



United Utilities: Affordability & Customer Support Research 2023

August 2023



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Background, objectives & methodology

Background and objectives

Based on North West income deprivation data, United Utilities estimate that 16% of households in the United Utilities' region are income deprived and struggle to pay their water bill.

In the proposed PR24 business plan, for 2025 to 2030, there is again a focus on investing to improve the core services United Utilities provides to customers, and to improve the region as a whole with more jobs and greater investment in the local environment and economy.

One of the key voluntary targets within the United Utilities 'Our Plan' is Affordability Support; providing substantial support to households, so those struggling to pay have a discounted water bill.

Through the Acceptability and Affordability testing research (AAT), preliminary results have highlighted that whilst customers tend to find the PR24 Business Plan acceptable, they do feel they would struggle to afford the bill increases.

United Utilities wanted to explore this area of affordability in more detail, particularly with customers who will be most impacted by bill increases. These include customers that already qualify for the affordability support and those customers at risk but who would not qualify for affordability support.

The overarching aim of this research is to understand what customers think of the package of support for these customers.



Context

The following events happened before or during fieldwork (24th July – 11th August) and may have influenced customers' answers...

February 2023

In early February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase on 2022/23 bills. This may have influenced customers' answers in the sense that with the cost-of-living crisis, customers are already feeling squeezed and therefore customers may feel that bill increases will squeeze them even further.

May 2023

In May, media coverage on water company bonuses, with the chief executives of Yorkshire Water and Thames Water as well as the owner of South West Water have declined to accept bonuses this year. This came after water companies had been criticised for 'raking in profits and paying their executives large pay packets while sewage has regularly been released into Britain's rivers and seas in large quantities'. At the end of May comedians performed at a Lake District event in campaign to highlight 'national scandal' of volume of sewage being pumped into Windermere.

Late 2021

Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income than they did previously, and this may have influenced customers' answers in the sense that some United Utilities customers may be feeling significantly more squeezed in terms of their finances than before.

March 2023

Media coverage surrounding river health across the UK increased throughout March following the BBC2 documentary 'Our Troubled Rivers'. Negative media coverage about United Utilities specifically, but also water companies more generally, continues to be a hot topic in the media particularly with regards to the environment and shareholder profits.

June 2023

At the start of June, United Utilities undertook urgent repair work at Fleetwood following a burst pipe and storm which resulted in untreated sewage mixed with rainwater being released into the sea. Neighbouring beaches were closed to swimmers on the joint advice of the Environment Agency and Blackpool, Fylde and Wyre councils. This resulted in the Blackpool and Fylde coast being closed.

Methodology: (I)

Prior to fieldwork commencing:

Five key locations were selected (**Birkenhead, Barrow, Blackburn, Salford and Warrington**) within the United Utilities' region using population data. These locations were identified as having certain markers which may make customers living in these areas **particularly financially vulnerable** (see slide 43 for these markers).

All materials used during fieldwork were **cognitively tested** and shown to United Utilities' **independent challenge group Your Voice** (see Appendix C for all materials used during fieldwork).

Hall tests*:

At each of the five hall tests interviewers first completed the **screeener questionnaire** with customers in order to determine if they were eligible to take part in the research. There were three possible ways a customer could qualify to take part in the research: if they were a **social tariff customer**, if they were **not currently on a social tariff but may qualify for one** or if they were **not on a social tariff and did not qualify but met a minimum of 4 'at risk' factors** during the screening process (see Appendix B for customer categories).

The majority of customers were selected to take part in the **quantitative CAPI interview****, but some customers had the opportunity to take part in a longer **in-depth interview** with a researcher from DJS.

Once the interview (CAPI or in-depth) was complete, customers who were **particularly struggling** with their water bill or wanted **more information** on any of the support discussed during the interview were directed to a member of the **United Utilities' affordability team**. The affordability team acted as a **community affordability clinic** for customers who were particularly struggling and had some great success stories (see slides 54-55).

Additional depth interviews:

Five additional in-depth interviews were conducted with **JAM** ('Just About Managing') customers from each of the five United Utilities' regions. These interviews were a **mix of online and face to face** depending on the customer's preference at the time of recruitment.



Nikki from the affordability team at one of the five hall tests.

*A hall test refers to research undertaken in a central hall or venue and is commonly used to test respondents' initial reactions to a product, package or concept. Respondents are recruited into the hall by interviewers stationed on main pedestrian thoroughfares nearby. Sometimes known as a Central Location Test (CLT). **CAPI stands for computer-assisted personal interviewing. This is a form of face-to-face interviewing where the interviewer reads the survey questions from a tablet device and inputs the respondent's answers directly to the device.

Methodology: (II)



112

**quantitative CAPI
interviews**



29

**qualitative in-depth
interviews**

Quantitative audience types

Social tariff customers:

16 social tariff customers were interviewed for this research. Of the customers on a social tariff, 3 could recall the scheme they were on (2 x WaterSure and 1 x Payment Matching)

Potential social tariff customers:

73 customers fell into the potential social tariff customers category. Customers fell into this category if they met a specific criteria (see Appendix B for customer categories)

Just about managing customers (JAM):

23 customers fell into the just about managing category (JAM). Customers fell into this category if they met a minimum of 4 risk factors during the screening process (see Appendix B for customer categories)

It is important to note that the quantitative sample size does fall below the 200 target. Prior to fieldwork it was anticipated that the key audiences for this research may be difficult to reach and thus non-probability convenience sampling was adopted as the best approach. Using deprivation data, 5 key locations were selected and despite the lower than anticipated sample size DJS Research are confident that the views of the achieved sample are representative of the wider key audiences. Throughout this report those who partook in this research are referred to as 'customers' and it is important to note that 'customers' are specifically this audience (social tariff, potential social tariff and JAM customers), not a representative customer sample.

Current finances

Perceived confidence in bill paying ability

Just over six in ten customers* (**63%**) are confident that they will be able to afford their water bill over the next 12 months. This is higher than any other bill type, with customers being least confident about their energy bill.

Water bill



Confident:
63%

Not confident:
34%

*Don't know = 3%

Energy bill



Confident:
49%

Not confident:
46%

*Don't know = 5%

Council tax



Confident:
56%

Not confident:
31%

*Don't know / not applicable = 13%

Mortgage/rent

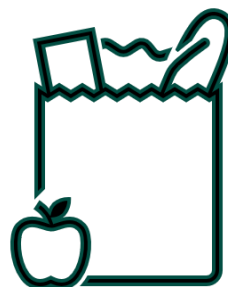


Confident:
50%

Not confident:
22%

* Don't know / not applicable = 28%

Food



Confident:
57%

Not confident:
43%

*Don't know = 0%

Other bills



Confident:
54%

Not confident:
40%

* Don't know / not applicable = 7%

Q01. Which of the following best describes how confident you feel in being able to afford the following bills over the next 12 months? Base: All respondents (bases vary).

*Throughout the report we will refer to respondents who took part in the research as 'customers', when discussing specific audiences e.g., JAM, social tariff customer or potential qualifier this will be clearly highlighted.

Qualitative deep dive: Household finances

Despite customers feeling confident about being able to afford their water bills over the next 12 months, **77%** still claim that it is a struggle to pay them...

The cost-of-living crisis continues to place great financial burden upon customers. When it comes to household bills, there does appear to be an ecosystem, with energy bills being viewed most negatively.

A large proportion of customers that partook in this research recalled how they do whatever they can to avoid getting into debt by prioritising paying their bills first even if this comes at the expense of other essentials such as food. However, generally people perceive water among the least threatening when it comes to getting into financial difficulty.

“It is a struggle. My wife and I both work and yeah, we don’t have great paying jobs, but I’ve never seen it this bad. We have hardly anything left at the end of the month...our priority is always getting the bills paid first.”

Male, Merseyside, JAM Customer

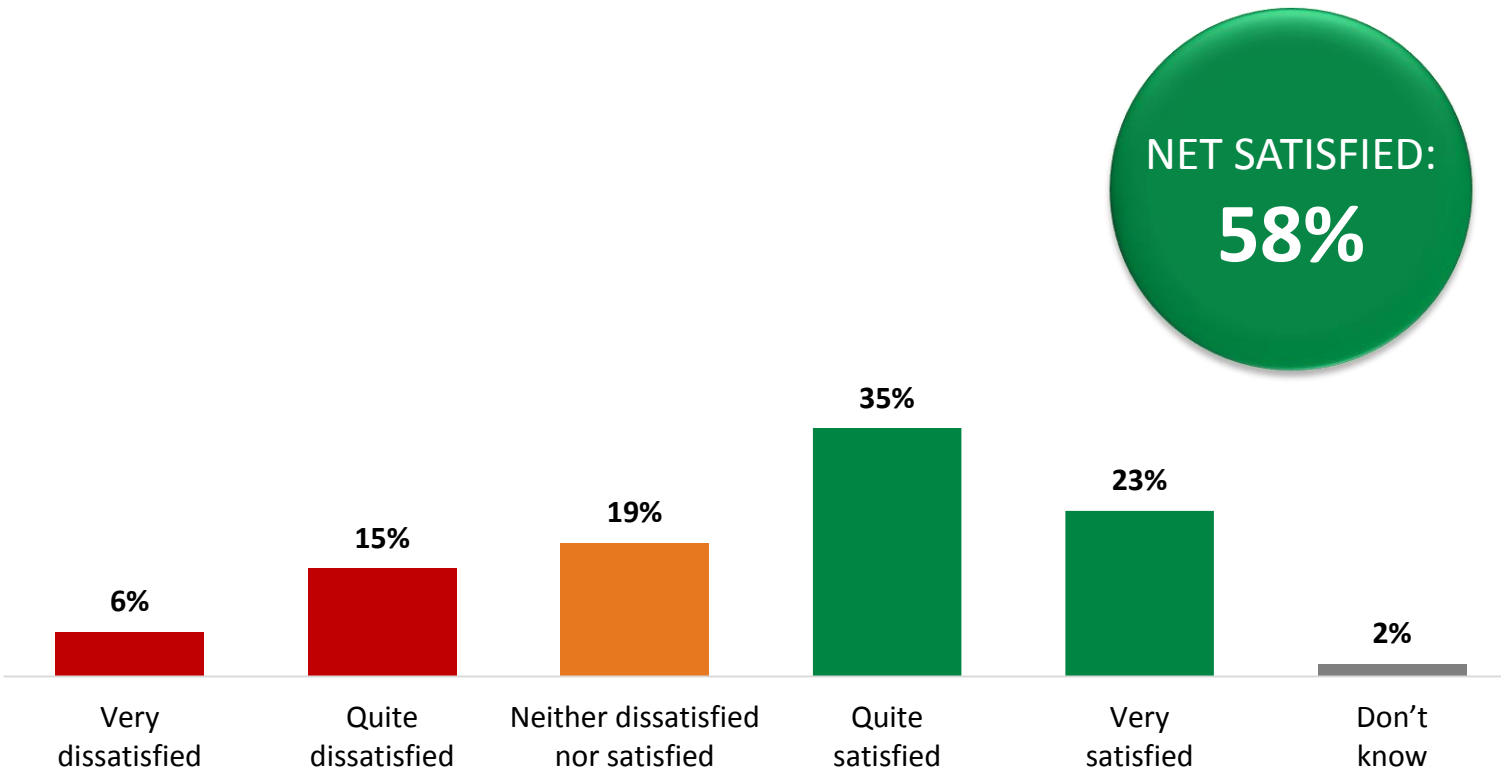
“Energy bills are the worst, I don’t even like looking at them when it comes in...when you look at water in comparison it’s not as bad. I know how much it is each month and it seems like a fair amount for what my family uses.”

Female, Lancashire, Potential Qualifier

Customer perceptions of United Utilities

Satisfaction with United Utilities

Over half of customers (**58%**) are satisfied with United Utilities as their water and wastewater service supplier... where customers are dissatisfied this is often attributed to current negative media coverage surrounding United Utilities and water companies more generally.



“The things you read online aren’t great in terms of the rivers.”
Female, Merseyside, Potential Qualifier

“I’ve never had any issues with them in the past.”
Male, Lancashire, Potential Qualifier



Almost six in ten customers are satisfied with United Utilities. Reasons for satisfaction often relate to the quality of the water that customers receive and positive customer experiences.

There is however work to be done with this audience as the satisfaction score is considerably lower than the satisfaction score, we see from a wider representative customer base in the Brand Pulse Survey (**58% cf. 79%**).

Q03. Overall, how satisfied would you say you are with United Utilities, your water and wastewater service supplier? Base: All respondents (112).


Customer perceptions of United Utilities: (I)

On the whole, customers tend to associate United Utilities with positive descriptive words i.e., good, helpful, fair etc. A minority of customers do, however, associate United Utilities with negative descriptive words which often relate to recent media coverage but also negative past experiences...



“I can’t fault them, they’re really good at keeping you updated about work.”
Female, Lancashire, Potential Qualifier

“They seem to not be doing so well in the news lately with sewage.”
Male, Merseyside, JAM Customer

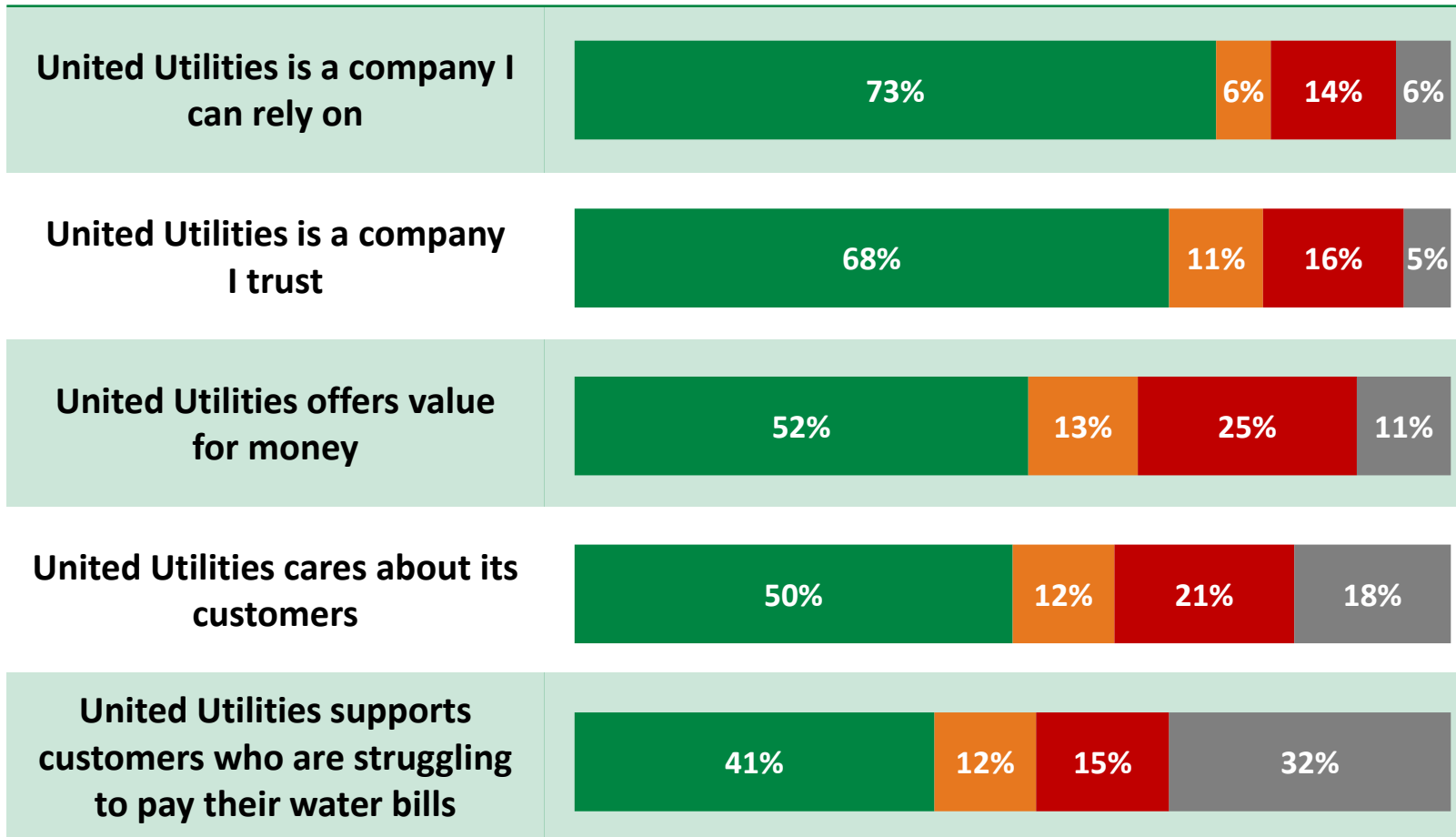


Recent media coverage with regards to sewage in seas and rivers is mentioned more frequently by customers. This often leads customers to question United Utilities’ green commitments to the environment which could be detrimental to the ‘Greener’ pillar.

Q04. What one word would you use to describe your water provider, United Utilities? Base: All respondents excluding don’t know responses (93).

Customer perceptions of United Utilities: (II)

Just under three in four customers (**73%**) perceive United Utilities as a company they can rely upon. However, prior to seeing the support package, customers are unsure about the support United Utilities offer struggling customers...



■ Agree ■ Neither agree nor disagree ■ Disagree ■ Don't know

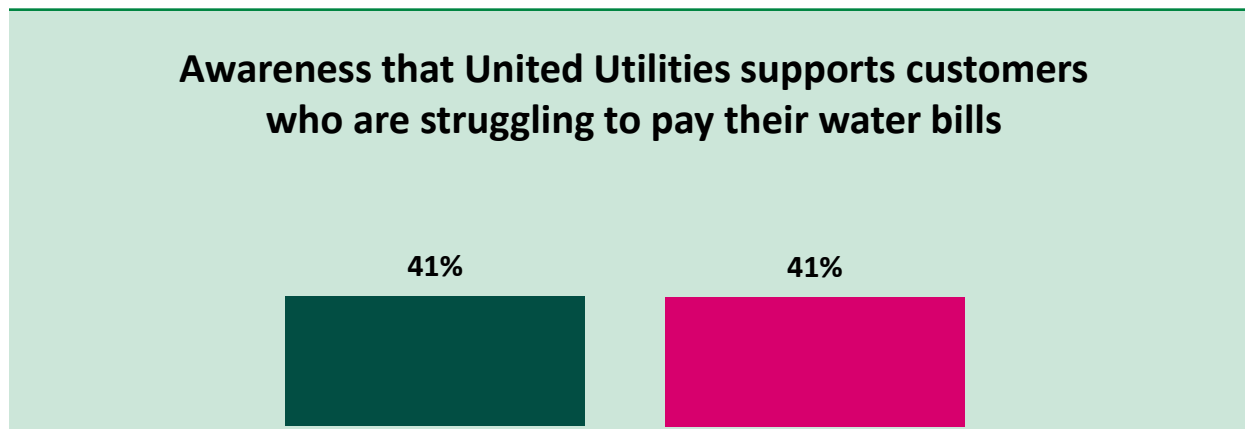
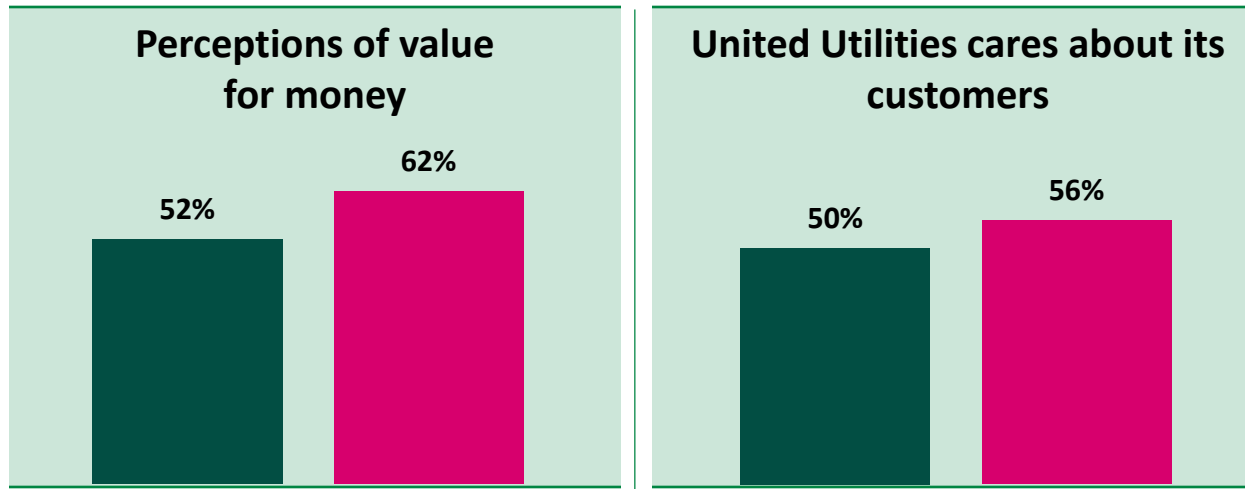
Q05. To what extent do you agree or disagree with the following statements? Base: All respondents (112).

KEY TAKEOUT:
 Around a third of customers (**32%**) say that they don't know if United Utilities supports customers who are struggling to pay their water bills and a further **15%** disagree that they do. This lack of awareness also emerged during the qualitative in-depth interviews whereby customers struggled to think of ways in which United Utilities help customers who are struggling to pay their water bills. This suggests that there is a need to increase awareness of the support available.

"I don't really know what they do to help people really, I don't think I've ever seen anything about what they can offer people."
Male, Merseyside, JAM Customer

Customer perceptions of United Utilities: (III)

When comparing the findings of this research to that from Wave 38 of the Brand Pulse Survey we see both similarities and differences...



■ Affordability support research 2023 ■ Brand Pulse Survey W38

Q05. To what extent do you agree or disagree with the following statements? Base: All respondents (112).

KEY TAKEOUT:

When we compare the findings of this research to the findings of the Brand Pulse Survey, we see similarities but also differences.

Customers who partook in the affordability support research are more likely to have lower perceptions of value for money compared to a more representative sample of North West customers that we have for Brand Pulse. This is likely to be due to the fact that throughout the course of the affordability support research we consulted very vulnerable people who were finding it extremely difficult to get by financially and this may have ultimately had an impact on their scores for this metric.

Scores are also lower when it comes to feeling that United Utilities cares about its customers, but to a lesser extent than perceived value for money. Again, this could be as a result of the nature of the research in the sense that these customers are particularly vulnerable and may feel less cared for than other customers.

One area in which we do see similarities is awareness that United Utilities offers support to customers who are struggling to pay their bills. Comparisons to the Brand Pulse Survey show that it is not just customers in this sample who are unaware of the support United Utilities can offer.

Qualitative deep dive: Perceptions of United Utilities

On the whole customers appear to be satisfied with United Utilities and find them to be trustworthy...

The majority of customers state that their high satisfaction and trust scores come from not having any issues with United Utilities in the past, whilst others recall positive experiences with regards to communications from United Utilities i.e., notifications of work in the area.

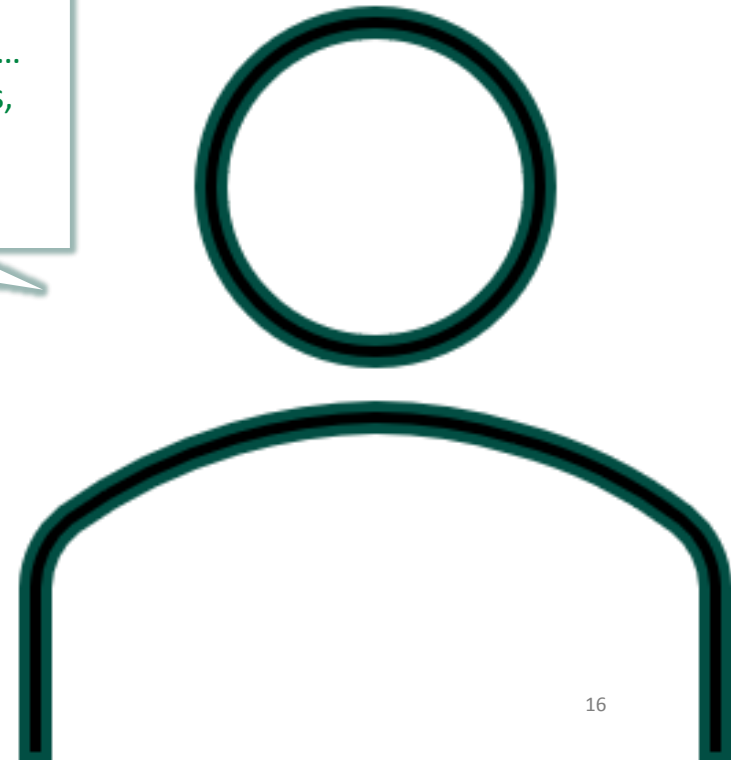
Some customers do express some dissatisfaction with United Utilities, and this was often centred around recent media coverage about sewer overflows and shareholder profits. Some do also comment on the quality of the water supply that they receive, complaining about the pressure, smell and/or taste of their water

“I’ve never had any issues with them and they’re always very good at letting you know if they’re doing work in the area.”

Female, Merseyside, Potential Qualifier

“I can only give them six [out of ten], because my water pressure is so awful... you turn on the shower and it dribbles, the toilet makes a horrendous noise.”

Female, Barrow, Potential Qualifier



Affordability support package

Support schemes and other support: Unprompted awareness

Unprompted awareness for both the support schemes and other support offered by United Utilities is relatively low. Water meters are most commonly cited by customers but again this is still low (**16%**).

Support schemes

WaterSure	6%
Back on Track	2%
Restart Grant	3%
Payment Matching	6%
Help to Pay	5%

Other support

Free water meters	16%
Water meter lowest bill guarantee	1%
Water efficiency devices and in home visits	2%
Variety of payment methods – PAYG and payment breaks	4%
Variety of payment methods – flexible payment plans	1%



Recall any support unprompted
32%*



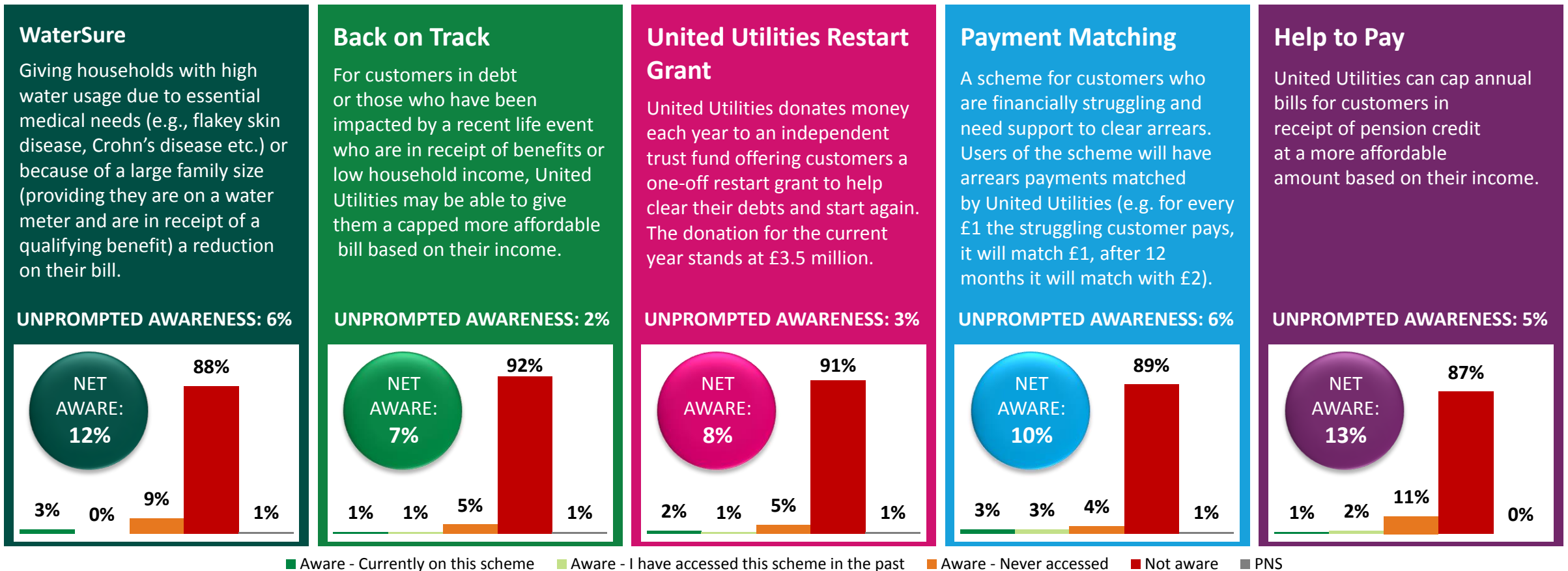
Don't know / none of these
68%

*Please note that the individual breakdown of the support schemes and other support does not equate to 32% due to this question being a multiple-choice question i.e., customers having the option to select more than one support scheme or other method of support.

Q06. United Utilities provides a number of support schemes...From memory, which, if any, of these support schemes are you aware of? Base: All respondents (112).

Support schemes: Prompted awareness

Once shown the below information about each of the support schemes, awareness does increase slightly. However, most customers remain unaware of the support schemes, particularly for Back on Track (92%). It is important to note that awareness is lower amongst this audience in comparison to a more main customer sample as seen in the recent Social Tariff Survey...



Q08. Having now heard a bit of information about each of the support schemes... Which of these schemes, if any, were you aware of or have you accessed before today? Base: All respondents (112).

Support schemes: Perceived effectiveness

Of those who have accessed a support scheme offered by United Utilities, the majority report that the schemes are either 'quite' or 'very' effective in making their water bills more affordable. Some customers do feel that the schemes are only somewhat effective in making their water bills more affordable, but this is only the case for two of the schemes (WaterSure and Help to Pay).

WaterSure

Giving households with high water usage due to essential medical needs (e.g., flakey skin disease, Crohn's disease etc.) or because of a large family size (providing they are on a water meter and are in receipt of a qualifying benefit) a reduction on their bill.

Back on Track

For customers in debt or those who have been impacted by a recent life event who are in receipt of benefits or low household income, United Utilities may be able to give them a capped more affordable bill based on their income.

United Utilities Restart Grant

United Utilities donates money each year to an independent trust fund offering customers a one-off restart grant to help clear their debts and start again. The donation for the current year stands at £3.5 million.

Payment Matching

A scheme for customers who are financially struggling and need support to clear arrears. Users of the scheme will have arrears payments matched by United Utilities (e.g. for every £1 the struggling customer pays, it will match £1, after 12 months it will match with £2).

Help to Pay

United Utilities can cap annual bills for customers in receipt of pension credit at a more affordable amount based on their income.

NET: QUITE OR VERY EFFECTIVE IN REDUCING BILLS

86%

CAUTION LOW BASE SIZE

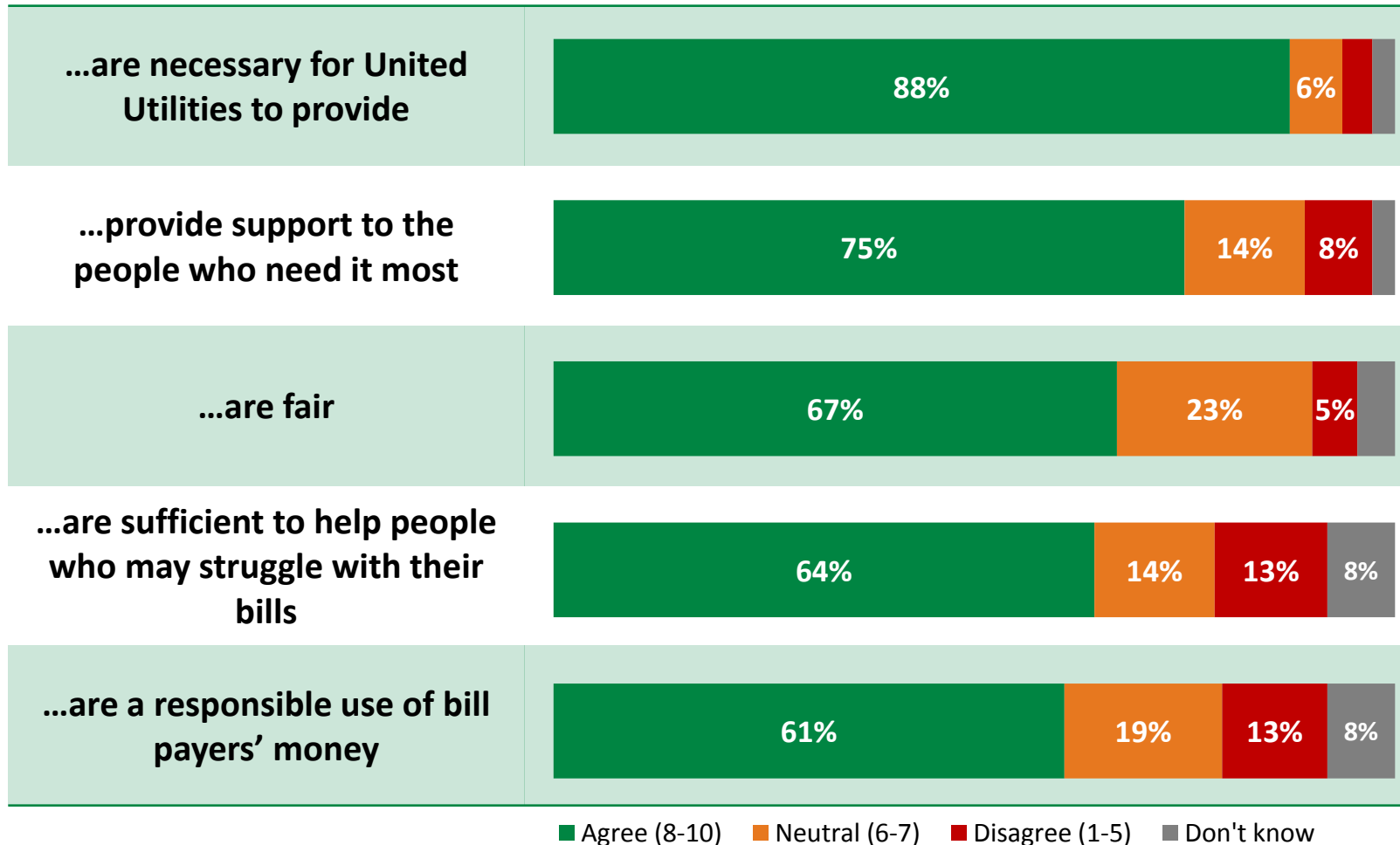
Q09. Next, for each of United Utilities support schemes you've used, we'd like to know how effective, or otherwise, it is, or was, in making your water bills more affordable.

Base: All respondents who have accessed support and are aware of the scheme they are on (14).

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Support schemes: Further perceptions

Ahead of seeing the additional support, almost nine in ten customers (**88%**) agree that the support schemes are necessary for United Utilities to provide, but only six in ten customers perceived the schemes to be sufficient (**64%**).



KEY TAKEOUT:
 Fewer customers agree with the statement that the support schemes are fair. From the qualitative interviews that DJS conducted, the reasoning behind this lower score for fairness could be due to the fact that a proportion of JAM (just about managing) customers feel as though the schemes miss out a key audience who are not in a much better financial situation than potential social tariff qualifiers.

“I just think you know what about someone who earns £22k or has 2 children rather than 3; they’re probably not in a much better position than people who earn £21k and have 3 children.”
Male, Merseyside, JAM Customer

Q010. To what extent do you agree or disagree that the support schemes we have discussed... Base: All respondents (112).

Qualitative deep dive: Support schemes (I)

Customer awareness of United Utilities' support schemes is low with very few customers being able to name the specific schemes...

Whilst the majority of customers are not able to name the support schemes specifically, a small number are able to describe key features of certain schemes, but this is often at a very top-level i.e., cap the bill, reduce the bill etc.

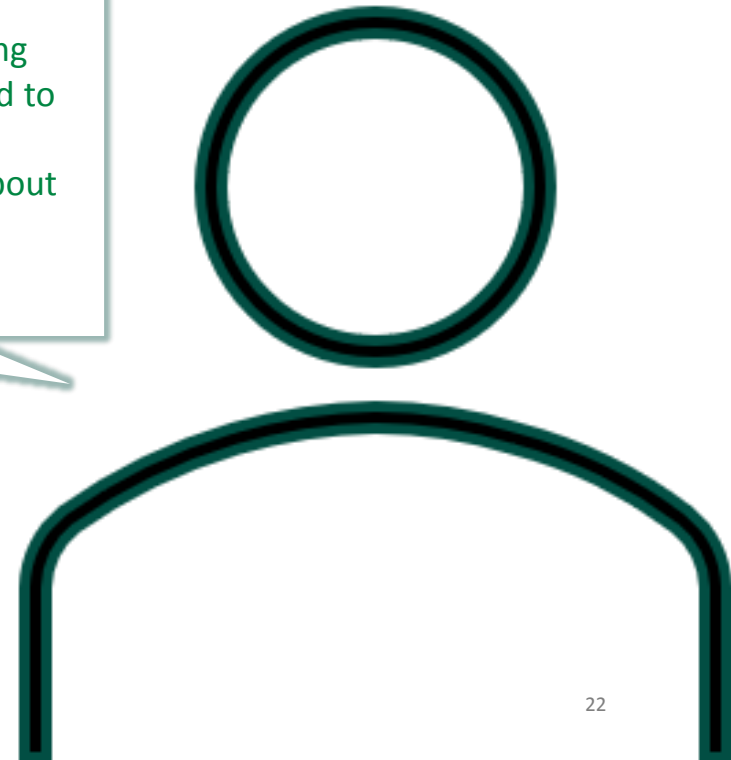
When asked about the best way United Utilities could inform customers, TV adverts are frequently mentioned. Looking at the latest data from the United Utilities' Brand Pulse Survey, around 50% of customers surveyed recall seeing the Curious Carter TV advert. This suggests that an affordability TV advert could work well in boosting customer awareness of the support schemes.

"I've never heard of any of this...I think they could put something on the TV; that way lots of people would see it."

Female, Merseyside, Potential Qualifier

"A TV advert would be really useful, just outlining what we've gone through today. Or if they wanted to do something more detailed, they could do a documentary like a one-off show to tell people about these things."

Male, Lancashire, Potential Qualifier



Qualitative deep dive: Support schemes (II)

Customers are often positive towards the support schemes on offer...

Initial reactions to the schemes are positive, with customers openly praising the schemes. Customers are also often surprised by the variety of different options that are available.

Upon further reflection, a proportion of customers do interpret the support schemes as focusing too heavily on debt clearing rather than debt prevention, despite this not being wholly the case*. In some instances, customers even feel that the support schemes encourage customers to get into debt under the pretence that the debt will be cleared or United Utilities will pay off a portion of the debt. The majority feel it is in United Utilities best interest to do more to prevent people getting into debt in the first place.

“I genuinely didn’t think that they offered that many different options, the fact they offer all that is great.”

Female, Merseyside, Potential Qualifier

“Don’t get me wrong I think it’s fantastic that they can offer that sort of support to people who are in situations where they have got themselves into a lot of debt, but I can’t help but feel like there should be more that’s done to prevent it getting that bad in the first place.”

Male, Merseyside, JAM Customer

*Despite this being the perception of some customers, not all social tariff schemes offered by United Utilities require a customer to be in debt to qualify e.g., Help to Pay and WaterSure do not require a customer to be in debt, whilst Back on Track has two options in the criteria: a customer is in debt or has been impacted by a change of circumstance that has reduced their household income.

Qualitative deep dive: Support schemes (III)

JAM customers are, however, in a unique position compared to social tariff qualifiers or potential qualifiers...

This group of customers are feeling squeezed and often express their frustration at how they do not meet the criteria to get support from United Utilities. They feel like the schemes almost miss out a key audience who are potentially not in a much better position than those who qualify for a tariff.

JAM customers frequently mention how they often fall just outside of the eligibility criteria for schemes and some even go as far to say that they feel punished for working hard.

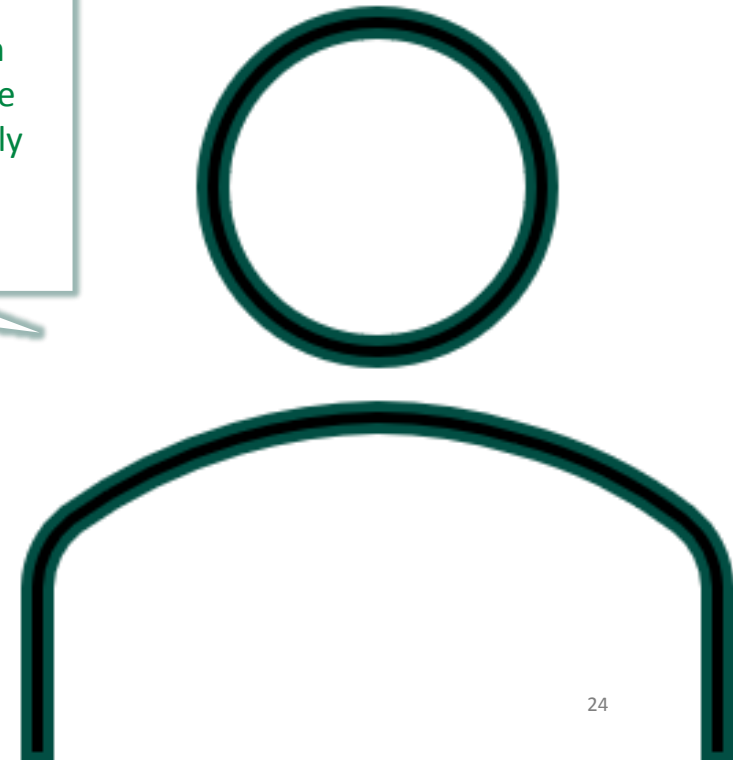
However, customers who have benefited from the schemes in the past do speak highly of both United Utilities and the scheme they were on particularly for debt clearing schemes.

“I’ve had support in the past. I was in debt with my water and got the debt cleared. It was such a big help and felt like a weight was lifted off me. I didn’t get that kind of help for other bills.”

Female, Merseyside, Potential Qualifier

“I think they are missing a lot of people out with these schemes. I wouldn’t qualify for any of these because I don’t meet the criteria, but we are really struggling as a family to get by.”

Female, Lancashire, JAM Customer



Other support: Perceived effectiveness and likelihood to uptake

Other methods of support are perceived to be 'very' or 'quite' effective by the majority of customers. Likelihood to uptake is lower but remains at over half (**53%**) for water efficiency devices and in-home visits.

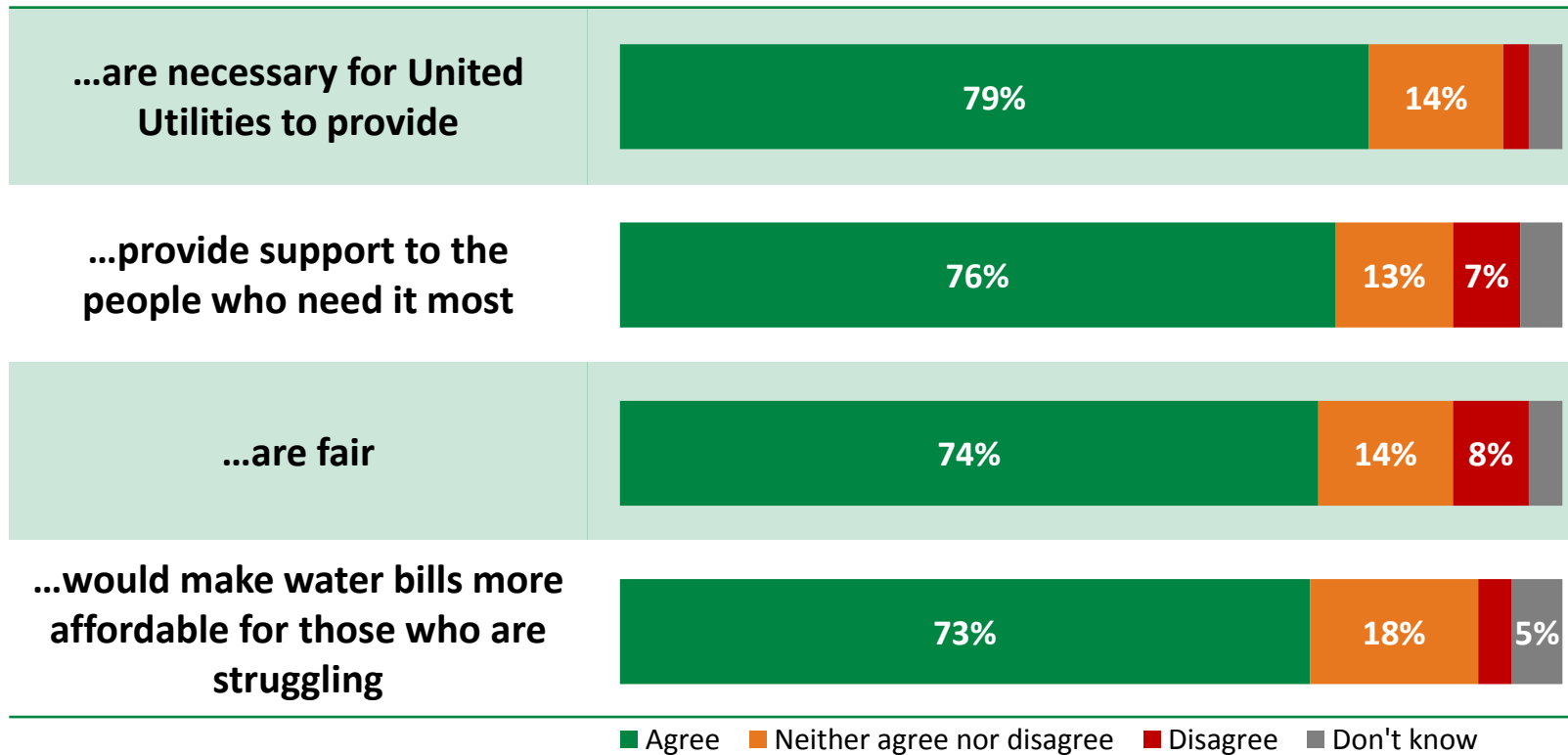
<p>Free water meters</p> <p>United Utilities will fit water meters free of charge to customers who want them. Meters are one of the easiest ways to reduce your water bill and the majority of our customers save at least £100 a year when they switch.</p>	<p>Water meter lowest bill guarantee</p> <p>Before you are sent your bill, United Utilities will compare your meter charge against what you would have paid previously. You'll then be charged the lowest amount.</p>	<p>Water efficiency devices and in-home visits</p> <p>United Utilities can provide customers with water efficiency devices and online tools to help them save water. They can also send an expert to your home to offer you free advice on how to save water.</p>	<p>Variety of payment methods</p> <p>Includes Pay As You Go (PAYG), payment breaks which are aimed at customers with low to middle household incomes (less than £21k per year).</p>	<p>Variety of payment methods</p> <p>Flexible payment plans that flex around you.</p>
<p>Effective in reducing bills: 'Very effective' - 32% 'Quite effective' – 27%</p> <p>NET EFFECTIVE – 59%</p>	<p>Effective in reducing bills: 'Very effective' - 29% 'Quite effective' – 36%</p> <p>NET EFFECTIVE – 65%</p>	<p>Effective in reducing bills: 'Very effective' - 31% 'Quite effective' – 38%</p> <p>NET EFFECTIVE – 70%</p>	<p>Effective in reducing bills: 'Very effective' - 31% 'Quite effective' – 41%</p> <p>NET EFFECTIVE – 72%</p>	<p>Effective in reducing bills: 'Very effective' - 27% 'Quite effective' – 47%</p> <p>NET EFFECTIVE – 73%</p>
<p>Likelihood to uptake: 38%</p>	<p>Likelihood to uptake: 49%</p>	<p>Likelihood to uptake: 53%</p>	<p>Likelihood to uptake: 48%</p>	<p>Likelihood to uptake: 50%</p>

*9% already have a meter

Q011. Next, for each of these other ways United Utilities can support its customers, we'd like to know how effective or ineffective you think each method would be at making your water bills more affordable. Q012. How likely or unlikely do you think it is that you would apply for each of the support methods in the future? Base: All respondents (112).

Additional Support: Further Perceptions

Largely, customers are supportive of the additional support offered by United Utilities, with almost eight in ten customers (**79%**) agreeing that the support is necessary. Perceptions of fairness are even higher for these additional support methods than support schemes...



KEY TAKEOUT:

When looking at the fairness scores for the support schemes and additional support, a higher proportion of customers agree that the additional support is 'fair'. This again could be as a result of the eligibility criteria that is attached to the support schemes whereas there is less criteria for the additional support methods. Another explanation is that customers genuinely do feel that if someone does not qualify for a support scheme, the fact there are other options available to them is a fair alternative!

“They offer a good range of different support options, it’s just a shame that people don’t know about them”
Female, Cumbria, Potential Qualifier

Q013. To what extent do you agree or disagree that the additional support we have discussed... Base: All respondents (112).

Qualitative deep dive: Additional support (I)

Of all the alternative support methods available, customers are most familiar with water meters...

However, customers are still unsure about the extent to which a meter would impact the amount they pay out. They show scepticism towards the effectiveness and fairness of meters, holding negative preconceptions about having to pay more, being cut off and over calculations. Simpler and clearer information on water meters would be beneficial for these customers.

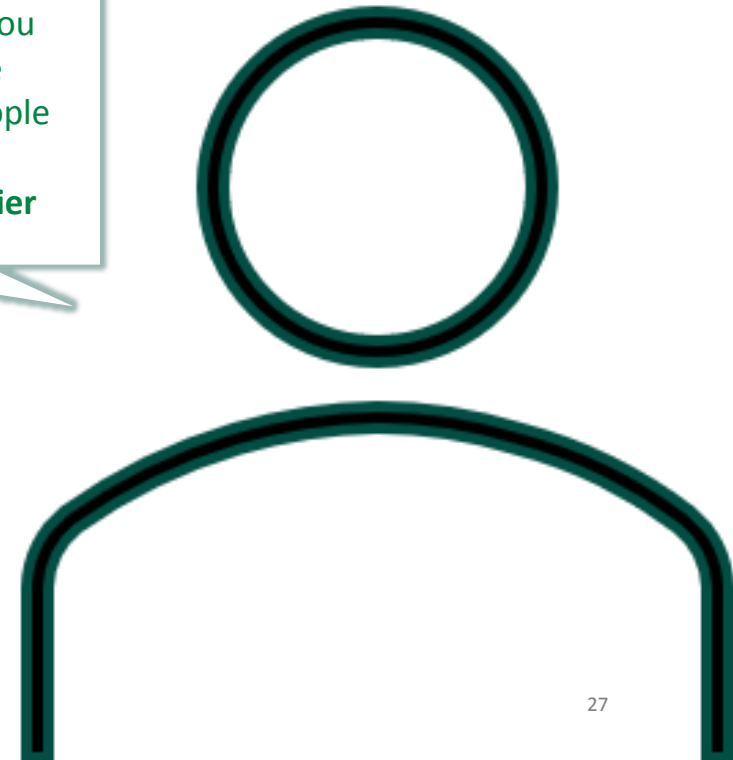
Customers show little awareness of other support methods but speak positively about the variety of additional support that is available. A variety of payment methods is a keen favourite, but customers are a little confused about how these options would work in practice particularly with regards to PAYG.

“When I told United Utilities that I had a large family, I was told that I was better off staying off a water meter because my bill would go through the roof”

Male, Merseyside, Potential Qualifier

“The payment methods are good. You have to be flexible because at the moment, especially after COVID, people can’t guarantee a steady income”

Male, Merseyside, Potential Qualifier



Qualitative deep dive: Additional support (II)

United Utilities also wanted to gauge customer reactions to a £50 bill discount, this was explored in detail during the in-depth interviews and initial reactions were positive...

Customers are impressed that United Utilities proactively identifies customers who are more at risk. Some feel that this proactive approach should be taken with regards to the support schemes i.e., United Utilities should identify people who may be eligible for support based on household composition etc.

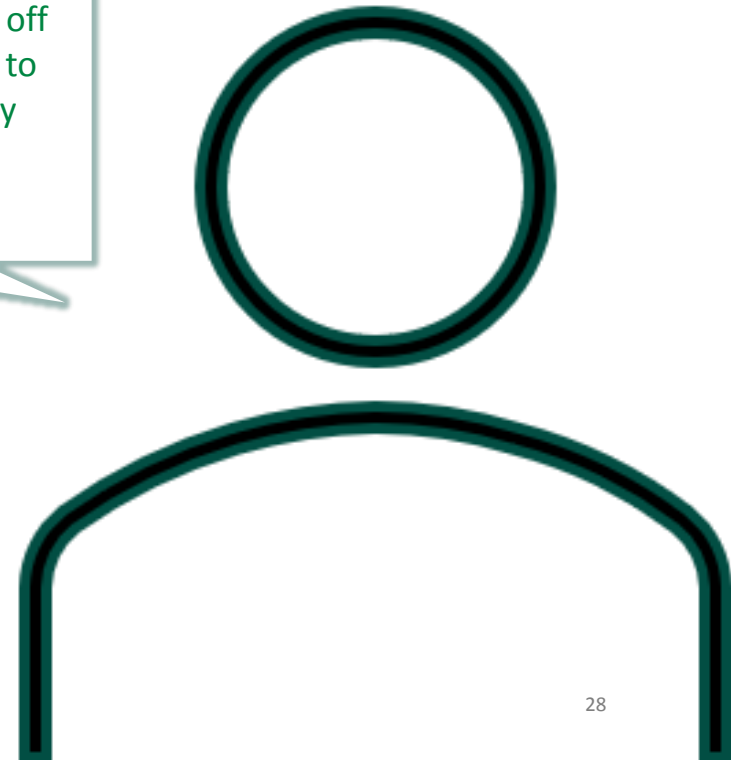
Customer views on whether £50 would make much difference to their household are mixed; some feel £50 across 12 months equates to very little, whereas others felt it would make a difference. Ultimately customers feel receiving some sort of discount is better than not receiving anything from United Utilities.

“It depends really. £50 across the year isn’t much really but if they gave me £50 at Christmas that would really go a long way for me and my kids.”

Female, Manchester, JAM Customer

“When you think of how much that is off your monthly bill it doesn’t work out to be much. I think they could probably offer people more.”

Male, Merseyside, JAM Customer

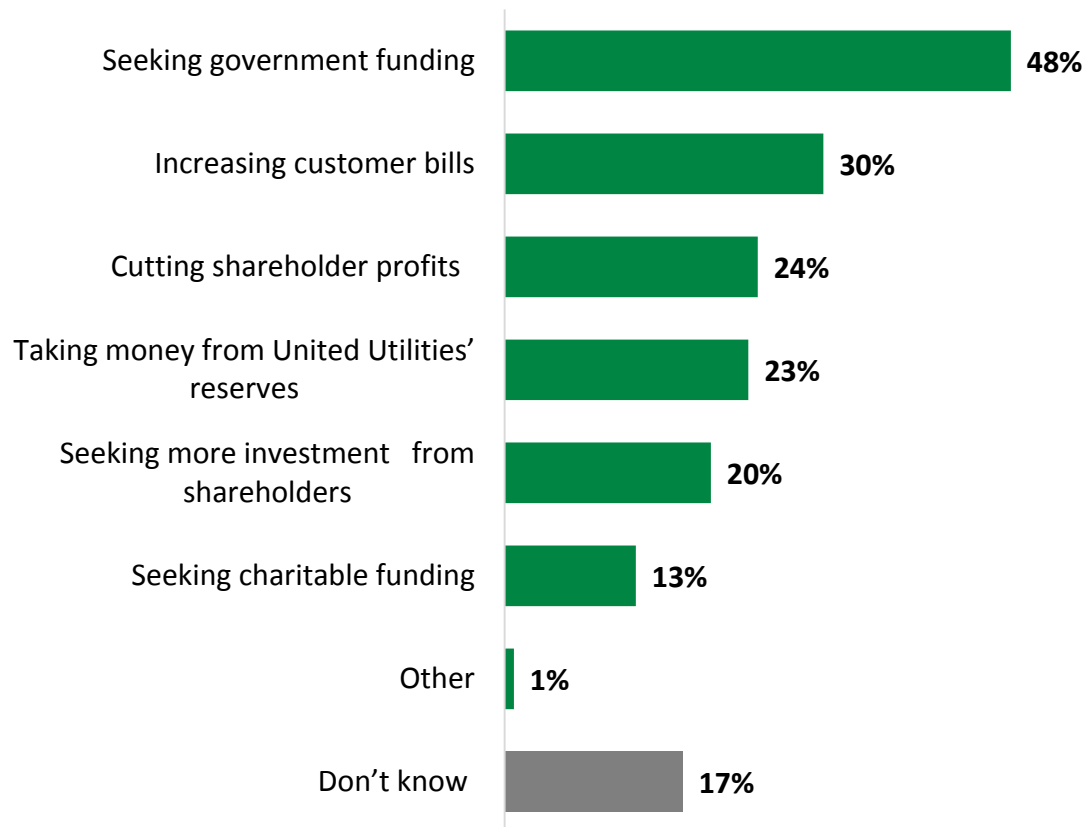


Funding and bill impact

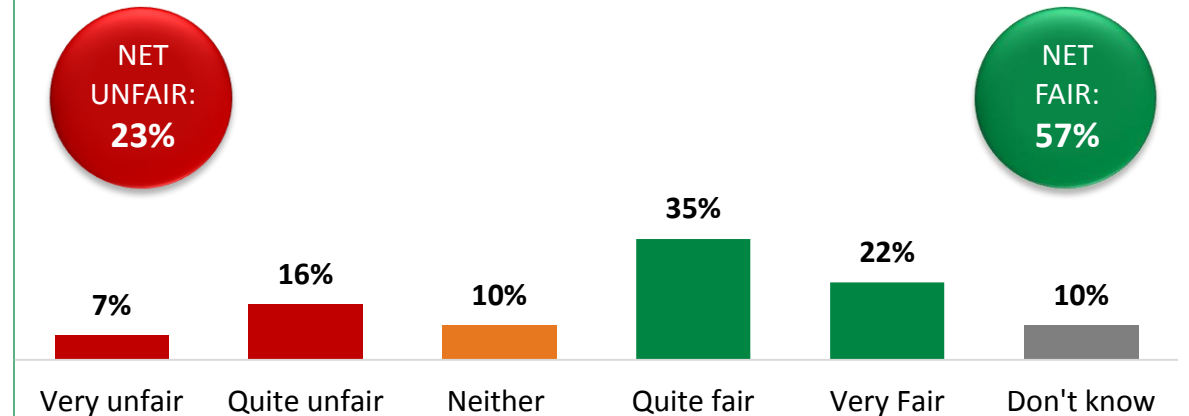
Funding of Support Schemes

Generally, customers agree that the principle of sharing costs between shareholders and bill payers is fair (**57% cf. 23% unfair**). Interestingly, almost half (**48%**) expect that some funding will be provided by the government.

How do you think United Utilities will cover the cost of the support schemes?



Sharing costs between shareholders and bill payers... Do you think this is a fair way to pay for the support schemes?



What do you think of the overall support package?

“Good that they are thinking of people, but they should always improve pollution. Government should be in charge, not shareholders who will make profits.”
Male, Greater Manchester, Potential Qualifier

“It’s nothing to pay 58p per month, it’s been helpful to me in the past.”
Female, Greater Manchester, Potential Qualifier

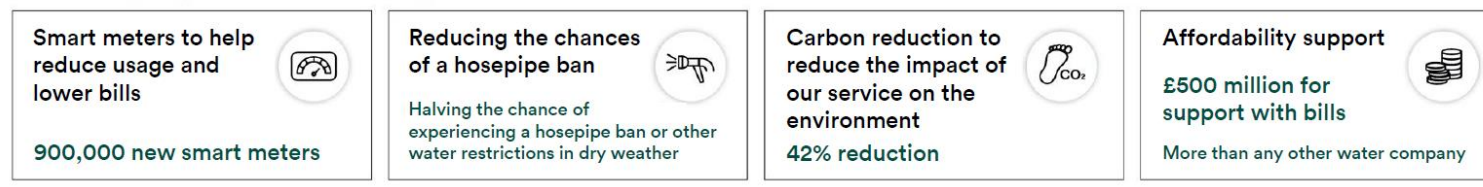
Affordability and Acceptability of Bill Increase

Despite customers previously praising the support package and deeming it largely sufficient, upon seeing the bill increase figure they express concern that the increase too high for them to afford (**83%**)...

United Utilities targets for 2030

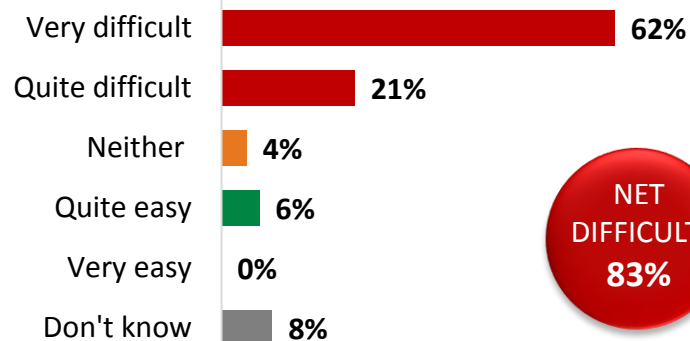


Voluntary improvements set by United Utilities: targets for 2030



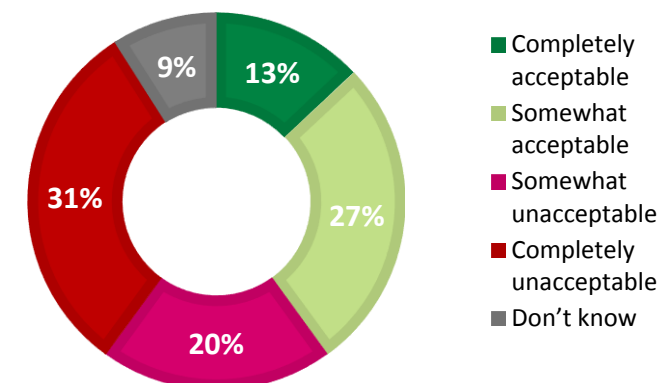
Customers were first presented with the individual components of United Utilities' targets for 2030. They were then told that in order to deliver on the above ambitions, customer bills would need to increase. They were informed that the highest possible increase could be up to 65%. Customers were also given examples to illustrate this increase but were not given personalised bill amounts.

How easy or difficult do you expect it to be to afford your water bill after this rise?



NET DIFFICULT: 83%

In light of the bill increase, how acceptable do you find the affordability package?



Q017. How easy or difficult do you expect it to be to afford your water bill after this rise? Q018. In light of the proposed increase to your water bill by 2030, how acceptable do you find United Utilities affordability package?

Base: All respondents excluding respondents from Merseyside who were shown the incorrect bill amount (94)

Qualitative deep dive: Affordability and acceptability of the bill increase

It is of little surprise to customers that a bill increase will be necessary. With rising energy costs, it seems that customers have come to expect further increases...

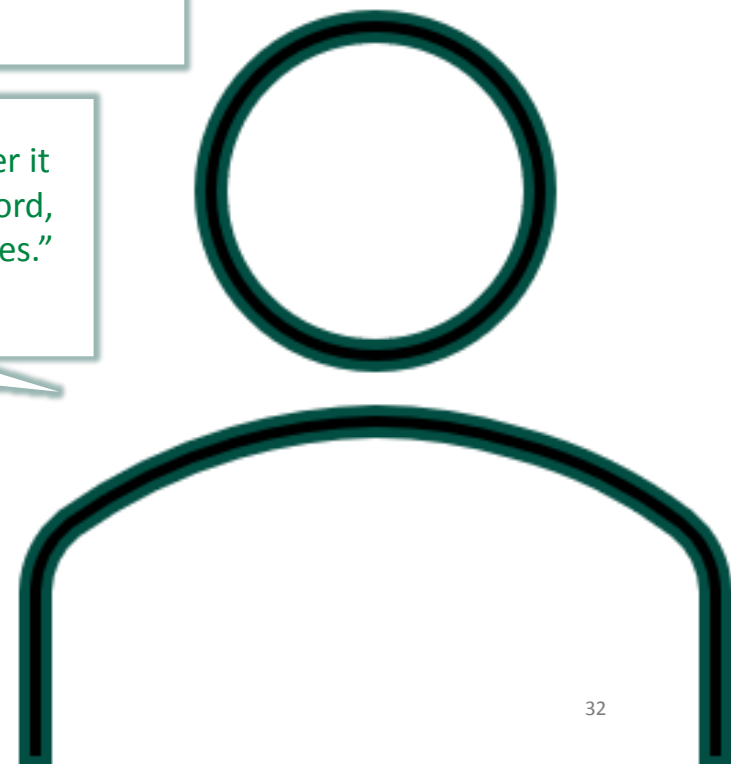
However, the extent of the increase is a surprise to customers and the figures instills feelings of fear and anger. They feel a 65% increase is scary, especially considering the steepness of the increases they have already experienced for gas, electric and food. For this reason, they show some positivity towards the fact that increases will spread across 7 years.

Given the 65% increase, customers express that they expect more from United Utilities in terms of carrying out all elements of the plan. They also show a desire for this information to be shared sooner rather than later, as it will help them to plan for the future.

“I think that's too high especially for families. It will be hard for everyone but for families it will be harder. That increase is too much.”
Female, Lancashire, Potential Qualifier

“That’s quite a big increase. I’d struggle even more than I am now. It’s bad enough having to deal with gas and electric. ”
Female, Cumbria, Potential Qualifier

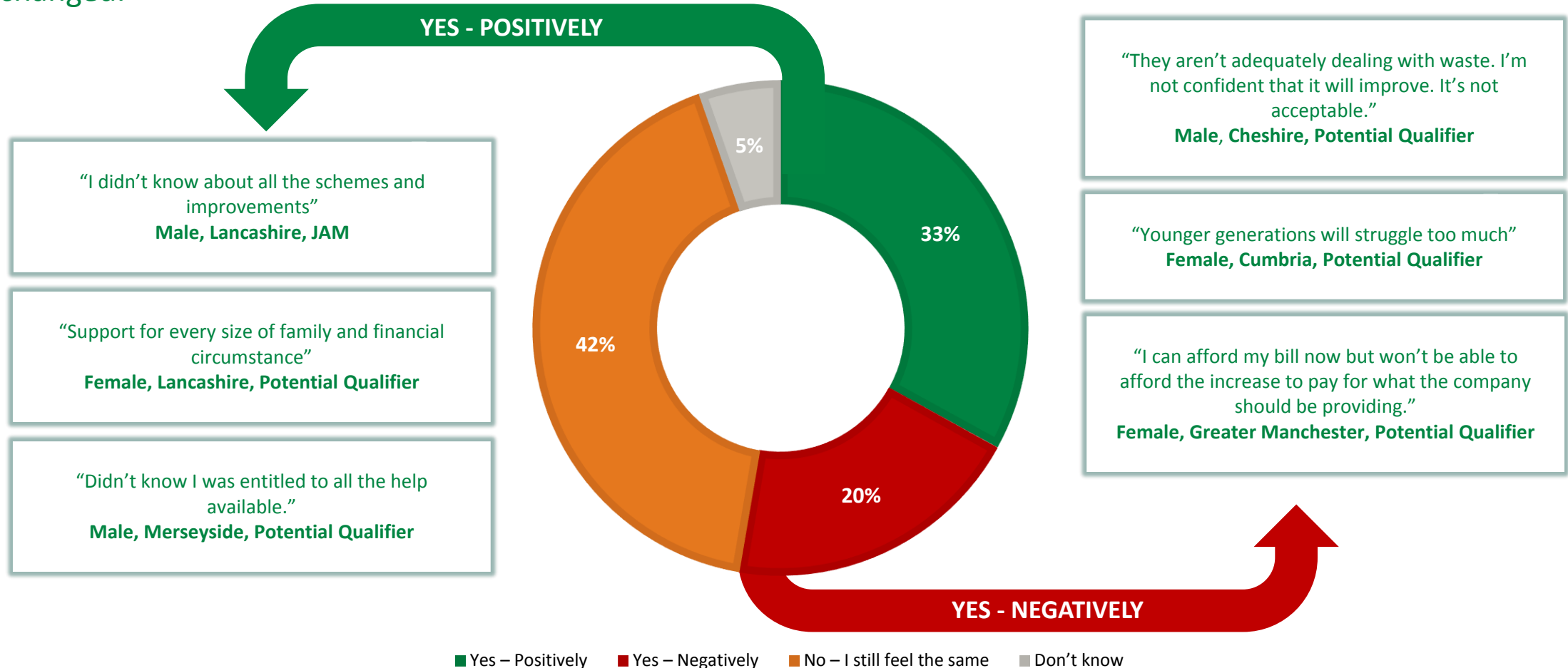
“65% is a lot. I'm not very happy with that, I'd prefer it if the increase was smaller...It will be difficult to afford, but I'll probably just have to wait and see how it goes.”
Male, Lancashire, Potential Qualifier



Customer perceptions of United Utilities revisited

Perceptions of United Utilities Post-survey

One-third of customers (**33%**) say that their perceptions of United Utilities had been changed for the better after hearing their plan for the future. However, the largest cohort of customers (**42%**) state that their opinion remained unchanged.



Q019. Based on what you have heard today, has your perception of United Utilities changed? Base. All respondents (112). Q020 / Q021. Why do you say that? Base: All respondents whose opinion of United Utilities has changed (59).

Qualitative deep dive: Perceptions of United Utilities revisited

Largely, feelings towards United Utilities remain unchanged...

However, customers often caveated that this is dependent on the company's ability to bring its ambitions for the future to fruition.

A minority, whose views became more negative, feel that the bill increase defeats the point of investing money into the support package and customers often commented on how they feel the eligibility for the support schemes will need to be reviewed if United Utilities are increasing bills by up to 65%.

Though most customers agree that it is fair for both United Utilities and its customers to pay towards helping those in need, there are still questions and concerns about the amount that United Utilities shareholders are contributing, as there is some scepticism and negativity around shareholder bonuses.

"It's good that the support is there but if I'm going to be paying that higher bill, it defeats the object to a certain degree"

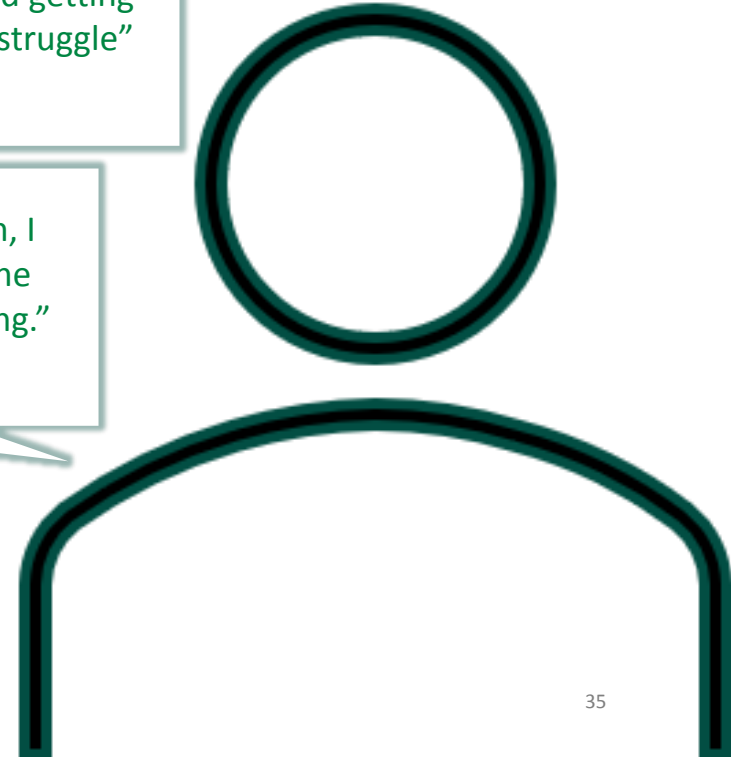
Male, Cheshire, JAM Customer

"They need to stop lining their own pockets and listen to what people on the ground are saying that they need... There's always someone creaming off the top and getting high bonuses, yet the little man is always left to struggle"

Female, Cumbria, Potential Qualifier

"If they are going to put bills up that much, I think they will definitely need to review the criteria of the schemes that they are offering."

Female, Lancashire, JAM Customer



Summary

Key findings: (I)

The cost-of-living continues to put financial pressure on customers:

Customers frequently report that their gas and electric bills are regularly unmanageable and often state that their water bill is much more affordable compared to other bills. Customers appreciate that their water bill has not increased to the same extent as other bills and feel a sense of comfort in the fact that they can anticipate how much their water bill will be each month – something they are not able to do for other bills.

Perceptions of United Utilities are positive:

On the whole, customers are satisfied with United Utilities as their supplier (**58%**) and trust them to provide high quality drinking water. Customers often recite positive experiences they have had with United Utilities, whether this is when they have contacted the customer service team or in some instances when they have been on support schemes in the past.

However, recent media coverage has had a negative impact on some customers. Issues with regards to sewage spills and shareholder profits are frequently mentioned by customers, more so than in previous research DJS Research have conducted.

Customers are surprised that United Utilities offer support schemes:

Customers think the support schemes are necessary for United Utilities to provide (**88%**) and, overall, they feel that they are sufficient in providing support to people who most need it (**64%**). However, awareness of the support schemes is low, with customers often knowing very little about them! They are surprised that United Utilities have such a variety of schemes available and feel they should be advertised more - their preference being TV advertisement.

Some customers do feel the schemes focus too heavily on debt management rather than prevention and feel that United Utilities should do more to be proactive in identifying customers who may be at an increased risk of struggling with their bills.

Some customers also feel that the eligibility criteria of the schemes is unfair in the sense that customers not in a much better situation miss out on support.

Key findings: (II)

Customers feel the additional support that United Utilities offer is fair:

Additional support is welcomed by customers, and they are particularly positive about the ability to have a variety of payment methods and the £50 discount. Customers are however sceptical of water meters, perhaps due to their negative experiences with energy smart meters and there is arguably work to be done to convince customers that these are a help rather than a hindrance.

Combined contributions from customers / United Utilities is deemed fair:

Over half of customers (**57%**) feel that the current way that support schemes are funded is a fair approach, but many assumed the increased investment into the affordability package would come from government funding (**48%**) over other methods of funding.

The proposed bill increase is not a surprise to customers, but it also doesn't go down too well with them, with eight in ten customers (**83%**) feeling as though it will be difficult for them to afford the bill increase. Customers are shocked by the extent of the bill increase and feelings of fear and anger are common for many customers. This may be as a result of customers previously anticipating that United Utilities would fund the package through some form of government funding rather than from customer bill increases.

Perceptions are largely unchanged upon reviewing the schemes and hearing of the bill impact:

On the whole, most customers report that their perceptions of United Utilities have not changed based on the information that they have heard (**42%**), but they do have increased expectations of United Utilities to deliver on its ambitions for 2030 given the bill increase.

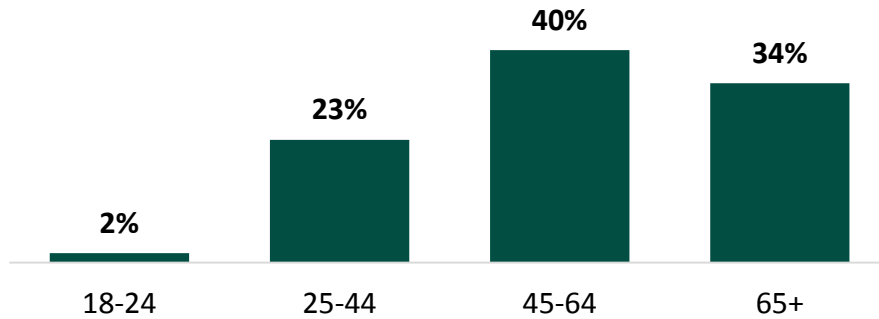
Despite the bill increase, some customers do say that they perceive United Utilities more positively (**33%**) and this is often as a result of an increased knowledge of the support that United Utilities does offer its customers.

A smaller proportion do say that they perceive United Utilities more negatively (**20%**) and this is often as a result of the proposed bill increase which they feel is too high.

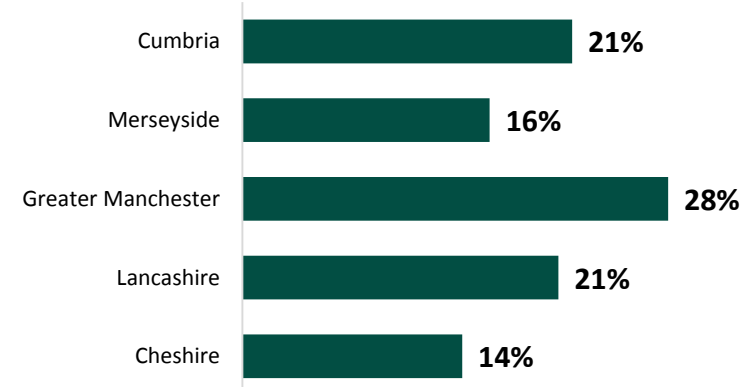
Appendix A: Customer profile

Profile: Quantitative survey

Age



United Utilities Region



Gender



Male: 39%
Female: 61%

Income



<£21k: 72%
£21k-£35,999k: 7%
£36k- £72,999: 3%
£73k+: 1%

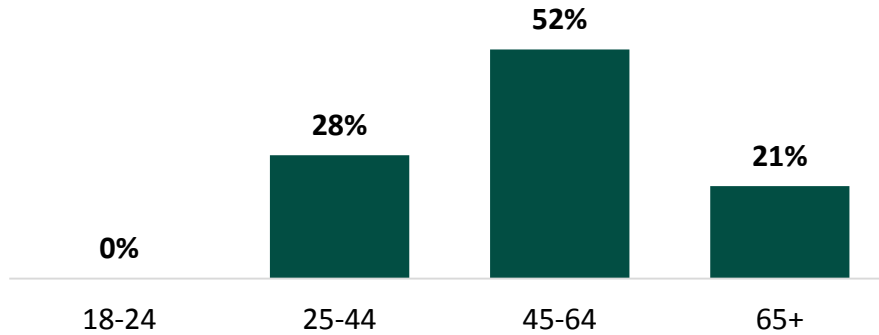
Household composition



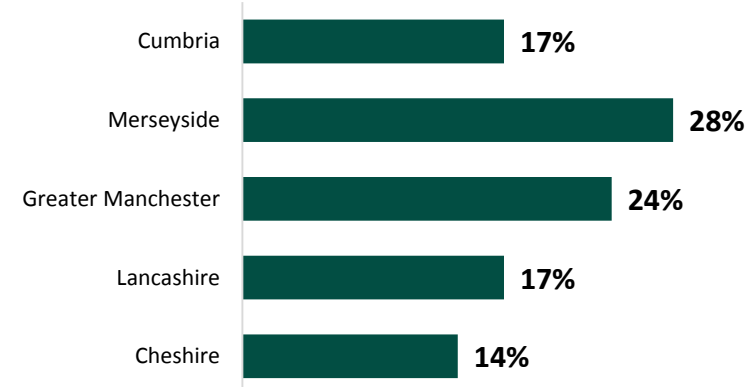
Single: 52%
Couple: 28%
Family (dependent): 15%
Family (non-dependant): 4%

Profile: Qualitative discussions

Age



United Utilities Region



Gender



Male: 59%
Female: 41%

Income



<£21k: 69%
£21k-£35,999k: 17%
£36k- £72,999: 0%
£73k+: 0%
PNS/DK: 14%

Household composition

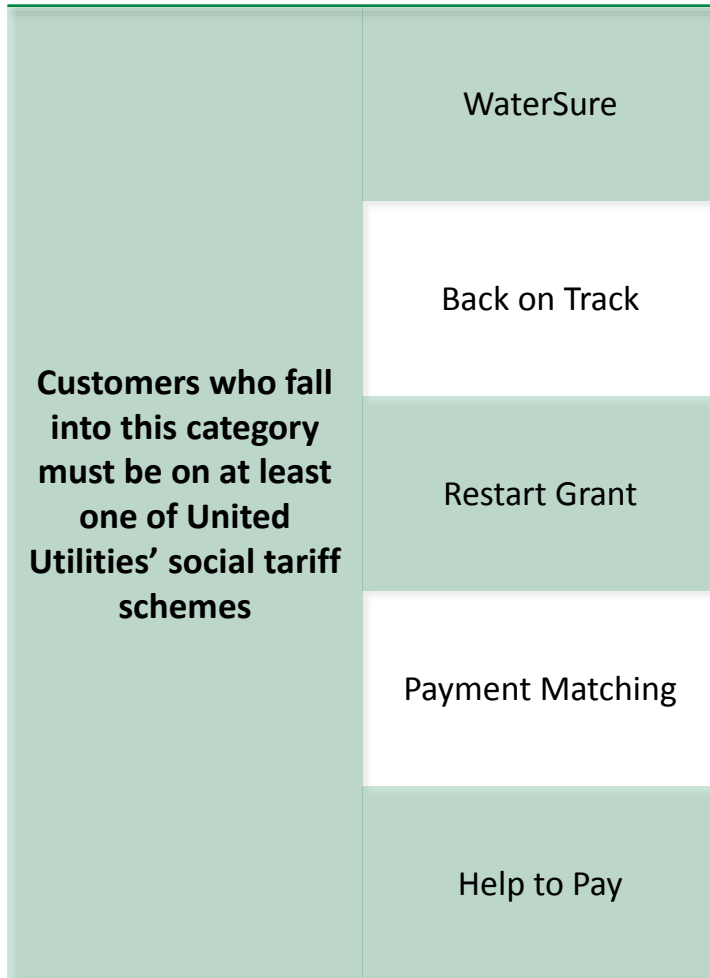


Single: 48%
Couple: 10%
Family (dependent): 31%
Family (non-dependant): 10%

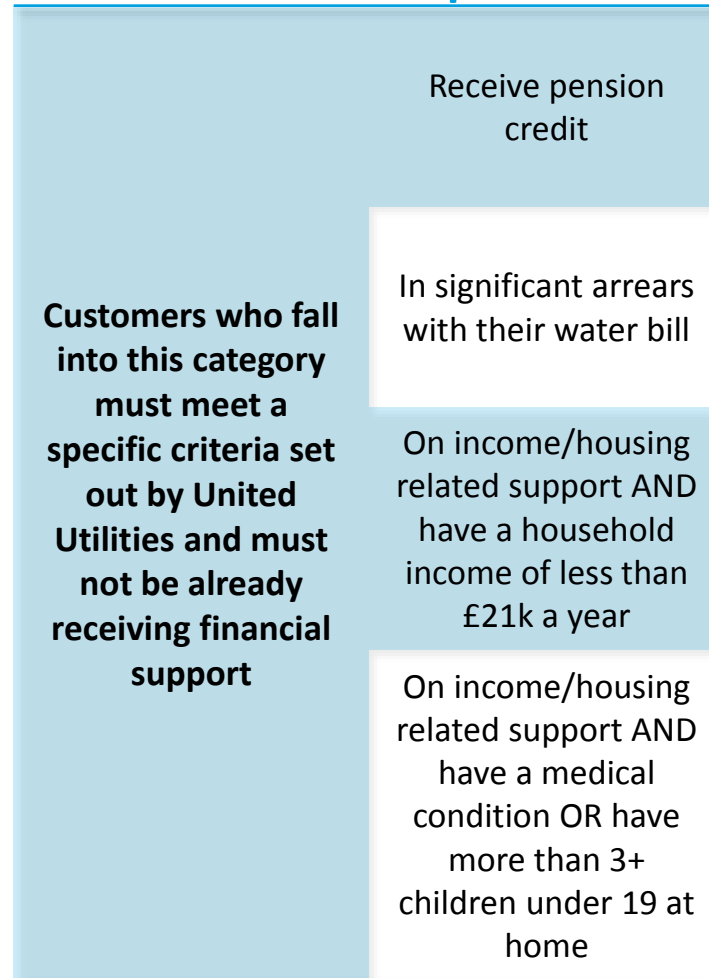
Appendix B: Customer categories

Customer groups

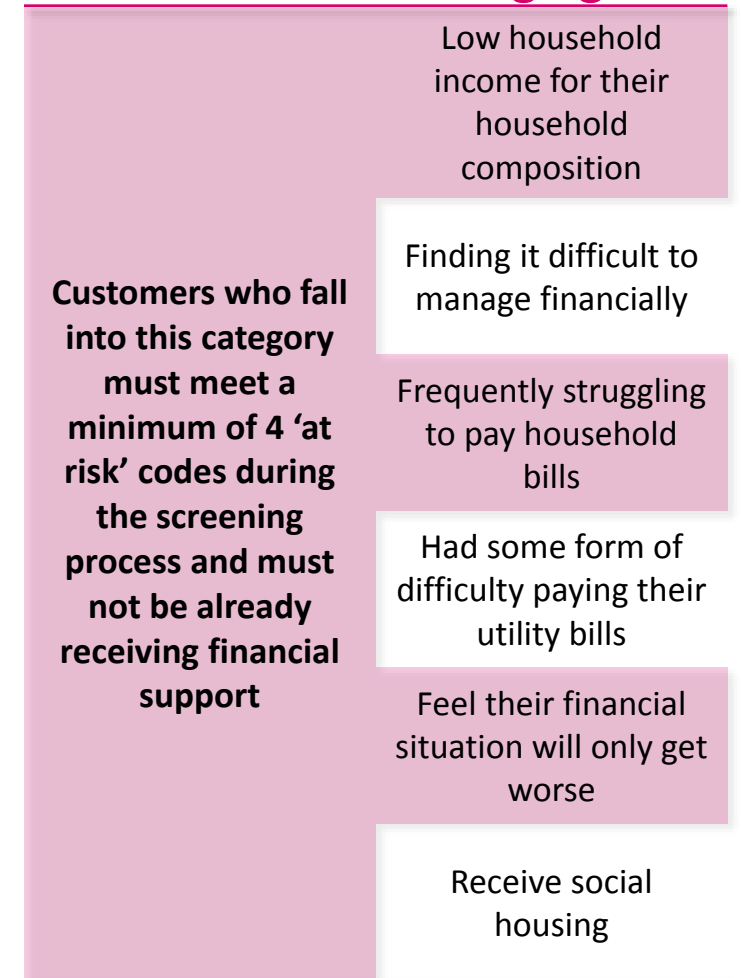
Social tariff



Potential tariff qualifiers



Just about managing



Appendix C: Research materials

Support schemes for United Utilities customers

WaterSure

Giving households with high water usage due to essential medical needs (e.g., flakey skin disease, Crohn's disease etc.) or because of a large family size (providing they are on a water meter and are in receipt of a qualifying benefit) a reduction on their bill.

The average bill discount is £335 per year.

Back on Track

For customers in debt or those who have been impacted by a recent life event who are in receipt of benefits or low household income, United Utilities may be able to give them a capped more affordable bill based on their income.

The average bill discount is £202 per year.

United Utilities Restart Grant

United Utilities donates money each year to an independent trust fund offering customers a one-off restart grant to help clear their debts and start again. The donation for the current year stands at £3.5 million.

Payment Matching

A scheme for customers who are financially struggling and need support to clear arrears. Users of the scheme will have arrears payments matched by United Utilities (e.g. for every £1 the struggling customer pays, it will match £1, after 12 months it will match with £2).

Help to Pay

United Utilities can cap annual bills for customers in receipt of pension credit at a more affordable amount based on their income.

The average bill discount is £189 per year.

Eligibility

Receive income/housing related support or tax credits



You/someone you live with has a medical condition that requires the use of lots of water



Have 3+ children under the age of 19 at home



Eligibility

Receive income/housing related support or tax credits



Have a household income of less than £21,000 a year and have experienced a change in income



Eligibility

Customer is in significant arrears as a result of a life event



Customers should not have received the grant in the past 2 years



Eligibility

1+ years worth of water arrears along with full current year charges outstanding



Not have completed the scheme in the last 3 years or failed more than 3 times



Eligibility

Receive Pension Credit



All adults at the address receive Pension Credit/state pension



Support for United Utilities customers: support outside of schemes for those who don't qualify but may struggle with their water bill

Free water meters
 United Utilities will fit water meters free of charge to customers who want them. Meters are one of the easiest ways to reduce your water bill and the majority of our customers save at least £100 a year when they switch.

Water meter lowest bill guarantee
 Before you are sent your bill, United Utilities will compare your meter charge against what you would have paid previously. You'll then be charged the lowest amount. After a two-year trial and if you don't make a saving, you can switch back and your meter will no longer be used for charging you.


Water efficiency devices and in home visits
 United Utilities can provide customers with water efficiency devices and online tools to help them save water. They can also send an expert to your home to offer you free advice on how to save water.


Variety of payment methods
 Includes Pay As You Go (PAYG), payment breaks which are aimed at customers with low to middle household incomes (less than £21k per year).

Eligibility
 Customers from low-income households who are free from debt can ask for PAYG or payment breaks


Variety of payment methods
 Flexible payment plans that flex around you.


£50 discount
 Based on North West income deprivation data, we estimate that 16% of households in the United Utilities region are income deprived and struggle to pay their water bill. United Utilities recognises that there are some customers in this situation, who may not qualify for our existing social tariff and affordability schemes due to not meeting the eligibility criteria or the preferred tariff is fully subscribed. United Utilities will work with organisations like the Department for Work and Pensions (DWP) to proactively identify customers who are income deprived, but don't currently qualify for bill discounts, to offer additional support of at least £50 per year off their bill.

Eligibility
 All customers* can apply for a free water meter to be installed 

Eligibility
 All customers can receive the lowest bill guarantee 

Eligibility
 All customers can receive free water efficiency devices/visits 

Eligibility
 All customers can ask for flexible payment plans 

Eligibility
 All customers are checked to see if they qualify for a £50 discount 

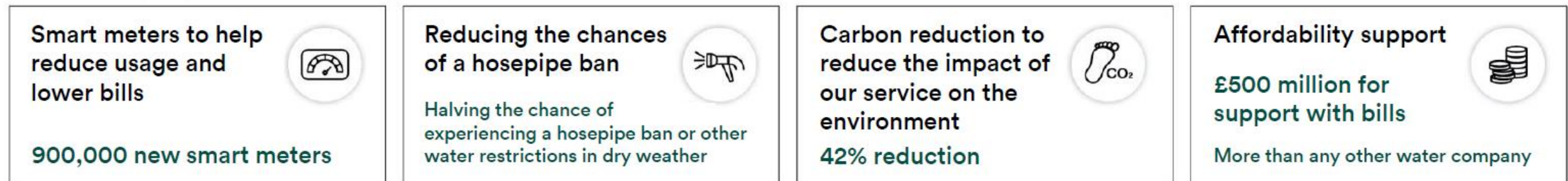
*ask an advisor about possible exclusions

Service improvements

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



Appendix D: Engagement questions

Customer engagement: Quantitative survey

Region	I feel I understood the issue and the information presented to me	It is important that United Utilities ask customer's views on these issues	It has been good taking part in this research and sharing my views on this topic
Merseyside	9.2	8.8	9.1
Lancashire	9.0	8.9	8.9
Cheshire	9.1	9.4	9.4
Cumbria	9.2	9.4	9.5
Greater Manchester	8.9	9.1	9.5
Overall average	9.1	9.1	9.3

It is important to note that statement two 'It is difficult for customers to give informed opinions on these issues' has been removed as it is a negatively phrased statement in comparison to the other three statements, there are a few instances where DJS feel this may have had an impact on customers answers and thus it has been removed.

Customer engagement: Qualitative discussions

Region	I feel I understood the issue and the information presented to me	It is important that United Utilities ask customer's views on these issues	It has been good taking part in this research and sharing my views on this topic
Merseyside	10	9.9	9.9
Lancashire	9.6	9.6	9.8
Cheshire	9.5	9.3	9
Cumbria	9.8	10	10
Greater Manchester	9.7	8.8	9.3
Overall average	9.8	9.5	9.6

It is important to note that statement two 'It is difficult for customers to give informed opinions on these issues' has been removed as it is a negatively phrased statement in comparison to the other three statements, there are a few instances where DJS feel this may have had an impact on customers answers and thus it has been removed.

Appendix E: Ofwat research standards

Ofwat standards for high-quality research

Ofwat have set out requirements for [high-quality research in their Customer Engagement Policy](#). All water company research and engagement should follow best practice and lead to a meaningful understanding of what is important to customers and wider stakeholders.

Useful and contextualised

This research was conducted in order to test what United Utilities' customers' think of their affordability support package, as an extension and further exploration on the affordability aspects outlined in the business plan that have been explored within AAT Testing research. The insights gained will help shape the business plan strategy on affordability for customers.

Fit for purpose

Hall tests were chosen as the optimum methodology, in order to reach the target audience and allow both quantitative and qualitative research to take place simultaneously. Extensive cognitive testing was carried out during the design phase of this research to ensure the complex subject matter was presented in a way which was as understandable and engaging as possible for respondents. This included testing of both the questionnaire questions but also the visual stimulus.

Independently assured

All research was conducted by DJS, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings.

Continual

This research follows on from United Utilities' previous acceptability and affordability testing in relation to the PR24 business plan. Research was contextualized using a wide evidence base including Research with customers struggling to pay and Social Tariff research.

Inclusive

This research included customers from each of the five United Utilities regions. Face to face hall tests and in-depth interviews were carried out to allow digitally excluded customers to partake, in Merseyside, Cumbria, Lancashire, Manchester and Cheshire. Some online in-depth interviews were also conducted to suit customers preferences.

Neutrally designed

Every effort has been made to ensure that the research is neutral and free from bias. Where there is the potential for bias, this has been acknowledged in the report. Participants were encouraged to give their open and honest views and reassurances were given throughout the research that United Utilities were open to hearing their honest opinions and experiences. United Utilities' ICG reviewed all materials prior to fieldwork with a view to ensuring questions and materials were neutrally designed.

Ethical

This research was conducted by DJS Research who are a member of the Market Research Society. Participants were regularly reminded that they could be open and honest in their views due to anonymity and DJS and United Utilities were subject to strict data protection protocols.

Shared in full with others

The full final report and research materials will be shared on the United Utilities' research library webpage and through UUW's industry customer insight newsletter, The Source.

Appendix F: Success stories

Affordability clinic success stories: (I)

Birkenhead success story:

A male spoke to us about how he was really struggling with multiple bills. After speaking with the Outreach team, we found he was in credit with United Utilities. United Utilities were able to give him a refund of £470 there and then (whilst still covering his next water bill) which he really pleased with as the amount of money would significantly help his situation.

Birkenhead success story:

Another male attended the hall test, who had recently moved into his own apartment after being homeless and was unsure on how or when to pay his bill. The Outreach team were able to set up his payments, as well as advising on different help and support available.

Barrow success story:

United Utilities helped a customer onto the WaterSure scheme as the customer was paying over £600 a year towards her bill. The customer explained she had recently been diagnosed with Ulcerative Colitis and required to use more water for her medical condition. By applying the WaterSure tariff to her account her annual yearly bill was capped to £443.40, saving the customer over £150 per year.



Affordability clinic success stories: (II)

Warrington success story:

United Utilities helped a customer who was concerned that her water bill instalments had increased significantly and as a result was unable to pay the required amounts and had fallen behind. The customer was also concerned as she was aware she was owing a large amount of debt that had accrued over 3 years. United Utilities reviewed the customer's account and identified from her meter readings that there had been a spike in her water usage, the customer confirmed that she had a leak in her bathroom from June 2022 – September 2022 and this was now fixed. United Utilities were able to get a leak allowance applied to the customer's account. From the customer's circumstances United Utilities were then able to assess her for the back on track tariff and due to the arrears, the customer was also placed onto the payment match scheme.

Salford success story:

Spoken with two separate customers who were billed on an assessed volume charge based on two occupants due to unable to fit a water meter. Both customers explained that sadly their partners had passed away and they are now single occupiers. Both customers were being charged £502.40 for their annual bill. United Utilities arranged for single person tariff to be applied to both accounts, this reduced their bills to £281.36 saving both customers over £220 per year.

