flat up to 2025	76%	vs	Not aware	62%

# Customers in survey follow up groups supportive of £4 contribution

Following the quantitative survey customers were reconvened in two focus groups (Dudley for SSW and St Ives for CW) to gauge their views towards the survey outcomes.

- When shown the maximum level of contribution (£4) that 64% of survey respondents from CAM and SSW supported, a majority of customers from both groups were supportive of this amount as they had little concern in paying an additional £1 to the current £3. Some compared the £4 to being less than a pint of beer
- A number of customers across both groups did however feel that the survey outcome of 64% level of support for £4 might have been higher if customers had already been aware they were paying £3 prior to the research exercise
- This echoed findings from the pre-survey groups were a large number of customers felt a little disgruntled that they didn't already know they were paying an additional £3 on their bills to support the Assure scheme and that SSC was then using the research exercise to ask for an additional contribution
- Despite these frustrations the vast majority of customers in both groups agreed that they were happy to commit to the £4 contribution each year for the 5 year period
- But those in the Dudley C2DE group hoped that this amount didn't suddenly rise significantly at the end of the 5 years – which some were concerned about as they felt customers had no choice but to pay the contribution and feared the water company may not be transparent about this if it occurred.

*"You're not gonna miss another pound...if it helps someone out I'm not really that fussed."*  
Dudley, C2DE (SSW)

*"It's good that it's fixed for five years...but will it go up to ten pounds in five years?"*  
Dudley, C2DE (SSW)

*"I'm happy for it to proceed, you never know when you might need help."*  
St Ives, ABC1 (CAM)

*"It might have been higher...it's (because of) the way they have gone about it."* - St Ives, ABC1 (CAM)



# Customers would support a regional difference in contribution levels

- When comparing the regional breakdown between SSW and CW customers' level of support for a maximum contribution, customers in both Dudley and St Ives were not surprised to see CW customers offering a higher level of contribution (62% supported £5 in CW and 63% supported £4 in SSW).
- This was because customers across both groups expected customers in the Cambridge Water area to be financially better off than those in South Staffs. There was a perception from SSW customers that as CW customers were living in the south east they would be wealthier than those living in the West Midlands
- The majority of customers across both groups felt the water company should charge each region in accordance with the differing results revealed by the survey (£4 in SSW and £5 in CW) as this reflected, in their minds, the difference in affordability levels between each locality
- However, if SSC decided to use the combined level of support from the survey (£4) customers from the focus groups would not object

*"Cost of living...down south...it's totally different. They probably earn more than we do up here."  
Dudley, C2DE (SSW)*

*"I think it should be broken down by each area...they've (Cambridge) got more money than us."  
Dudley, C2DE (SSW)*

*"If there are people in less well off areas, is it fair to ask them to pay as much as we do?" - St Ives, ABC1 (CAM)*

*"At the end of the day it's neither here nor there...you pay the same in the car park." - St Ives, ABC1 (CAM)*



South Staffs Water

£4



£5



# Concern around amount of people that could be eligible for support

- When told that 42,500 people across SSW and CW regions could be eligible for support from Assure, customers had mixed reactions.
- Some wondered how SSW could know this, others appeared suspicious and were concerned as to how genuine some of those in need were
- A small number of customers from the Dudley group seemed concerned that there would still be a large number of people that wouldn't be able to receive support if the £4 contribution was implemented as only 27,500 could be supported in line with this.
- A small number of those in St Ives wondered whether the water company would make up the shortfall in funding so that the full volume of those in need of help could receive support

*“(Let’s say) if we support thirty five thousand, I assume the company would support the (rest up to) forty two thousand?”  
St Ives, ABC1 (CAM)*

*“So it probably needs to be six quid a month?”  
Dudley, C2DE (SSW)*

*“It depends who’s claiming. You don’t really wanna be helping a certain criteria. But you wanna help others. So I wouldn’t want to pay more money to cover everybody. And I’ve got to work for it.”  
Dudley, C2DE (SSW)*

# Summary of *informed* contribution levels

- As the previous charts show, 64% of combined SSC & CAM customers would find an annual contribution level of **£4.00** acceptable when *informed* representing an uplift in annual contribution of £1.00 from the current level
- SSW and CW customers in the post survey focus groups were supportive of the £4 total contribution level but felt this may have been higher had customers known they were already paying £3
- Levels of acceptability differ between customers of the two companies;
  - 63% of **SSW customers** found **£4.00** acceptable – 58% found the next highest level (£5.00) to be acceptable
  - 62% of **CAM customers** found **£5.00** acceptable – 51% found the next highest level (£6.00) to be acceptable.
- SSW and CW customers in the post survey focus groups felt SSC should separate the contribution level for each region as those in the CW area had higher affordability levels than those in SSW area
- Amongst the combined sample, significant variation exists – 15% said they would accept paying ‘nothing’, while 26% found a £10 annual contribution to be acceptable.
- In total, 26% changed their uninformed contribution level after being informed;
  - 16% increased their level
    - proportion was higher amongst those with an uninformed contribution level below £5 (23%) than those with a level of £5 or above (11%).
  - 10% decreased their contribution level after being informed.
- When informed that 42,500 people across SSW and CW regions could be eligible for support from Assure in the post survey focus groups, customers across CW and SSW were concerned that there would still be a large amount of people that could not be helped if the £4 contribution was implemented. Some hoped the water company would make up the shortfall

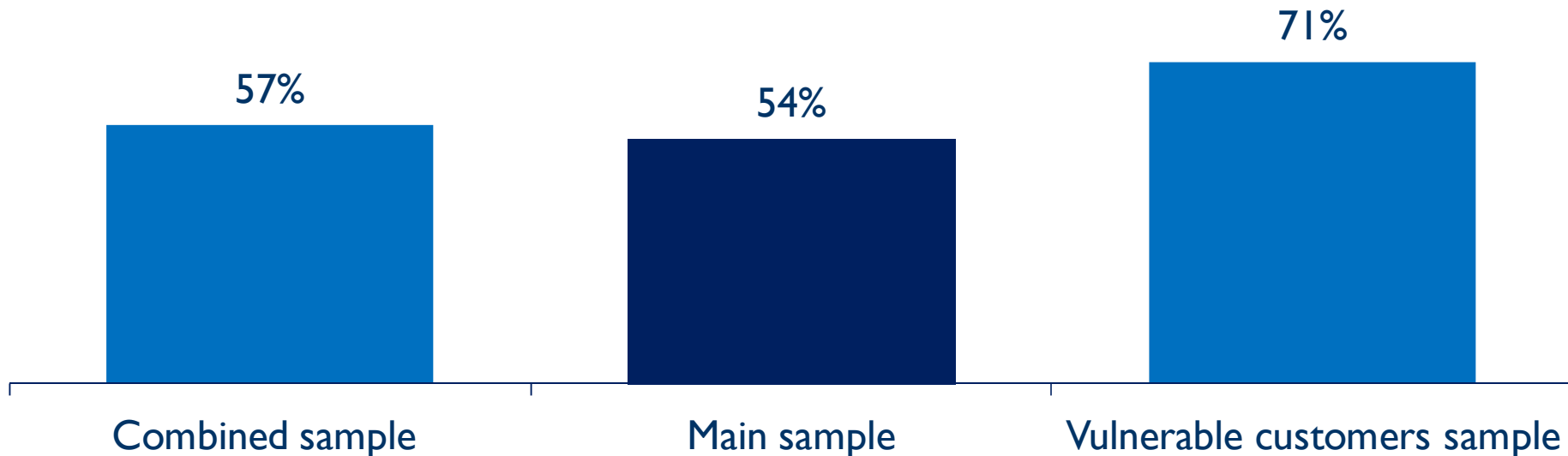
# *Two Tier Assure Scheme*

# The majority would support a two-tier Assure

- A detailed description of a possible approach to delivering a two-tier Assure scheme was shown to survey respondents and they were asked how far they would support it
- Only one-in-ten of each sample actively said they would not support this (giving a score of 1 or 2);

**Q23a. In general, do you support this change in approach to having two different levels of Assure? Give your answer on a scale of 1 to 5 (5 means you fully support and 1 means you don't support it at all).**

*- Showing NET: Support (score of 4 or 5) -*



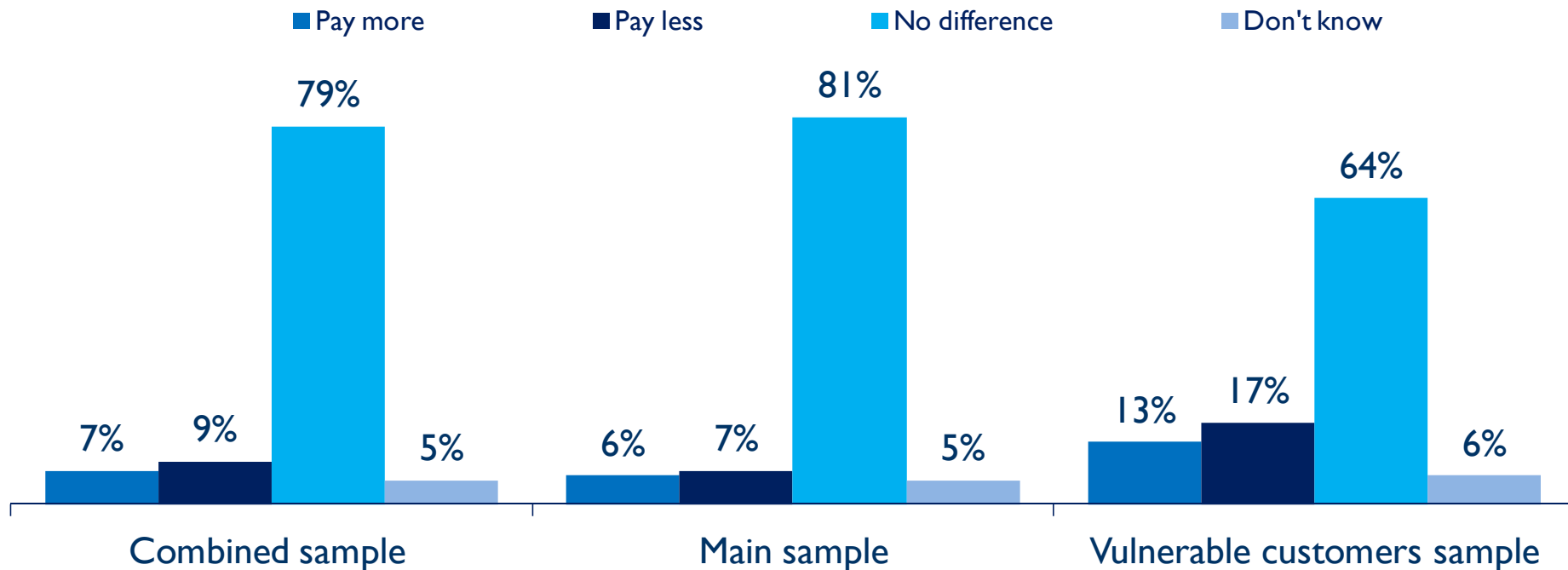
Source: Qa Research 2019 Base: All respondents - Combined (906), Main (727), Vulnerable (179)



# Impact of two-tier Assure on level of contribution

- Respondents were then reminded of the *Maximum Informed Contribution* they had earlier settled on and asked if they would want to pay more or less than this for the two-tier Assure or if it would make no difference;

**Q24. Earlier you indicated that you'd be happy to pay an annual contribution of (MAXIMUM INFORMED AMOUNT) to support the Assure scheme. If this new two tier Assure scheme was introduced would you want to pay more or less than this or the same amount?**

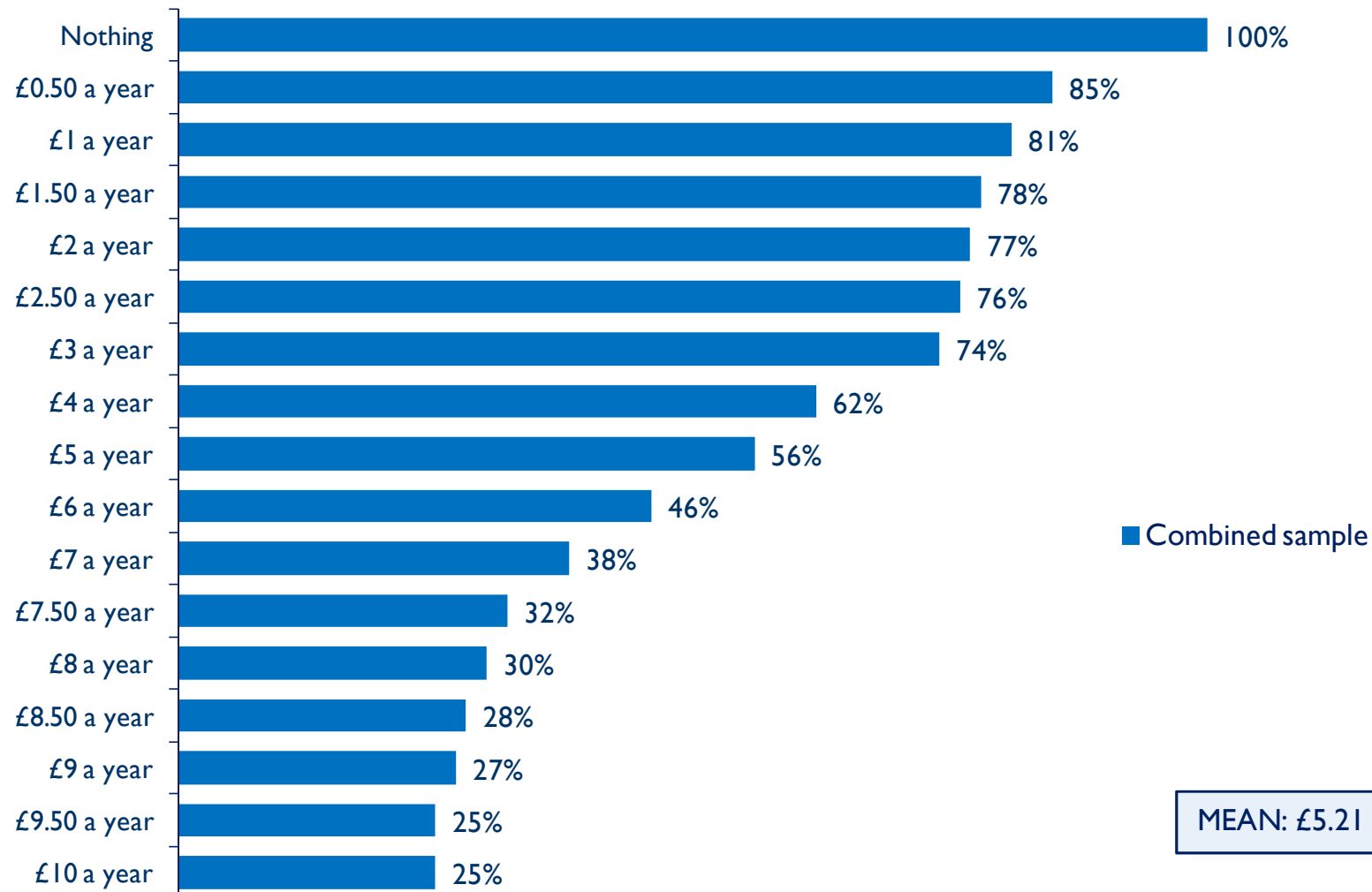


Source: Qa Research 2019 Base: All respondents - Combined (906), Main (727), Vulnerable (179)

# Maximum contribution levels with a two-tier Assure

- Outlined below is the revised maximum contribution level for each respondent, adjusted to take account of any changes in the level as a result of the two-tier scheme;

**Q25a-Q25b. Maximum Contribution Level based on a two-tier Assure**  
*- Cumulative figures -*



# Statistically significant differences by audience types based on the £4 level which overall 62% found acceptable

- Only differences in acceptance at £4 based on the cumulative total that are statistically significantly different are shown below

65+ years old	69%	vs	35-64 years old	60%
ABCI	68%	vs	C2DE	58%
Male	66%	vs	Female	59%
Caring but time pressed Engaged loyal carers	67%	vs	Don't bother me	51%
Social tariff schemes are acceptable	76%	vs	Unacceptable	18%
Aware bill will fall in 2020 then be flat up to 2025	70%	vs	Not aware	61%

# Two Tier scheme positives: more help for those most in need

## Pre survey focus group participants' views towards the positive aspects of the two tier scheme included:

- Creating another level of assistance that helps those in dire need
- Bad luck could happen to anyone at anytime so it gave a sense of reassurance if they became the unlucky ones that needed help from Assure Assist
- A 100% discount for 8 weeks may help people to get back on track
- Would enable one less thing to worry about during a stressful time.



*"If it's free (water bill) then that's a good idea, because that could happen to anybody couldn't it. You've lost your job tomorrow, that's it. Universal Credit takes a while."*

*Dudley, C2DE (SSW)*

# Two Tier scheme issues: eligibility to be tighter



## Pre survey focus group participants views towards the negative aspects of the two tier scheme included:

- 8 weeks may not be long enough to receive Assist if someone has severe, longer lasting health issues
- A need for more detail and clarification about the types of issues that would qualify for eligibility
- Concerns that people could try to apply but didn't really need it – how could SSC ensure of people's genuine need / eligibility?
- Fears that 'a person with no savings being hit with a huge, unexpected bill who needs time to get back on their feet' could apply to a wide range of customers – even if they were on relatively high household incomes
- A small number of customers felt the split between the two tiers could be 60% Standard and 40% Assist as they felt there would be a higher proportion of people in need of the support of Assist than the current 80/20 split seemed to assume.

*"I think there's a massive grey area, what's classed as a huge unexpected bill, haven't we all been there?"*  
Dudley, C2DE (SSW)

*"Surely that (no savings, huge bill) category covers a lot of people. How on earth would they afford to administer that?"*  
St Ives, ABC1 (CAM)

# Two Tier scheme a good idea but concerns centred on fraudulent claims

**After debating the two tier scheme pre survey focus group customers showed mixed levels of support**

- Those in support liked the notion of a mechanism to help those with more severe problems
- Those who were less supportive were concerned that people may get help that didn't really need it
- When asked whether they would be willing to contribute any more, the same or less than they had already stated to support the two tier tariff, the vast majority kept their contributions the same and did not feel they wanted to offer any increase.
- Customers indicated that they had already suggested an amount that they would be happy to contribute and if the water company wanted to allocate this to a two tier scheme then they supported it, as long as they could ensure that the criteria was clear and the assessment process stringent

**KNOW A  
CHEAT  
IN YOUR  
STREET?**

*"I'd stay the same; it's already a fair amount. If you keep going you are going to start noticing it."  
Lichfield, ABC1 (SSW)*

*"It shouldn't be like I can't manage my money, I've spent a lot on beer."  
Dudley, C2DE (SSW)*



# Assessing Assure Assist eligibility during Standard application supported

During the post survey focus groups in St Ives and Dudley customers provided their view towards the two tier tariff that had been updated by SSC following feedback from the pre survey groups

- Customers across both groups agreed that assessing a customer's eligibility for Assure Assist during their application for Assure Standard seemed like a logical approach
- A small number in Dudley asked what would happen when someone ended the 8 week discount and felt reassured when told they would be moved on to Standard Assure
- However, a small number from the Dudley group were a little confused initially as they thought the customer themselves would choose which aspect of the scheme they would join
- When it was explained to them that the water company would allocate the customer to the appropriate part of the scheme based on their circumstances, a number of customers from the Dudley group began to worry about people who may try to apply to get on the Assure tariff scheme by fabricating details about their circumstances.
- Those in the St Ives group had little to comment about this approach and were supportive.

*"If it's warranted and it's genuine I ain't got a problem with it. You've got fifty fifty in society. Fifty percent go out and work every day and the other fifty percent who think 'I can get a discount on my water rate, so I'm going down that route'." - Dudley, C2DE (SSW)*

*"If they need it and they qualify for it they should go on it (Assist) shouldn't they."  
St Ives, ABC1 (CAM)*



## 'Waiting for Universal Credit' made sense as criteria for Assure Assist

- There were no major objections to using the 'waiting for Universal Credit' mechanism as most customers in the post survey groups recognised that people could be without any money at all
- Some did wonder whether there would be any other criteria that the water company would consider once the UC system was working effectively and that recipients were receiving their payments on time.
- Those in Dudley suggested the water company should create a mechanism to check the individual's status after a 4 week period as if they have then received their UC payment then they should move off Assure Assist so somebody else could receive help
- Those in St Ives were pleased to see that SSC had removed the previous criteria that would have considered somebody that had been hit with a huge unexpected bill

*"It would mean not having to worry about the water board until I get sorted."  
Dudley, C2DE (SSW)*

*"So it does away with the previous one where someone with a huge unexpected bill could claim...so the new way is more straight forward."  
St Ives, ABC1 (CAM)*





## ‘Only households with no income’ criteria could misrepresent complex circumstances

- This particular criterion caused some, particularly in the Dudley group, to feel it misrepresented how certain households received income
- This was explained by those caring for a relative at home where the dependent might receive their own benefits but the individual with caring responsibilities could be in a situation where they may personally have a sudden drop in income for whatever reason but wouldn't qualify for Assist due to the income from benefits received by the dependent
- The discussion around this aspect revealed that household circumstances are highly nuanced and can be complicated by, for example, someone caring for an adult dependent
- This suggested that a blanket rule where ‘only households with no income across all adults living in the house will qualify for Assure Assist’ could leave certain individuals exposed and penalised unfairly.
- A number of those in the St Ives group wondered how the water company would be able to be certain that all adults in the household were receive no income, what mechanism would they use to check this?
- A number of customers in the St Ives groups also found it hard to believe that there would be households where all adults living there had no income at all. Although others were aware of people they knew that had zero hour contracts where there may be no guarantee of work or income

*“But, in my house I’ve got a child I’ve fostered at eighteen 18 (years old). He will never work because he hasn’t got the capacity to work. He gets minimal benefits and has to pay for his care. But I pay all the bills. So I pay his water bill. So I couldn’t put him on that (Assist) because I work.” - Dudley, C2DE (SSW)*

*“How would they be living (with no income) and how would they arrive at that situation where they’ve got nothing coming in.”  
St Ives, ABC1 (CAM)*



# Access to customer's online journal to prevent fraud was welcomed

- This mechanism was welcomed by a majority of customers across the groups as they regularly demonstrated concerns about fraudulent claims and how the water company could prevent this.
- A small number of those in Dudley asked how it would be possible to access a customer's on-line journal and not break GDPR rules?
- Those in St Ives were pleased to see the water company was using such mechanisms to make sure the discounts went to those who needed it most.

*"It checks that they are going out and looking for work, when they've got their payment, how much they've got, how many jobs they've applied for...otherwise you're just giving people money for 8 weeks." - Dudley, C2DE (SSW)*

*"It's good they (SSC) are trying to protect themselves (from fraud) so that the right people get the money." - St Ives, ABC1 (CW)*



## 8 week 100% discount supported but some felt recipients should pay it back

- A number of customers in the Dudley group were against the fact that Assist recipients would not have to pay the money back. They felt a re-payment plan over a long enough period of time should be considered.
- This way, more people could be helped as the pot of 'support' money would not be diminished.
- They argued that once someone was back on track they could afford to pay a small contribution over time to repay the 8 week gap.
- The majority of those in the St Ives group felt that 8 week discount period was an appropriate amount of time for somebody as it would be one less thing to worry about as they expected customers in these circumstances would have many other household bills mounting up at the same time.
- In contrast, a small number of those from the St Ives session were concerned that 8 weeks may not be long enough for some people to have got back on track with their lives after any traumatic or life changing events had taken place.
- Although, they agreed that if the individual then automatically went on to the Standard Assure after the 8 week Assure Assist discount period, then at least they would still have the comfort of a continued discounted bill to help them get back on track.

*"Couldn't they just pay back another pound or two over the rest of the year to cover it?"  
Dudley, C2DE (SSW)*

*"I don't think eight weeks is very long...as it's not long to sort your life out." - St Ives, ABC1 (CW)*

*"That's gonna reduce people's stress and help them get back on their feet." – St Ives, ABC1 (CW)*

8 weeks to recover

## £16,105 income threshold seemed high to Cambridge customers

- Those in the Dudley group felt the income threshold of £16,105 was about right but again made references towards potential fraudulent claims as they wondered how the water company could be sure that an individual was being transparent about all of the income they receiving within the household
- Although those in St Ives felt that it sounded too high especially when adding £1,500 per child and that a wide range of benefits were exempt.
- Those in St Ives assumed people with this level of income threshold should be able to manage without additional support.
- Respondents across both groups agreed that the £16,105 could rise with inflation each year
- Although others pointed out that the cost of living didn't always chime with increases in pay so increasing the income threshold for Assure could penalise more people rather than help them.

*"How do you prove that other people (don't) live with them?"  
Dudley, C2DE (SSW)*

*"I think a lot more people would qualify at that level."  
St Ives, ABC1 (CW)*



# Wider two tier criteria welcomed by SSW and CW customers

- Customers were asked the extent to which they supported the following additional customer scenarios as potential criteria for Assure Assist at a later stage once the UC system was operating fully and recipients were receiving payments without delay. Scenarios included:
  - A person having a short term, but serious illness or needing surgery who loses all their household income (which is less than £16,105)
  - A person who loses their job and has no household income (which is less than £16,105)
  - A person going through a personal trauma divorce/bereavement – who loses all their household income (which is less than £16,105)
- Customers across both groups were supportive of the additional criteria for Assure Assist
- Most agreed that if anyone was dealing with the implications of the scenarios put forward they may well need help financially.
- Some of those in the Cambridge group for example felt that whilst they and others they knew were financially comfortable, something like a divorce or a death of a partner could have a very negative impact on household finances

*“If there’s been a trauma, divorce or bereavement you’re not going to be ok in four weeks.” - Dudley, C2DE (SSW)*

*“If the husband was the main bread winner and he dies then (help would be needed).”  
St Ives, ABC1 (CW)*



# Two Tier scheme ready for launch after final tweaks to eligibility and checks

- When asked the extent to which the Two Tier scheme seemed ready for launch, most agreed that it still needed some tweaks. Mostly with regards to eligibility and fraud prevention
- Those in Dudley felt more consideration may be needed to ensure the eligibility criteria didn't unknowingly penalise someone due to complex household scenarios. It was suggested that SSC could list a wider range of personal circumstances and allow the customer to select which of them reflected their situation
- In contrast to this, both Dudley and St Ives customers urged SSC to do its very best to ensure the scheme couldn't be abused by rogue applicants and having some way to check that an Assure Assist recipient's financial circumstances hadn't improved part way through the 8 week period
- An example was given in the Cambridge group as to how a single mother may claim for Assure Assist after a boyfriend left the household. But the water company would have no way of knowing if he returned and therefore was contributing financially again
- Those in the Cambridge group were pleased that the eligibility criteria from the initial two tier proposition where someone being hit with a big bill could get Assist had now been removed and that the updated criteria was more likely to ensure the right people received help
- Cambridge customers also felt SSC should review and update the criteria annually as macro economic circumstances changed – such as the outcomes of Brexit.

*"Tweaks...just a check after four weeks (while on Assist)."*  
Dudley, C2DE (SSW)

*"I think there should be one column with lots of different ones (issues)."*  
Dudley, C2DE (SSW)

*"The second one (TT) is better because it does away with the 'big bill' criteria."*  
St Ives, ABC1 (CW)

*"The money will go to the right people." - St Ives, ABC1 (CW)*

# Summary of Two Tier Assure Scheme

- Most customers (79%) would not change their *Maximum Informed Contribution* if this two-tier Assure scheme was introduced.
- This was echoed by customers in the pre survey focus groups where the vast majority supported the two tier scheme as a way to help those in dire need but would not pay any more beyond their initial proposed level of additional contribution
- 16% said they would make a change (7% would 'pay more' and '9% would 'pay less' ), but differences were apparent amongst those with different *Maximum Informed Contribution* levels;
  - **Under £3** – 10% would 'pay more' and 2% would 'pay less'
  - **£3 exactly** – 4% would 'pay more' and 16% would 'pay less'
  - **Over £3** – 6% would 'pay more' and 10% would 'pay less'.
- Essentially, this means that, on balance, this two-tier Assure scheme;
  - Would make those supporting a contribution level at or above the current £3 level more inclined to accept a lower level of contribution than they would otherwise do
  - Would make those supporting a contribution level below the current £3 level more inclined to accept a higher level than they would otherwise do.
- Accounting for these movements, the two-tier Assure scheme would see **62% supporting a maximum acceptable contribution level of £4.00.**
- Of those who said they would want to 'pay more', 33% already had a *Maximum Informed Contribution* level of £10, so a higher level could not be recorded in the survey (meaning the overall mean is reduced).
- Customers in the pre survey focus groups felt SSC needed to develop the eligibility criteria for those who could apply for Assist specifically removing 'a person with no savings being hit with a huge, unexpected bill



# Summary of Updated Two Tier Assure Scheme

- Customers in the post survey focus groups felt the updates made by SSC to the two tier tariff scheme were positive overall
- The notion of initially focusing on those waiting for UC payments as the main eligibility criteria for Assure Assist was supported
- Although, when considering SSC's suggestions regarding the expansion of the eligibility criteria for Assure Assist beyond UC, customers felt tweaks were needed to ensure complex household circumstances and those most in need were not unintentionally overlooked
- In conjunction with this, once the eligibility criteria was expanded beyond UC, customers urged the water company to think harder about how they would prevent fraudulent claims for Assure Assist, but they acknowledged this would be challenging due to household circumstances often being complex.

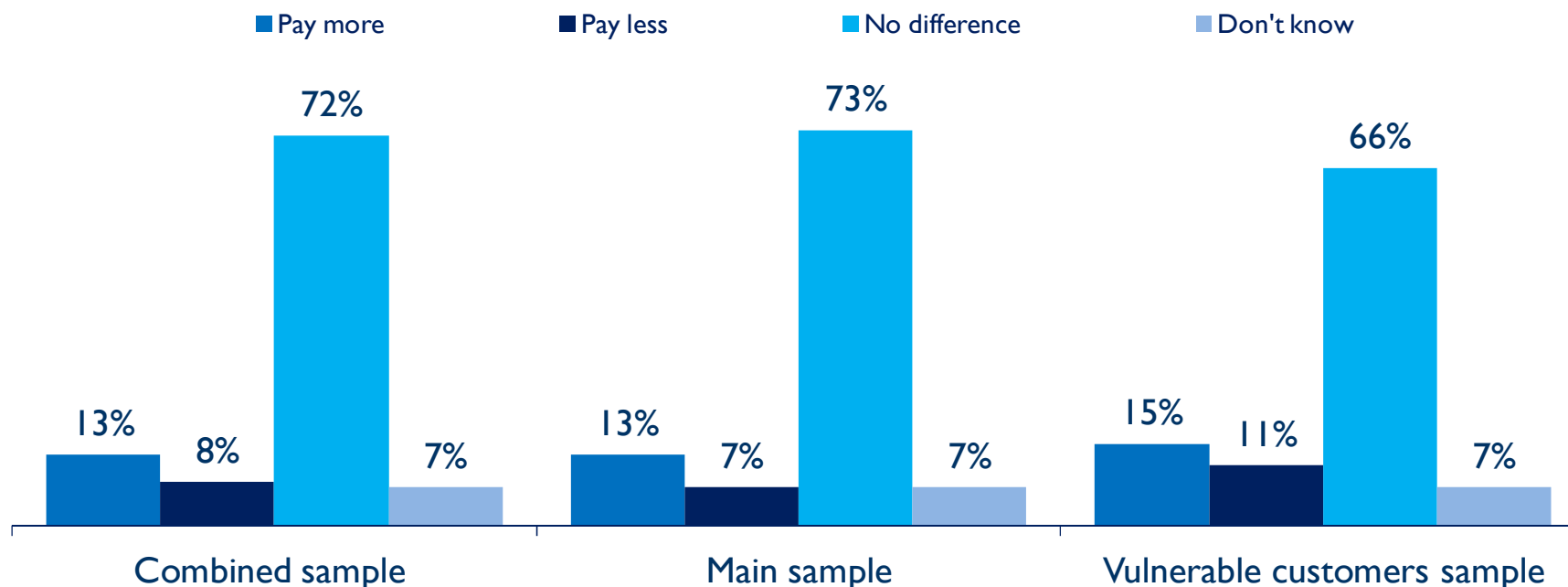


# *Matched funding*

# Impact of matched funding on level of contribution

- A description of how SSW/CAM might match any contribution made by a customer above the current £3 contribution level was shown to survey respondents
- They were then asked if they would want to pay more or less than their *Maximum Informed Contribution* if contributions were matched in this way;

**Q26a/b. If your Water Company said they would match any additional contribution you make above the current £3 contribution, would you want to pay more, want to pay less (THAN MAXIMUM INFORMED AMOUNT), or would it make no difference?**



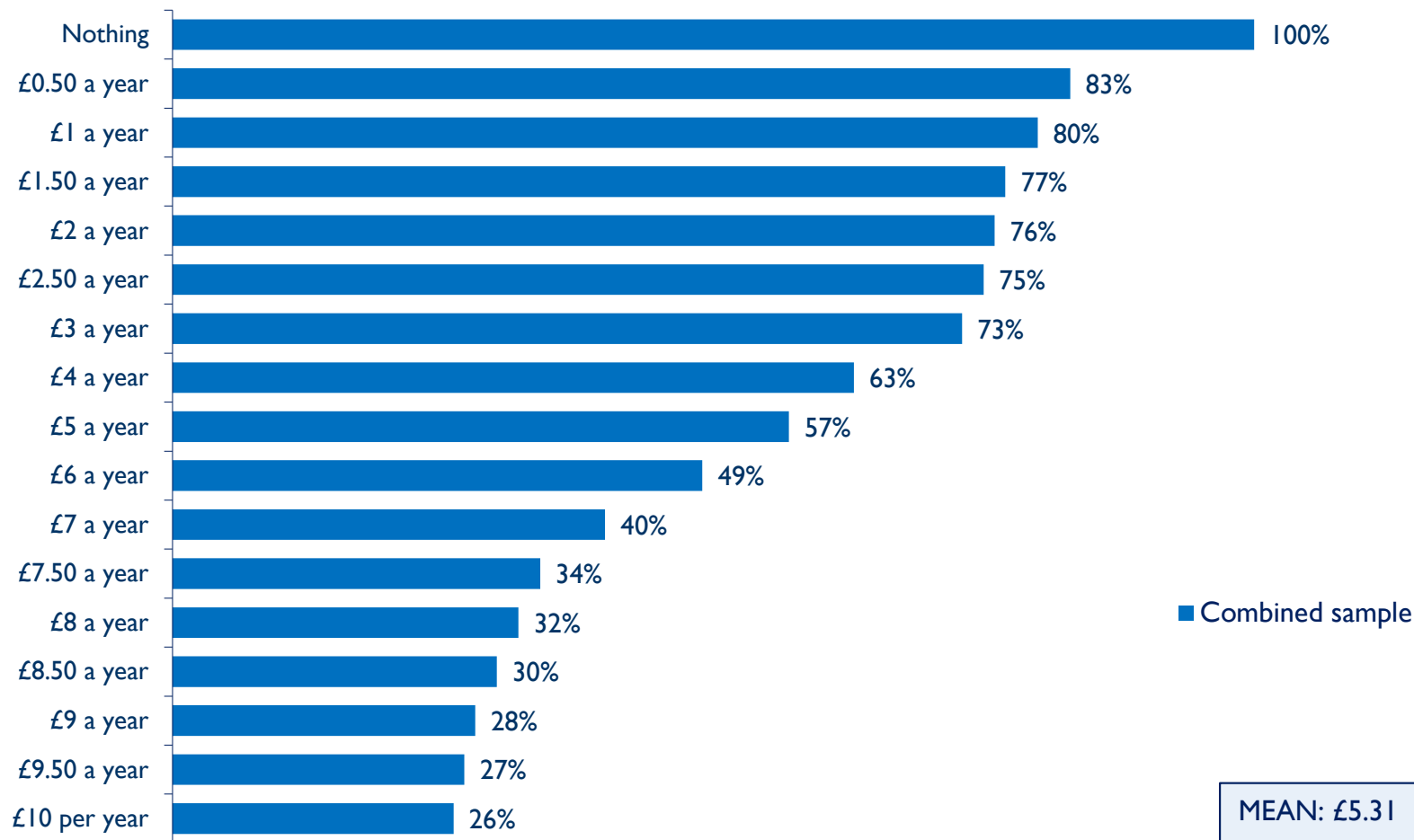
Source: Qa Research 2019 Base: All respondents - Combined (905), Main (727), Vulnerable (178)  
\* One vulnerable respondent was not asked this section

Two main reasons for paying less amongst those with a Max Informed amount of £3 or under are can't afford & we shouldn't have to subsidise others and for those willing to pay over £3 that we shouldn't have to subsidise others and SSC should pay more or all of it or match my payments pay for pound.

# Maximum contribution levels with matched funding

- Outlined below is the revised maximum contribution level for each respondent, adjusted to take account of any changes in the level as a result of matched funding;

**Q28a/b-Q29a/b. Maximum Contribution Level based on matched funding**  
- Cumulative figures -



Source: Qa Research 2019 Base: All respondents (906)

# Statistically significant differences by audience types based on the £4 level which overall 63% found acceptable

- Only differences in acceptance at £4 based on the cumulative total that are statistically significantly different are shown below

ABCI	68%	vs	C2DE	59%
Male	66%	vs	Female	60%
Caring but time pressed Engaged loyal carers Savvy switchers	69% 67% 64%	vs	Don't bother me	51%
Aware of Assure before today	74%	vs	Not aware	62%
Social tariff schemes are acceptable	77%	vs	Unacceptable	18%
Aware bill will fall in 2020 then be flat up to 2025	72%	vs	Not aware	61%

# Matched funding proposal created anger and resentment

- When those in the pre survey focus groups were asked whether they would be happy to contribute even more than they had already stated if SSC matched a further additional amount, the majority refused
- A number of customers were also confused and rather annoyed as to why SSC were asking customers to contribute on top of their bills in the first place, if the water company was already prepared to subsidise the scheme themselves?
- This caused a small number of people to consider reducing the amount they had originally suggested they would contribute, as they felt the water company should invest more of its own profits rather than ask customers to pay even more
- A large number of customers across the three groups were confused and frustrated as to why the water company wouldn't match all of their additional contribution rather than a small additional amount
- The match funding proposal and the perceived lack of transparency regarding the current £3 contribution caused a number of customers to feel suspicious and a little angry with the water company and they hoped that SSC would be more open with customers going forward.

*"I'd probably just do the same. I'm putting across enough already, and then they're matching it, what benefit am I getting out of that? Why am I paying it, if you're paying for it? You put it towards or we put it towards, why should we pay more?" Lichfield, ABC1 (SSW)*

*"If the water company has that money spare to be able to match it, why don't they just reduce people's bills without us paying." Dudley, C2DE (SSW)*

*"They make it sound good that they're matching it, but actually they're not because we're still paying more than they are." St Ives, ABC1 (CAM)*



# Summary of matched funding

- Most customers (72%) would not change their maximum informed contribution level if “part” matched funding was introduced. This reflected findings from a survey conducted in 2018 where only 1 in 5 would pay more to support “full” match funding
- This was echoed by the vast majority of customers in the pre survey focus groups who were angered by the match funding proposal as they wondered why the water company was only prepared to put in some its own money after customers had been continuously asked to raised their levels of contribution
- 21% said they would make a change (13% would ‘pay more’ and 8% would ‘pay less’ ), but differences were apparent amongst those with different *Maximum Informed Contribution* levels;
  - **Under £3** – 6% would ‘pay more’ and 5% would ‘pay less’
  - **£3 exactly** – 7% would ‘pay more’ and 22% would ‘pay less’
  - **Over £3** – 17% would ‘pay more’ and 6% would ‘pay less’.
- On balance matched funding would mean;
  - Customers with a maximum informed contribution at or below the current £3 level would be more inclined to accept a **lower level** of contribution than they would otherwise do
  - Customers with a maximum informed contribution above the current £3 level would be more inclined to accept a **higher level** than they would otherwise do.
- Accounting for these movements, matched funding would see **63% supporting a maximum acceptable contribution level of £4.00**
- Note, the overall mean is reduced, as 47% of those who said they would ‘pay more’ had an informed contribution level of £10 (the maximum allowable).
- The match funding proposal was not discussed in the post survey focus groups.

# *Communication*

# Customers demand transparency around reasons for bill increases

- Customers across both groups agreed that SSC should be transparent and communicate the reason why bills might be going up by another £1 to £4
- A key challenge highlighted by a small number of those in Dudley was perceived low profile that water has within households. As it's not something people tend to think or worry about too often, communications from the water company can easily be missed or ignored
- When asked how they felt the water company should communicate the reason why bills might be going up in relation to an increased level of support, customers in both groups felt different channels and content approaches needed to be tailored to ensure different customer types would take notice.

*"Now I know I'm annoyed that I didn't know, so I think they should communicate it."  
St Ives, ABC1 (CW)*

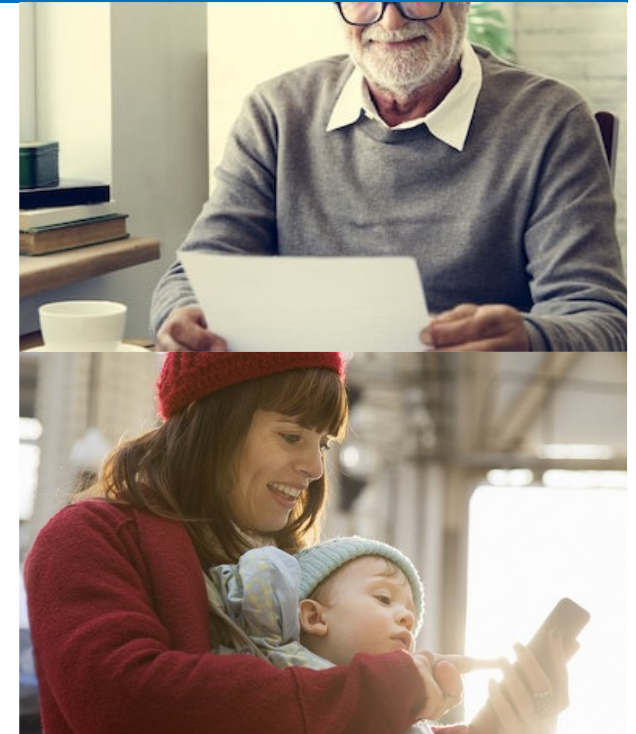
*"You just don't think about water."  
Dudley, C2DE (SSW)*





# Use different formats for varying customer types to communicate bill increase

- Two key audience types defined by customers in the groups were ‘the elderly’ and ‘younger people’ but this was really in reference to who they perceived to be ‘digitally excluded’ and ‘digitally engaged’
- They felt for older people / the elderly who may less likely to engage with digital communications, SSC should consider a separate letter using a (pie) chart to help explain the changes
- For young people, or the ‘digitally engaged’, social media was seen as a great way to sign post customers to more detailed content such as video case studies that could be hosted on the SSC website
- Use recipient testimonials was also seen as a good way to help convey the impact that the Assure tariff was having on those in need – which could be included on printed and digital communication materials
- The vast majority felt channels such as a leaflet, text and email could easily be ignored, missed, lost, deleted or thrown in the bin (leaflet).



*“Separate letter for the elderly.” Dudley, C2DE (SSW)*

*“Social media for younger people.” - Dudley, C2DE (SSW)*

*“Testimonials and stories are really good. People can see how people have benefitted...but then it’s how to deliver that. We felt social media was a really good idea...you could put them on the website.” St Ives, ABC1 (CW)*

*“Pie chart for the older people...in a separate letter...it’s visual.” - St Ives, ABC1 (CW)*

# Summary of communicating bill increase to general customers

- Customers in the post survey focus groups urged SSC to be transparent and ensure that it communicated the reasons why bills had gone up so that customers could be aware of what they were paying for
- To help customers understand why their bills may have increased, customers in the post survey focus groups felt SSC should target certain types of customers in different ways
- Two distinct customer types were identified :‘the elderly’ and ‘younger people’
- But this was really those they perceived to be ‘digitally excluded’ and ‘digitally engaged’
- It was felt that elderly, digitally excluded customers would respond more to a separate letter and that younger digitally engaged customers would prefer channels such as social media and links to content on the SSC website
- Using customer testimonials and case studies of those that had benefitted from Assure were seen as effective tools for explaining why bills might have increased.

*Stage 2*

*Co-creation workshops*

# Co-creation workshops to help promote Assure

## The objectives of the co-creation workshops were to:

- Investigate and co-create how SSC could best raise awareness of the Assure social tariff to encourage more customers that may be eligible to apply
- Examine and co-create how SSC could best support customers to become regular bill payers after they have left a social tariff or other bill payment plan
- Gauge levels of support for SSC to implement a two tier approach to the Assure social tariff so that customers in more severe financial difficulty could receive additional support



# Co-creation workshops focused on Assure target audience

- **Customers invited to attend co-creations workshops were all bill payers of either South Staffs Water or Cambridge Water and were conducted in:**
  - North Cambridge on Weds, 18th Sept with 8 x Cambridge Water customers
  - Smethwick on Thurs, 19th Sept with 9 x South Staffs Water customers
- **The main criteria for customers attending each workshops were:**
  - Currently receiving the Assure tariff discount
  - Not currently receiving the Assure but had done within the last 24 months
  - Likely to be eligible to receive the Assure tariff, but had never done so
- **We successfully recruited a broad mix of customers from the following criteria:**
  - Bill affordability: mix of 'sometimes struggle to pay' and 'regularly or always struggle to pay'
  - Those with a long term health condition or disability & those who have neither
  - Metered and fixed bill
  - Rural, urban and sub-urban dwelling

# *Understanding the Assure Tariff Target Audience*

# Assure target audience defined by severity of finances

Customers were grouped in to two key categories for the co-creation workshops based on Qa's experience of engaging with this audience for other water companies and other sectors such as charities, the NHS and local authorities.



Long term unemployment

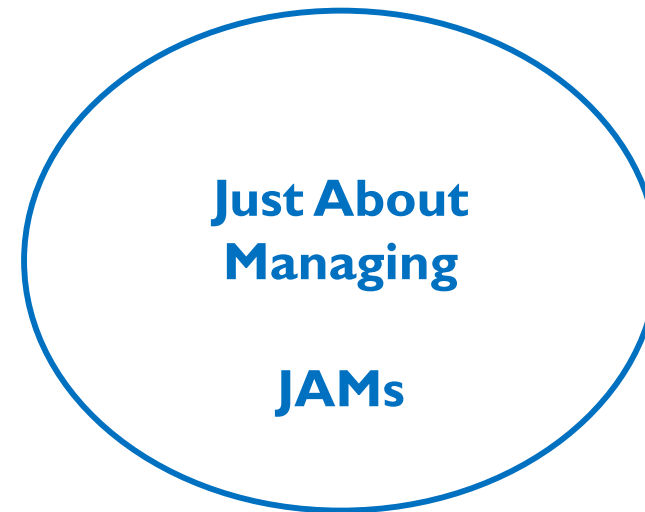
Mental and physical health prevent ability to work

Recent traumatic event

Wholly dependent of welfare

Full time carer

*"I've got four brain tumours and was born with four disks missing in my lower back."  
N Cambridge, SFD (CW)*



Low paid work often part time, zero hrs

More than one job

In and out of employment

Income from work and benefits

*"I was made redundant and it's been very difficult to get another job."  
Smethwick, JAM (SSW)*

# Contact with SSC quite frequent due to bill issues

- Contact with the water company appeared to me more frequent than general household customers and many admitted that this was mostly due to issues around bills and arrears
- The majority of those in more severe financial difficulty cited poor physical and mental health as the main reason behind low (or no) income, which led to not being able to pay the water bill and other household bills
- A small number of customers gave examples of extreme circumstances whereby they had received a large bill from the water company after spending a long time in hospital – they couldn't understand why they had received it when they had not been in the house and not been using any water
- A small number cited occasions where they had receiving arrears notices and threats of court action which often added to the stress and difficulty they were facing with debts from multiple providers
- Those in more severe circumstances talked about the general chaos of getting in to arrears with the water company and multiple providers. This often lead them to being fearful of opening letters as they expected each one would be a threat in relation to an unpaid debt

*"It [water bill] is quite a high priority for me no...I avoided it for quite a long time and it [debt] built up to quite high."  
N Cambridge, JAM (CW)*

*"They send me letters but I can't read them...so I have to ring and ask what it says."  
N Cambridge, SFD (CW)*

*"They told me I'd got to apply for Assured but I lost the form."  
N Cambridge, SFD (CW)*

*"You put them (arrears letters) in the ignore file."  
N Cambridge, SFD (CW)*

*"They [SSW] keep on telling me I have a meter ... my landlord searched around the area to see if anything is connected to me. They can't find it" Smethwick, SFD (SSW)*

*"They may have contacted me about unpaid direct debit."  
Smethwick, JAM (SSW)*

**PAYMENT DUE**



# Handling callers with complex needs can be very challenging

*“I spent 18 months in hospital and came home to a £1,200 water bill...I tried to ring them up...it was costing money on my mobile...after two years of arguing with them they finally agreed to fit a water meter...the place where the meter needed to fitted wasn't big enough to accommodate the size of the water meter...(they said) there's nothing we can do...then I get another threatening letter...the anxiety and stress isn't good for my tumours, it can make them grow...I had another seizure while I was on the phone to them...so I ended up spending more time in hospital...then when I got home I had another big bill from them...but recently I spoke to someone and he was really helpful...I'm gonna pay £20 per month...I want a meter so my bill doesn't increase while I'm not there...but they're not willing to send a plumber round.”*

*N Cambridge, SFD (CW)*

# Mixed experiences of how well SSC handled their situation

- When in contact with the water company to discuss challenges associated with paying their bill the majority of customers felt they had been dealt with in a positive way and that the call handler had been effective in understanding and empathising with their situation and trying to find an appropriate solution
- However, a small number of customers felt they had been treated badly by call handlers, which in some cases had caused great distress. There was a sense from some that it depended who they spoke to as to how well they handled their situation and were able to empathise
- Although from observing and listening to the personal circumstances of the customers in more severe financial difficulty, the majority had experienced severe physical and mental health problems. This often lead to individuals getting confused and distressed quite easily making for a very challenging situation for the water company's call handlers to manage.

*"They're not hard to get through to compared to other bill providers. So they are pretty accessible...if people knew where there were people we could drop in (and get help), say to fill a form in..."*

*Smethwick, JAM (SSW)*

*"One person even told me to go and f myself".  
N Cambridge, SFD (CW)*

*"When I did speak to someone they [CW] were quite understanding & found a way round it [debt]" - N Cambridge, JAM (CW)*

*"Rocky ... I did get on well with them [SSW] ... I was on one of those scheme things and then I wasn't and I didn't understand why I wasn't ... too complicated and confusing."*

*Smethwick, SFD (SSW)*

*"I've got quite big arrears...and they (water company) were incredibly helpful."  
N Cambridge, SFD (CW)*



# CAB, Southern Electricity and SSC effective in personalised support

- When experiencing financial difficulty customers felt organisations and/or individual call handlers that were most effective in supporting them adhered to the following key principles:
  - ✓ *Take the time to listen*
  - ✓ *Demonstrate that they understand people's circumstances*
  - ✓ *Work with you to agree the most effective and personalised solution*
- The Citizen's Advice Bureau, Southern Electricity and the water company cited as often dealing with customers in these ways
- Energy firms were often cited as the worst offenders in how not to deal with customers facing financial difficulty

*"I think [other companies] could learn from Cambridge Water ... to be a bit more sympathetic, understanding."  
N Cambridge, JAM (CW)*

*"Quite distant [relationship with CW]. They are quite laid back I would say. They are not really like other energy suppliers where they want to take you to court if you owe money quite soon. Cambridge Water give you quite a lot of chances, which is helpful." - N Cambridge, JAM (CW)*

*"Electricity ain't doing it, gas ain't doing it ... so for you to help people it is very good."  
Smethwick, SFD (SSW)*

*"I've dealt with Southern Electricity and Gas and they've been great...you come out of hospital and they give you a little pack that says 'these are the people to phone'.  
N Cambridge, SFD (CW)*

**citizens  
advice**

# Assure tariff easier to understand when visualised

- Customers generally felt the explanation of the Assure tariff by the SSC team was a lot clearer than explanations they had received by call handlers – this was mainly as they were able to visualise the discount and key criteria of Assure during the presentation. Whereas during a telephone call they found such details harder to retain or understand

Assure tariff from 1st April 2019						
Household total income of £16,105			+	If household has dependent children add additional £1,500 per child on to the £16,105		
<b>We do not include income from...</b>						
Disability Living Allowance	Personal Independence Payment	Attendance Allowance	Housing Benefit or Housing Element (Universal Credit)	Council Tax Benefit	Carer's Allowance	Disabled child or severely disabled child element of Child Tax Credit
<b>If a customer is approved to receive support from Assure, the discount off the bill is</b>						
Year 1 = 60%		Level of discount off the water bill		Year 2 onwards = 40%		
				Same discount applies to year 3 onwards		

*"It gets a bit confusing between WaterSure and Assure."  
Smethwick, JAM (SSW)*

*"(On the phone) I didn't understand none of it...he had to run through all this information...stick it on the back of the water bill so it's in front of everybody's face." - N Cambridge, SFD (CW)*

# Low recall of tariff names and details but impact is positive

- Some were baffled by the details relating to the suggested discount as one customer said they were getting an 80% reduction – this just highlighted the confusion around social tariffs.
- Often the customer is conscious they are getting a discount, but has a vague awareness of the details such as eligibility, timescale, varying levels of discount or the name of the tariff
- This is partly due to the fact that a number of customers, particularly in the SFD groups, have had help via third parties such as CAB or their social worker to fill out application forms, so often much of the work is done for them and therefore they have less awareness or recall of the specifics of the scheme they are on, including the name
- But all those receiving financial support, either from Assure or the Charitable Trust agreed that any kind of discount helped them to get by and reduced their overall stress levels relating to debt and troubles with paying household bills in general
- Recollection of how long they had been on the scheme or how long they had left of the discount they were receiving were also vague in people's level of awareness. This suggested that if they suddenly were removed from the scheme and their bills went back to normal they could be negatively impacted financially and could easily go immediately in to arrears

*"They posted the leaflet out to me..I phoned them first then they sent the info out, it was pretty straight forward."*

*Smethwick, JAM (SSW)*

*"Just giving it a name Assured tariff and expecting us to know what that means ... what does it actually come down to?" Smethwick, SFD (SSW)*

*"I get 80% from South Staffordshire, I got it through the John Huntingdon Trust." - N Cambridge, SFD (CW)*

# Low awareness of Assure tariff promotional activity

- After seeing the SSC presentation outlining how the Assure scheme had been promoted, the majority had not seen or heard any of the attempts made by the water company to raise awareness of the scheme
- As with general customers, the vast majority didn't take any notice of leaflets with their bill or information on their bill: they just went straight to the bill amount
- A small number of CW customers were familiar with some of the partner organisations mentioned such as the John Huntingdon's charity, CAB and Job Centre Plus which had initially made these individuals aware of the Assure tariff and then helped them with the application form.

*"The person at the Universal Credit (meeting) told me about discounts for electricity and water...it (process) was simple."  
Smethwick, JAM (SSW)*

*"The first time I heard of it was when Q&A rang me."  
N Cambridge, JAM (CW)*

*"I had no idea these things were happening."  
Smethwick, JAM (SSW)*

*"I don't think it [Assure] is advertised well enough ... my cousin told me about it"  
Smethwick, SFD (SSW)*

*"I may have seen it [Assure marketing], but I have not taken any notice." - N Cambridge, JAM (CW)*

*"I got mine through CAB."  
N Cambridge, SFD (CW)*



*“Even though we say as consumers we hate leaflets through the door. I do think it would be a good idea to have a simple straight forward leaflet, one page that is highlighting ‘we have something going on to help with water, we’re here’. Rather than a letter with loads (of info). You get up in the morning and feel ratty and you think oh god it’s the water bill, and you never read what’s on it, there’s loads of pages.”*

*Smethwick, JAM (SSW)*



# Facebook advert off message with target audience

## Positives

- Modern looking at first glance
- Colourful in places
- Easy to read

## Negatives

- Not immediately obvious that this was focused on water due to the imagery
- Imagery and design seen as a little childish
- People designs clearly aiming to be inclusive but also seen as a little demeaning or patronising
- £16,105 per year meaningless for those in SFD as they tended to think of income in weekly amounts
- Phrase 'helping hand' off-putting for some as suggested failure and/or admitting failure

*"I can read that...I can't read black on white...I'd have read it an rang them."  
N Cambridge, SFD (CW)*



*"It doesn't really shout water to me...could be more direct."  
Smethwick, JAM (SSW)*

*"I'd look at it because I would want a helping hand."  
Smethwick, JAM (SSW)*

*"I feel figures like that are actually quite condescending"  
Smethwick, SFD (SSW)*

*"It's very demeaning."  
Smethwick, JAM (SSW)*

*"When I see this, I think it is Barclays."  
N Cambridge, JAM (CW)*

*"it's all a bit wishy washy to me."  
N Cambridge, SFD (CW)*

*"Looks inclusive ...they have got a person in a wheelchair."  
N Cambridge, JAM (CW)*

*"How much is sixteen thousand pounds?"  
N Cambridge, SFD (CW)*



# Assure flyer easy to connect with topic and personal circumstance

## Positives

- Image conveyed the topic of water supply immediately
- Core question/message easy to understand and identify with due to weekly figure of £310

## Negatives

- Call to action not obvious enough
- Helpline and offer of discount needed in larger font
- Hand washing could be confused with hygiene advert
- £310 per week resonates less with those in less financial difficulty
- CW logo easily missed



*"It could say wash your hands!"  
Smethwick, JAM (SSW)*

*"Could be more about hygiene."  
Smethwick, SFD (SSW)*

*"Don't like small print!  
Difficult to see / easy to miss."  
N Cambridge, JAM (CW)*

*"(If it came through my door) I would take action, it's a personal thing. And it doesn't threaten me as it's a fact my income is less than £310 ."  
Smethwick, JAM (SSW)*

*"Retired people preferred annual – as that is what their pension is based on. Those on benefits prefer weekly ." - N Cambridge, JAM (CW)*

*"(Income is) week to week, it's week to week survival."  
N Cambridge, SFD (CW)*

*"That one would grab my attention...you can see it's water."  
N Cambridge, SFD (CW)*

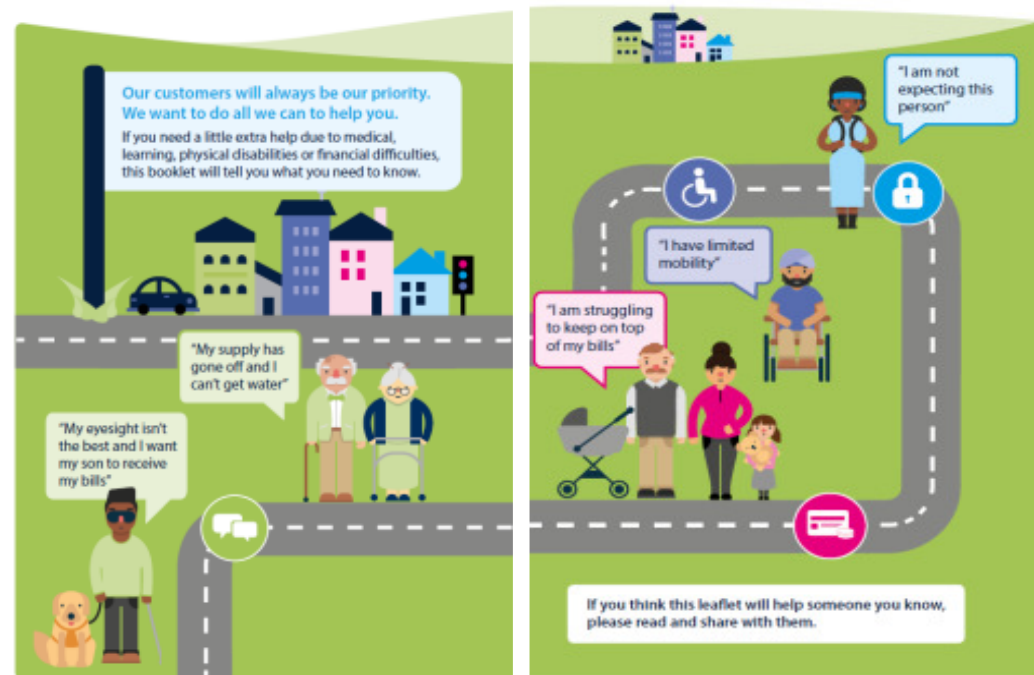
# PSR booklet design felt condescending but might appeal to

## Positives

- Colourful and modern looking
- Might appeal to young people

## Negatives

- As with the FB flyer – images seen as a little childish
- Some felt patronised and offended by images aiming to convey various vulnerabilities



*"Looks like it's for a nursery for children...it could make you feel a bit bad."*  
Smethwick, JAM (SSW)

*"I like this one as it has a group of people in and is social"*  
N Cambridge, JAM (CW)

*"The point is I don't want to see myself as one of those people."*  
Smethwick, SFD (SSW)

*"Are you aiming that at kids?"*  
N Cambridge, SFD (CW)

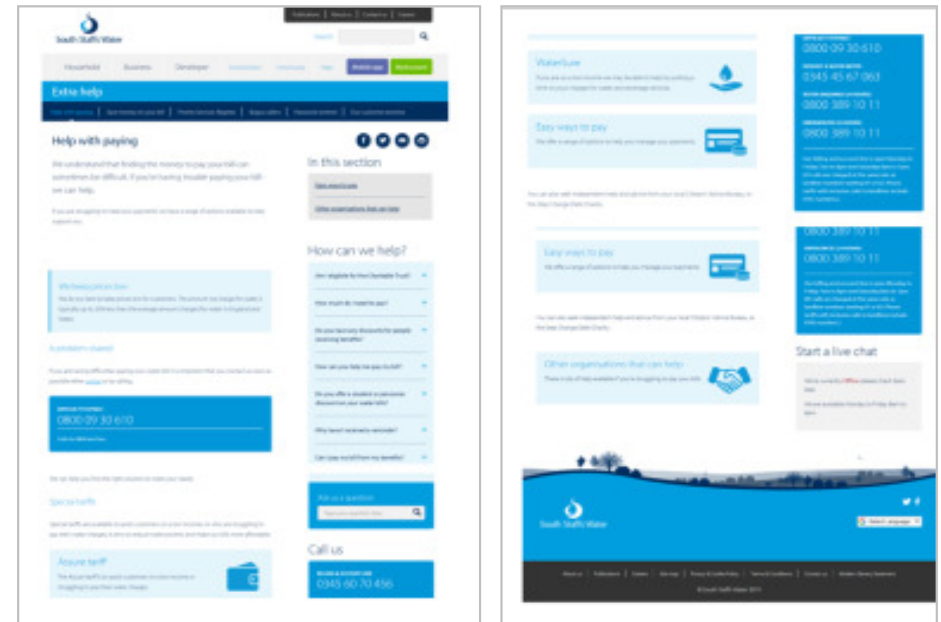
# 'Help With Paying' web page to digest but unwelcoming

## Positives

- Clean and professional looking
- Logical

## Negatives

- Corporate look and feel which would be off-putting
- A little dry and uninspiring as lacked any imagery
- Text heavy



*"I like the way it's set out and not over cluttered."*  
Smethwick, JAM (SSW)

*"Everything looks the same...there's a lot of text...if there was more pictures."*  
Smethwick, JAM (SSW)

*"I never even thought of going onto their website"*  
N Cambridge, JAM (CW)

# A preference to receive communications directly and discretely

- Overall customers preferred the look and feel of the Assure flyer and felt this should be posted to customers homes
- But when hearing that the flyer had been made available by SSC for people to collect at a range of community centres and support agencies, a number of customers agreed that they would not have taken it through fear of being seen by others to need help in this way
- Many agreed that needing financial help of any kind could be embarrassing and carried an element of shame
- Therefore a number of customers in these circumstances preferred to receive offers of support in a private capacity such as via the post or whereby their situation could not be seen or exposed to other members of the public.

*"I would be so embarrassed to do that (collect in a public place)  
Smethwick, JAM (SSW)*

*"My father was a very proud person and very private. The chances of him stopping at one of these (support hubs) was very very slim." Smethwick, SFD (SSW)*

*"Most things (from the post) go in the bin, but I'd keep that one (Assure flyer)."  
N Cambridge, SFD (CW)*

# Assure flyer could be ideal with some improvements

Customers provided the following suggestions as to how the current Assure flyer could be improved as a printed document to be posted to their homes to ensure it stood out when laying on their doormat:

- Thick, quality card rather than flimsy paper
- No envelope
- Clear simple message or key question as per current flyer
- Keep the weekly income figure (£310) as the main hook rather than annual (£16,105)
- Include a very clear call to action which highlights a free phone number as well as other channels such as a website URL to get touch and be able to apply
- Image needs to make the subject of water billing obvious
- No need for smaller text to explain anything else as this can be addressed during the call
- Generally keep it simple with minimal text and a direct message



*"You could make more the drain with all the pound signs going down the drain." Smethwick, SFD (SSW)*

*"Put a freephone number in massive letters."  
N Cambridge, SFD (CW)*

*"Call it a helpline rather than having to call Cambridge Water. People are worried on the phone."  
N Cambridge, SFD (CW)*

# Assure flyer: with a clear direct message and call to action

*“Don’t worry about that Cambridge Water bit at the bottom there, don’t worry about that small font underneath it, don’t worry about all that white crap around it. Literally, just that picture and is your household income blah blah blah? And if so call now, we can help and then the number. Done. And on thicker paper.”*  
N Cambridge, SFD (CW)





# Challenges SSC had in trying to promote Assure were familiar

- Reluctance to get in touch: fear of accepting bill issues, embarrassed
- Assure application form gruelling, interrogative and for some was demeaning particularly with regards to the amount of personal information required in terms of expenditure which customers found confusing as the key criteria for Assure focused on income
- Letters easily missed as envelopes get lost or mixed up with spam mail
- Letters not opened as fear of receiving another arrears notices and are sometimes added to a pile of arrears notifications from other companies
- Costs associated with sending back required information as some in more severe situations sometimes have no spare money for anything
- Outreach van – looked a bit too corporate, many might avoid
- Some confused with WaterSure and Assure – rarely did anyone associate one with the water company and the other as a Government scheme
- A small number of customers queried how many ethnic minority centres SSC had been to in order to promote Assure?

About your finances (continued)

Outgoings: Household living costs  
Enter the amount you pay, including towards any arrears you may have.

Outgoings	Payment amount £	How often? E.g. weekly, monthly
Home and contents *please include amount you pay after benefit award		
Rent*		
Service charge or ground rent		
Mortgage		
Mortgage endowment		
Secured loans		
Council tax*		
Appliance/furniture rental or loan		
TV licence		



*"I found it quite hard to do it [application form] ... it is very difficult to do it accurately ... they ask you even what you spent on cosmetics and this then that."  
N Cambridge, JAM (CW)*

*"Maybe you could get someone to come into the home to fill in the application form."  
N Cambridge, JAM (CW)*

*"It's quite difficult being able to put yourself in to a position where you say 'I need some help'.  
N Cambridge, SFD (CW)*

*"If I see the van, I think, you know when you go to a fair and you see the fire brigade there having a display." Smethwick, SFD (SSW)*

*"You have to jump through a lot of hoops...I didn't find it (application form) straight forward."  
N Cambridge, SFD (CW)*

# Promoting Assure

Customers were asked to consider how the water company should promote Assure to two different types of customer...



## David

A 70 year old who only receives a state pension. He has no life savings and no family support and is isolated. He is on a water meter so sometimes chooses between heating his home and using water.



## Tracy

A 28 year old single parent of two children under 5 years old, working 2 jobs living week-by-week with low income, with no savings to cover any large or unexpected bill.



# Customers felt David would prefer offline approaches

- **A note on the bill statement**
- **Leaflet with the bill**
- **Separate letter or leaflet**
- **Include a customer testimonial that shows impact on someone's life**
- **A written case study could accompany a letter in leaflet format**
- **Offer of a face to face visit if required**



A small number of customers added a note of caution to SSC to not wrongly assume that David and all other elderly people would not use digital devices to access communications materials – some may even prefer this channel than the printed format. David may also be supported by a carer who might have different preferences for communication.

*"I think someone should go to him and see him."  
Smethwick, JAM (SSW)*

*"Testimonials are nice because you can see experiences other people had."  
- N Cambridge, SFD (CW)*

*"I doubt someone that's 70 and lives on his own is gonna have access to text, email and social media." - N Cambridge, SFD (CW)*

*"Social media is so in your face now, but he [David] wouldn't go near it."  
Smethwick, SFD (SSW)*

*"I think we're being a bit ageist."  
N Cambridge, JAM (CW)*

*"David probably wouldn't have a computer"  
N Cambridge, JAM (CW)*

# Customers felt Tracy would prefer online approaches

- **Email**
- **Text**
- **App**
- **Social media**
- **Video case studies showing stories of customers supported**
- **Testimonials**



But some argued that Tracy may not be able to afford devices such as a smart phone or tablet to access video content or an app. Therefore, as with David a number customers felt the water company shouldn't assume that because Tracy is younger she would only want to engage in online or tech device channels.

*"Phone apps definitely...most people just tend to pick their phone up."  
Smethwick, JAM (SSW)*

*"A video on you tube could be very helpful to her."  
Smethwick, JAM (SSW)*

*"If she's got a phone she will be able to see social media."  
N Cambridge, SFD (CW)*

*"You can guarantee a girl of the age will respond to a text."  
Smethwick, SFD (SSW)*

*"Testimonials might appeal to her more...she's a stressed single mum ... (then) she can see there is help out there."  
N Cambridge, JAM (CW)*

*"My 29 yr old niece is a single parent...I haven't seen her phone yet."  
N Cambridge, SFD (CW)*

# A wide range of communication channels needed

- Customers initially assumed David would prefer to access offline and Tracy online channels
- But when reflecting further most agreed that both David and Tracy may also prefer the option of both offline and online channels for a range of reasons
- This therefore suggested the water company needed to **distribute content using a wide variety of channels** to ensure customers with all types of preferences and means could be reached
- Customers agreed though that both Tracy and David would benefit by understanding the experiences of others that had benefitted from the scheme whether this was in a case study format, a short brief testimonial quotation or a video

*"My Mum is a full time carer for my (elderly) Dad and she has a phone and email."*  
Smethwick, JAM (SSW)

*"She (Tracy) wouldn't be able to afford a computer, but maybe a mobile phone."* -  
N Cambridge, JAM (CW)

*"All the people I know that are 70 or so have access to email."* -  
N Cambridge, SFD (CW)

*"Text because everybody has got a phone."* Smethwick, SFD (SSW)

**CHOICE**  
IS EVERYTHING

# Assure leaver letter to be softer, show more empathy and sign post

## Customers reviewed a letter that SSC sends to those leaving Assure as they no longer qualify

### Issues

- Very harsh, abrupt and impersonal
- Could make customer feel isolated and of low importance
- Tone and language felt cold and lacked empathy
- Might contribute to feelings of shame and self doubt
- Phrases 'removed' and 'instalment plan' caused anxiety

### Improvements

- Include brief details of other schemes operated by the water company i.e. Assure, switch to a meter and meter cap
- Offer details of support and advice from third parties i.e. local debt charities
- Soften the language
- Show appreciation that household finances can be challenging and uncertain
- And awareness that coming off the Assure scheme could cause future problems with their finances

Dear

Customer reference

Assure tariff

Thank you for contacting us about your eligibility for the Assure tariff.

What happens next?

From the information you provided we've now removed you from the Assure tariff and set up a payment plan. Your amended instalment plan/payment card has been issued and will arrive in a separate letter within 14 working days. Please contact us if you have any concerns making payments on your water charges.

We'd like to thank you for contacting us; this allows us to help more people make their bills more affordable.

Should you have any further queries please don't hesitate to contact us on 0800 093 0570 or email us at [water@south-staffs-water.co.uk](mailto:water@south-staffs-water.co.uk)

Yours sincerely

Customer Services

*"We've now removed you' – removed me!  
'Instalments', it's making me panicky."  
Smethwick, JAM (SSW)*

*"It doesn't reassure you that there is something  
else that you might be interested in [to save  
money]." Smethwick, SFD (SSW)*

*"It's very abrupt, like they  
are dictating to you."  
Smethwick, JAM (SSW)*

# Departing Assure comms to include follow up calls to offer support

In conjunction with SSC staff customers discussed the format they felt the water company should communicate Assure departure more effectively. The majority of participants felt SSC could take the following steps:

1. **Call from an advisor to the customer** to let them know they will be leaving the scheme and that a range of payment options are available. During the call the advisor would take the time to understand the customer's current circumstances
2. **Follow the call up by sending a confirmation letter** – with an improved look, softer language and a range of options for receiving support if and when required
3. **The letter could then include a range of payment options** potentially as an additional leaflet to accompany the letter, otherwise the letter could become busy and overcrowded with information and potentially lead to being ignored
4. **SSC then to follow up the letter with a call** to see whether the customer had considered any of the payment options, assess the extent they understood the options available and decide then whether to confirm one of the payment options
5. **If required, offer a face to face visit** if the customer would benefit from a more detailed discussion with a team member



*"A letter, then a call to say we've sent you a letter, have you received it, then would you like us to come out and see you?"*  
Smethwick, JAM (SSW)

*"Talking to a water company adviser over the phone that would be a good idea to see what options she had."*  
N Cambridge, JAM (CW)

*"I would prefer a phone call ... sometimes I read a letter and shut down."* - Smethwick, SFD (SSW)

*"Do it the personal way, just ring them up and say 'your water bill is going to double next month'."*  
N Cambridge, SFD (CW)

# Paying regular lower amounts better for those in more severe circumstances

In conjunction with SSC staff customers reviewed and debated preferences for a range of payment plan options that could be offered to customers on leaving the Assure tariff

- A number of those in more severe financial difficulty agreed that they managed their finances on a weekly, sometimes day by day basis
- Therefore the notion of setting up a monthly direct debit, even if able to change the day in which the money is paid, would not work as they had no certainty as to how much money they would have on any given day.
- This is partly to do with their income being so inconsistent but also because most of their other household bills are paid at random intervals throughout the month
- And if a direct debit payment was taken at a time when they had no money in the bank they would receive bank charges or if they missed the DD payment altogether might receive arrears notices and subsequently a hit to their credit rating
- They were therefore more interested in a low value payment plan to spread the annual cost into regular lower amounts as well as the option to switch to a water meter (if unmeasured) which meant they would only ever pay for what they used

*"If you have got in to difficulty, you want to make sure you make smaller payments on a regular basis."*

*N Cambridge, SFD (CW)*

*"My benefits don't get paid (a set day) every month...so if you took the money I'd end up with a £25 debt."*

*N Cambridge, SFD (CW)*





# Those with less severe issues interested in flexible direct debit

- Those in the less severe financial difficulty groups were interested in mechanisms that gave them more control, so were slightly more interested in a direct debit option that allowed them to change the day in which they paid
- Although a number of those in the less severe groups were also interested in spreading lower levels of payment over a longer period.
- Some suggested the water company could also offer advice on how customers could reduce their water bill by using less water
- They were also more interested in using the water company app and using this to pay when they could.

*“Other options should be advising how people could save money on water.”*  
Smethwick, JAM (SSW)

*“You’ve still got to pay, but it would be more affordable [with lower payments].”*  
N Cambridge, JAM (CW)



# Assure Assist widely welcomed as will help people get back on track

**Customers were shown the two tier tariff and discussed their views towards the Assure Assist element.**

- There was wide support for the Assure Assist scheme, many of those in the severe groups could identify with the issues that Universal Credit had created as well as the additional criteria that SSC was considering
- Any scheme that helped people through times where they may have no income at all was especially welcomed and a number of customers agreed that they had not seen anything like this from other organisations
- Customers also supported the approach to the application whereby the customer would apply for Standard Assure and then be transferred to Assure Assist if the water company deemed that they qualify for this
- Customers also welcomed that Assure Assist recipients would transfer on to Standard Assure after completing the 8 week 100% discount period as they agreed that lives would not necessarily be fully back on track after 8 weeks
- But they admitted that throughout the 8 weeks of not having to pay it would mean one less thing to worry about and possibly help them to get on top of other household bills that they had fallen behind with. Although some did wonder whether this was a long enough period

*"The great thing is you don't have to pay it back, that's fantastic."  
Smethwick, JAM (SSW)*

*"Extend it, give them more time to get organised."  
Smethwick, JAM (SSW)*

*"It would really help if you were dealing with bereavement of a loved one."  
N Cambridge, SFD (CW)*

*"It [Assure assist] is a good safety net."  
Smethwick, SFD (SSW)*

*"Another thing you don't have to worry about."  
N Cambridge, JAM (CW)*

*"My daughter would benefit from this as she's just gone on to UC and she lost a lot of money. This would make it a lot easier for her." - N Cambridge, SFD (CW)*





## Name 'Assure' doesn't stand out, but the tariff name is of low importance

- A number of customers revealed that they sometimes were confused between Assure and WaterSure as they sounded very similar
- Whilst they struggled to come up with an alternative name for the scheme comments did indicate that the name Assure was not immediately recognisable or recollected
- Although, for those that were receiving the Assure tariff the name of the scheme was irrelevant as they were just happy to be receiving a discount of some kind.

*"I do think they should try and separate them (WaterSure and Assure) because someone who's dyslexic could struggle with that."  
Smethwick, JAM (SSW)*

*I'm on Sure something...well I'm getting a discount anyway.*

*"I didn't know about it [Assure]. My social worker sorted it out ... when you see how much money you're saving and the difference, it was really good." Smethwick, SFD (SSW)*



*“I agree with everything you’ve done this evening. I think the whole idea of what you’re doing at the moment and how you are rolling it out. And also how you’re looking at ‘these are different options for the future’. Because, it might not be Universal Credit but it could be one of these other things that happens to you. A short term illness, the changes it can bring to your life, you need any help you can get. This is life changing stuff. I’ve been incredibly impressed with the whole thing.”*

*N Cambridge, SFD (CW)*

# Summary of Assure tariff promotional activity

- Customers are better able to understand the Assure tariff when they can see a visual explanation as often details explained in a call can be confusing, misunderstood or missed altogether
- Those in more severe financial difficulty much more likely to have multiple vulnerabilities making schemes such as Assure hard to understand and therefore require a more personalised approach to communication
- Those in less financial difficulty (JAMs) are more likely to understand tariff details over the phone, access digital channels, pay by direct debit and complete the application form
- Most of the current Assure promotional efforts made by SSC have not been seen by customers that attended the workshops although a small number acknowledged support they'd had from partner organisations such as CAB
- The Assure flyer was cited as potentially most effective as a trigger for customers to get in touch with SCC to find out more about the scheme as it was more direct in its approach – most agreed that with some improvements this should be posted to potential recipients homes
- But they also felt SSC should continue to use multiple online and offline channels to promote the scheme so that those that were digitally excluded or digitally engaged could receive content in the way they preferred
- Customers also agreed that showcasing the impact that Assure has had on recipients using testimonials or case studies would help encourage people to apply
- When departing Assure SSC was urged to call, then send a letter, then follow up with a call and a possible face to face visit. The letter needed to be softer and more empathetic in tone and language and promote support options
- Low value payment plan was preferred by those in severe circumstances and a flexible DD approach by JAMs
- Assure Assist was especially welcomed by customers as they felt that not having to pay the bill for 8 weeks would be one less thing to worry about and would help people to get back on track sooner

# Appendix

# Weighting the data

The data was weighted as follows:

- Stage 1: Main Panel and Vulnerable customers data was merged into a single data file with a total of 906 completed interviews
- Stage 2: In the combined data file, the proportion of SSW and CAM customers that are currently receiving help through Assure was down-weighted to the correct proportions to correct for the over-sampling of these customers as a result of the Vulnerable customer boost. We used the field tagged to the contact sample that identified those receiving Assure rather than Q20 of the survey as we believe this is a more accurate measure. The weights applied were;
  - SSW: 1.28% of customers receiving Assure
  - CAM: 0.58% of customers receiving Assure
- Stage 3 – SSW and CAM customers were weighted to the correct profile by gender, age, SEG & meterage using the profile of customers taken from the latest 'tracker 2019/20' information.
- Stage 4 – Proportion of SSW and CAM customers adjusted to correct the deliberate over-sampling of CAM customers with the proportions adjusted from 70% SSW and 30% CAM to 80% SSW and 20% CAM.

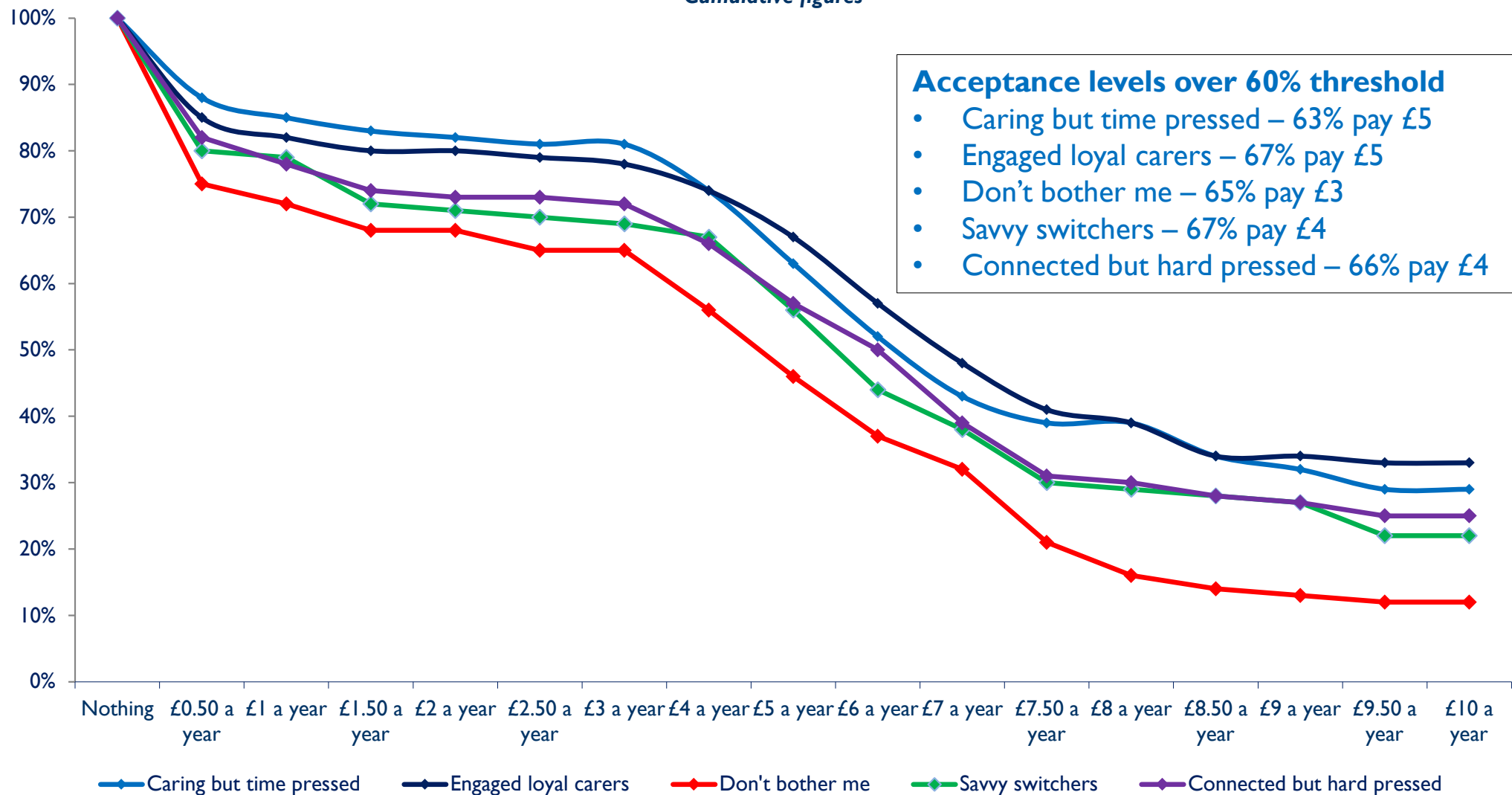
# Weighting – achieved sample weighted to actual customer profile shown in green

	South Staffs Water				Cambridge Water			
	Profile	Example rep sample (560)	Achieved sample -565		Profile	Example rep sample (240)	Achieved sample -241	
<b>Gender</b>								
Male	49%	274	250	44%	50%	120	117	49%
Female	51%	286	314	56%	50%	120	123	51%
Prefer not to say	-	-	1	<1%	-	-	1	<1%
<b>Age</b>								
16-34	19%	106	102	18%	18%	43	46	19%
35-64	55%	308	329	58%	57%	137	149	62%
65+	26%	146	134	24%	25%	60	46	19%
<b>SEG</b>								
ABC I	46%	258	282	50%	65%	156	151	63%
C2DE	54%	302	282	50%	35%	84	90	37%
Prefer not to say	-	-	1	<1%	-	-	-	-
<b>Meterage</b>								
Have a meter	39%	218	241	43%	73%	175	169	70%

Weighting applied to main panel sample of 800

# Acceptance levels by segment – Maximum Uninformed Amount

**Q7-Q14. Maximum Uninformed Amount - by segment**  
- Cumulative figures

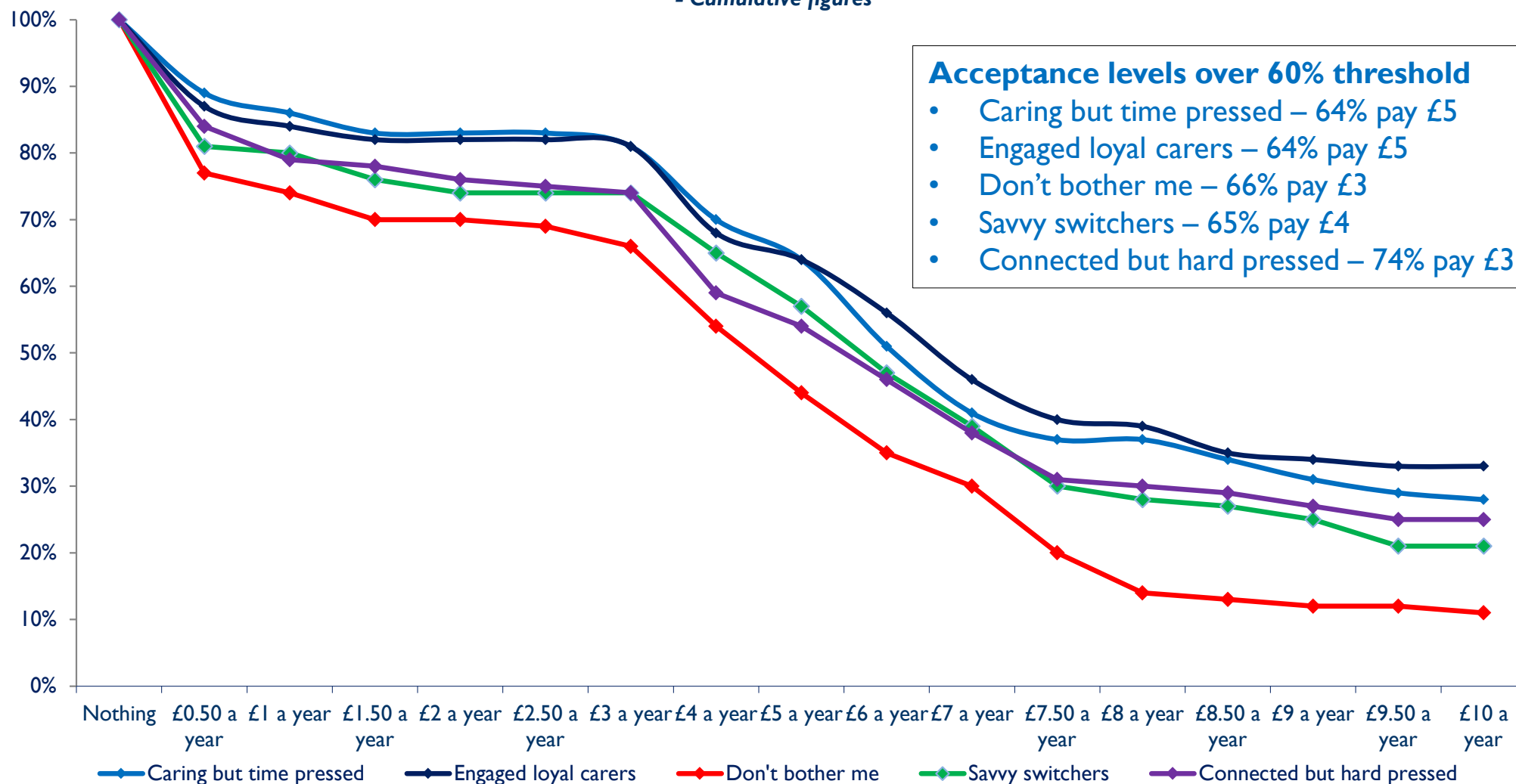


Source: Qa Research 2019 Base: All respondents



# Acceptance levels by segment – Maximum Informed Amount

Q15-Q19. Maximum Informed Amount - by segment  
- Cumulative figures



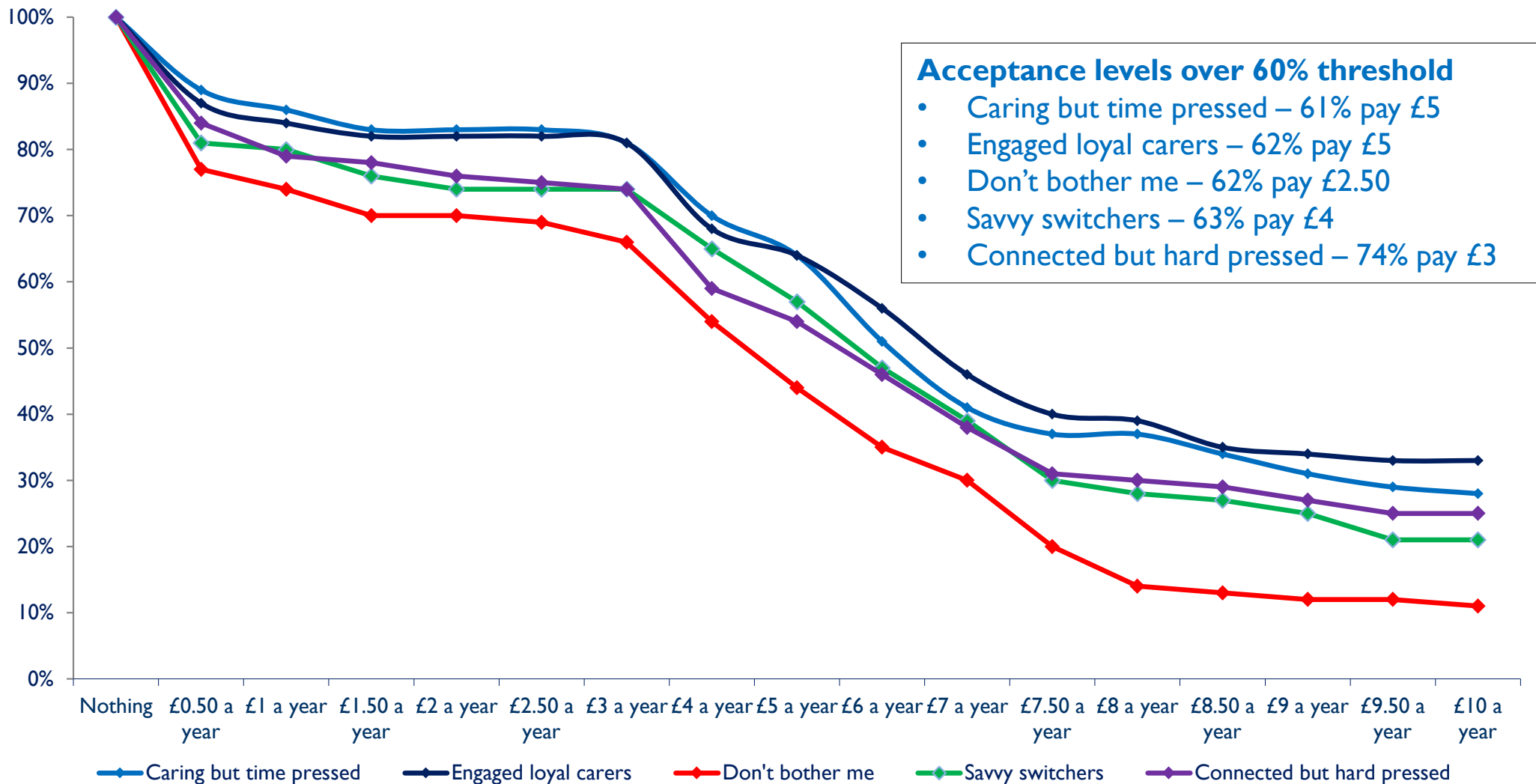
Source: Qa Research 2019 Base: All respondents





# Acceptance levels by segment – two tier Assure

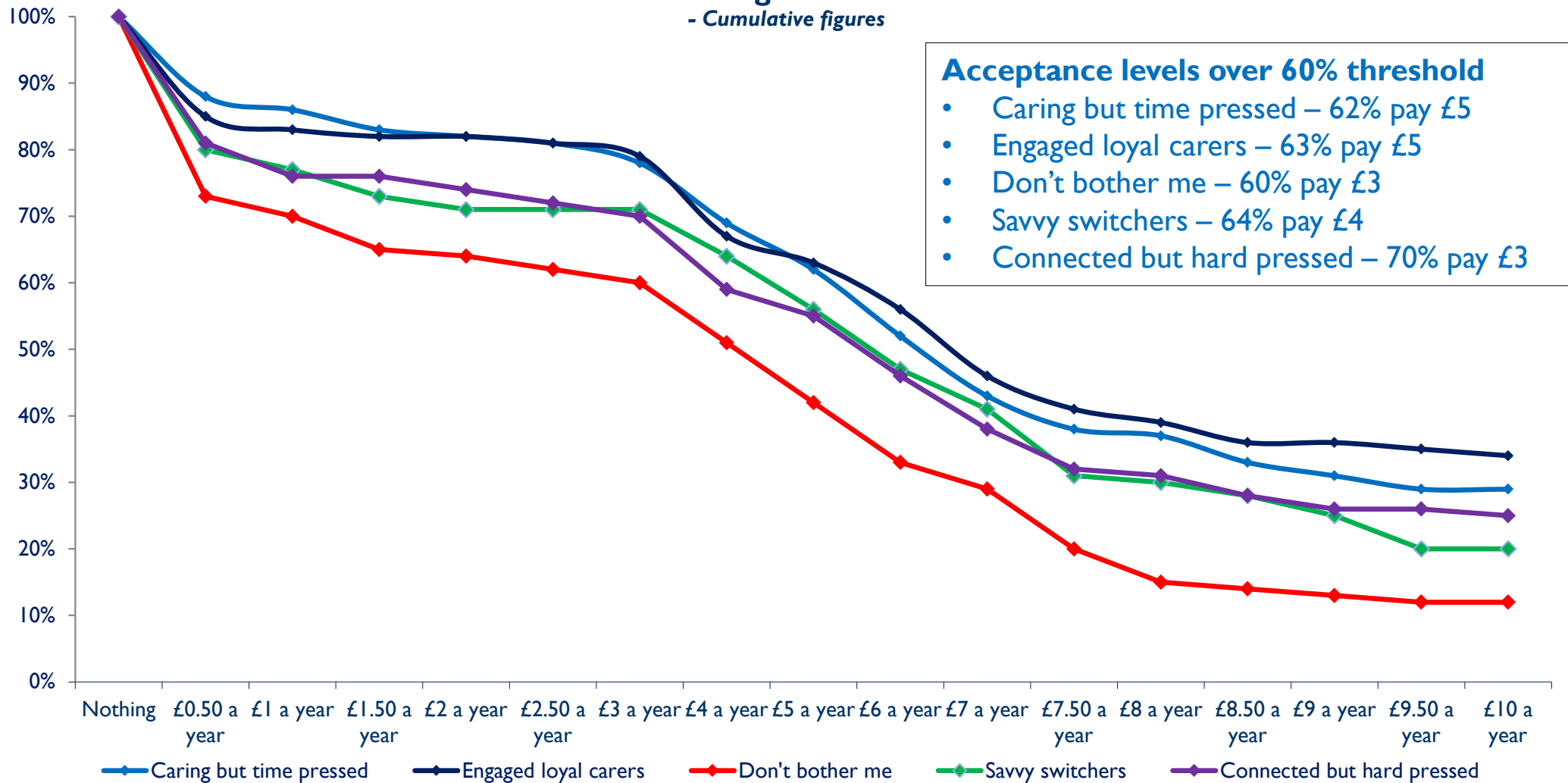
Q25a-Q25b. Maximum Contribution Level based on a two tier Assure - by segment  
- Cumulative figures



Source: Qa Research 2019 Base: All respondents

# Acceptance levels by segment – Matched Funding

Q28a/b-Q29a/b. Maximum Contribution Level based on matched funding - by segment  
- Cumulative figures



Source: Qa Research 2019 Base: All respondents



This research was carried out in compliance with  
ISO 20252, (the International Standard for Market and Social research),  
The Market Research Society's Code of Conduct and UK Data Protection law.



**Qa Research, Mill House, North Street, York ,YO1 6JD**

**T: 01904 632039**

**E: [info@qaresearch.co.uk](mailto:info@qaresearch.co.uk)**

Qa Research is a trading name of QA Research Ltd,  
UK registered, company registration number 3186539, address in York as above.

**Project code:** SKILL02-8411

**File name:** SSC Social Tariff Research

**Date:** September 2019

**Report status:** final

**Approved by:** Nick Lynch

**Authors:** Michael Fountain, Nick How, & Richard Bryan

**Comments to:** [richard.bryan@qaresearch.co.uk](mailto:richard.bryan@qaresearch.co.uk)

