



YorkshireWater

Yorkshire Water Acceptability & Affordability

Qualitative report

July 2023

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JN8941





Background & objectives

The overall purpose of the research is to understand the extent to which Yorkshire Water's plan for 2025-2030 represents an acceptable and affordable vision to its customers.

In particular, guidance from Ofwat/CCW requires the research to interrogate:

- 1 The acceptability of the plan.
- 2 The affordability of the plan.
- 3 Understanding affordability and acceptability across different audiences.
- 4 Appetite for any additional or missing areas and willingness to pay for any extra investments on top of the 'must do' plan.
- 5 Views on phasing and inter-generational fairness and phasing.
- 6 Suggestions on how the affordability and acceptability of the plan could be improved.



Methodology

A three-step qualitative approach:

10 x Cognitive testing in-depth interviews with HH and NHH micro customers as well as future bill payers lasting 90 minutes

5x Household customers

2x Future bill payers

3x NHH customers (Micro businesses)

Deliberative focus group sessions with 83x customers & future bill payers lasting 3 hours (achieving an even split across AB, C1C2 & DE SEG in HH groups)

51x Household customers

19x Non-Household customers

13x Future bill payers

27 x in-depth interviews with NHH & vulnerable customers lasting 90 minutes

15x Vulnerable customers: 7x Health vulnerable, 8x Financially vulnerable

12x NHH customers (Small, Medium & Large)

In line with the guidance, HH and Vulnerable Customers were recruited by our in-house telephone recruitment team using YW sample. NHH respondents were recruited door to door using our external face to face recruiter (micro) and our in-house telephone recruitment team using purchased sample and FBPs were recruited using local face to face recruiters (free find).

Methodology breakdown



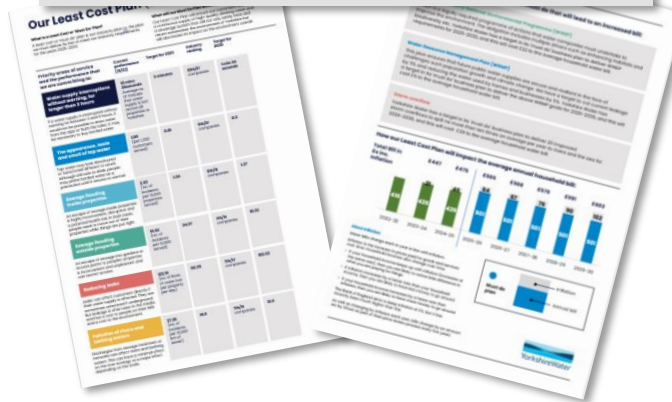
NHH Customers	N	Size	Employees	Industry	Guidance N
Group 1	10	Micro	4 x 1-4, 6 x 5-9	MIX	16
Group 2	9	Micro	2 x 1-4, 7 x 5-9	MIX	
Depth Interviews	12	S/M/L	5 x 10-49, 2 x 50-99, 4 x 100-249, 1x 300	MIX	8
Total NHH	31	MIX	19 x Micro, 5 x Small, 6 x Medium, 1 x Large		24
HH Customers	N	Age	Gender	SEG	Guidance N
Group 1	14	30-60+	7 x F, 7 x M	8 x ABC1, 6 x C2DE	12 – 16 per group
Group 2	14	30-60+	8 x F, 6 x M	7 x ABC1, 7 x C2DE	
Group 3	15	24–60+	9 x F, 6 x M	10 x ABC1, 5 x C2DE	
Group 4	8	30 – 60+	2 x F, 6 x M	4 x ABC1, 4 x C2DE	
Total HH	51	24 – 60+	26 x F, 25 x M	29 x ABC1, 22 x C2DE	48-64
FBP Customers	N	Age	Gender	SEG	Guidance N
Group 1	7	18-29	4 x F, 3 x M	MIX	8
Group 2	6	18-29	3 x F, 3 x M	MIX	
Total FBP	13	18-29	7 x F, 6 x M	MIX	
Vulnerable Customers	N	Age	Gender	SEG	Guidance N
Health	7	40-60+	6 F , 1 M	MIX	16
Financial	8	31-59	6 F, 2 M	MIX	
Total VUL	15	31-60+	11 F, 3 M	MIX	

Methodology cont.

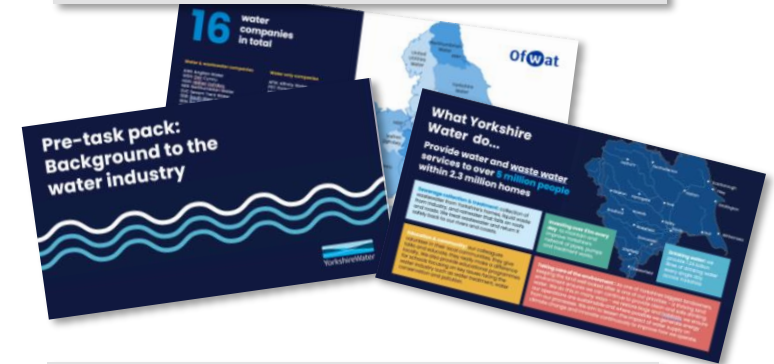
In accordance with OFWAT guidance participants all received the following information in advance (tailored to their audience type). All current customers also saw an individualised bill impact chart based on their annual bill.

As well as the qualitative feedback received in the sessions, participants were all asked to complete a pre & post task questionnaire, inc. mandatory questions specified by OFWAT.

A double sided one-pager outlining Yorkshire Water's least cost business plan



A 20-21 page pre-task pack giving background on the water industry & Yorkshire Water's current comparative performance



Individualised bill impact chart



Pre-task questionnaire inc. scaled & open comment questions

Post-task questionnaire inc. scaled & open comment questions



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 customer perceptions of the acceptability and affordability of Yorkshire Water's business plan for 2025-2030 and will be used by Yorkshire Water to shape the final business plan. The research was conducted in line with Ofwat / CCW guidance and so is comparable to research across the industry.

Fit for purpose

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.

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 Yorkshire Water were subject to strict data protection protocols.

Continual

Customer views will be directly fed into the final testing of the business plan.

Inclusive

A mix of online, in-person and telephone engagements with customers were conducted using customer sample provided by Yorkshire Water. Audio description was also offered to those who required it.

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 Yorkshire Water were open to hearing their honest opinions and experiences.

Independently assured

Research was conducted by DJS Research, an independent market research agency. Yorkshire Water collaborated with Customer Forum who reviewed all research materials and provided a check and challenge approach on the method and findings.



Limitations of the prescribed research (I)

Recruitment:

- Recruitment from customer lists is renowned as a difficult recruit in the industry. The rate of drop-outs proved much higher with respondents recruited from a list.
- DJS Research were provided with a sample of 3,316 customers. In-house recruitment team contacted most of the contacts at least once. Following this, our team utilised the in-house forum Opinion Exchange as well as external recruitment to secure the number of respondents outlined in the guidance.
- The length of the sessions (3 hours for focus groups, 1.5h for individual depths) put some potential participants off, despite the incentive. Incentive for the vulnerable customers was increased to address the issue of high drop-outs.

Session attendance:

- Drop-out rates were especially high amongst vulnerable customers (44%) and particularly the financially vulnerable.

Despite integrating feedback from cognitive testing, the main feedback from these audiences was that the prescribed pre-task information put them off/was too overwhelming.

Engagement levels:

- Overall the majority of participants in the sessions were engaged and enjoyed participating, however for some, particularly C2DEs (and a couple of Future Bill Payers) the content and level of information shown again appeared to overwhelm and isolate them despite best efforts to explain content in different ways and pro-actively engage them in the sessions.
- Sometimes the amount of prescribed content upfront to get through left less time for the more engaging and pertinent sections such as feedback on the business plan, optional investments etc. The amount of prescribed information to present made sections of sessions feel more like an education activity.



Limitations of the prescribed research (II)

Research content:

- The general consensus was that there was too much information to digest and that some of this information (the prescribed information) was too wordy and not easily absorbable for all education levels or neurodiverse audiences.

For example:

- An explanation of the role of research with customers in PR24
 - An explanation of how water company performance is monitored
- The comparative company performance on key performance commitments presented a lot of technical information and was especially difficult for customers to understand, in particular the measure of water supply interruptions. While changes were made to the presentation of the figures following the cognitive tests, the underlying prescribed content was dense and difficult to digest.

What was missing?

- Some customers felt that, rather than seeing comparative data, they would have found it more useful to have seen how Yorkshire Water had performed over time and whether it had met its own previous targets.
- Some customers also felt the 6 areas prescribed as the focus for this research were not always the most relevant or pertinent areas of interest to them, particularly disruptions for more than 3 hours and to some extent sewage flooding (customer satisfaction/ service-related PCs were deemed to be more important to some and the Priority Service related PCs for vulnerable customers).



Session attendance and drop-outs

Overall, Non-household customers proved to be the most difficult to contact. To achieve the required numbers, it was necessary to develop our recruitment strategy and reach out to external recruiters. However, this group presented the highest retention rates. Vulnerable customers were the most likely to drop out from the research after the initial confirmation of interest.

Group	No. confirmed	No. dropped out	% drop out	Total Attendance
Household focus groups	68	17	25%	51
Vulnerable Financial depth interview	15	7	47%	8
Vulnerable Health depth interview	12	5	41%	7
FBP focus groups	19	6	32%	13
Non-Household Micro business focus groups	23	4	17%	19
Non-Household S/M/L depth interview	12	0	0%	12



Context

Several events which occurred prior to or during our research which might have influenced the responses...

Cost-of-living crisis starting in 2021:

Starting in 2021, the cost of living crisis has drastically affected the way that a large proportion of the UK population feels about their finances. Many households have experienced a decrease in disposable income and more water customers feel financially vulnerable than before.

News on bill increases and energy company profits:

In February 2023, oil and gas companies were reported to achieve record profits. In this piece of research a significant proportion of Yorkshire Water customers voiced their concerns about the plan's lack of transparency regarding the company's profits. It is possible that the conversation surrounding gas and oil companies' profits has influenced customers to have greater interest in the topic.

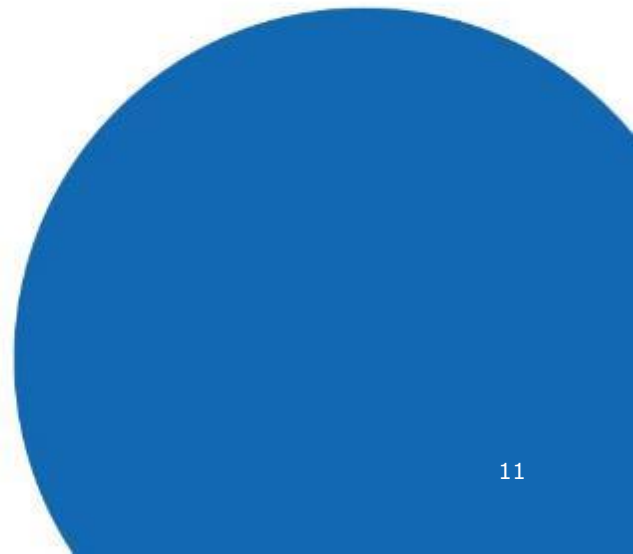
Media coverage of Yorkshire Water pollution and shareholder bonuses:

Media coverage of water companies releasing raw sewage into UK waterways has caused public outrage. Moreover, conversation surrounding shareholder bonuses in the utilities industry greatly affected the customers' views on their water providers.

While several water service provider CEOs declined to accept their bonuses due to poor performance, the sentiment of frustration was still felt throughout the research.

Additionally, while an apology was offered to the public for failures in prevention of sewage spills and promises of further investments were made (£10bn by 2030), criticism sourced from the fact that these investments were funded by customers' increasing bills.

1. Initial reactions to the business and views on Yorkshire Water





Initial reactions to pre-task pack & business plan one pager of the prescribed research

Reactions to the information sent in advance of the groups and depths is generally muted and reactions to the business plan in particular quite neutral overall.

Many participants appear to be quite overwhelmed by the level of content – struggling to articulate views on the information – particularly vulnerable and lower SEG participants.

The one-page business plan needs more context to mean much to customers and the metrics of current performance and targets can be hard for customers to give a view on without seeing these in more context (e.g. without seeing previous years' performance and the general direction of travel).

Despite this, customers often feel the information that is given is presented in the best way it possibly could be, with most challenges being from a content perspective

"I don't know really, there's a lot to take in, a lot of information there. It's hard to say as I don't know much about this sort of thing, I'm not sure I'm the best person to ask about this sort of thing but it seems... OK?"

Financially vulnerable customer

Key areas that stand out for customers:

- Yorkshire Water's comparably poor performance against key performance commitments, which appears to both disappoint and surprise.
- Yorkshire Water's poor performance alongside recent headlines and press coverage around storm overflows and pollution across all water companies appears to often set a negative tone at the outset amongst many participants (especially ABC1s) and it can be hard to move conversations on from poor sentiment.

"I find it surprising that they've failed so miserably on so many things. That, you'd think, what are we paying them for? They're not doing their job right."

NHH Microbusiness



Awareness of Yorkshire Water's activities & responsibilities

Everyone spoken to, including Future Bill Payers, are aware of Yorkshire Water and there appears to be strong levels of awareness around the activities and responsibilities of Yorkshire Water.



One area that customers have less awareness around is Yorkshire Water's education and community activities, which customers view to be both positive and important, especially amongst those who have school aged children.



Many customers are often also surprised to hear that Yorkshire Water is one of the largest landowners in Yorkshire and they see the responsibility to therefore care for and protect the natural habitats within these areas of land as extremely important.



The £1 million investment a day is also surprising and positive to many (although some customers do question whether this is impressive considering the number of customers).

"I question the term improvements, how much of this is progressive and how much of this is catching up after years of underinvestment?"

Bradford HH customer

"Investing one million pounds every day...Well, that depends on what their turnover or profit is, doesn't it? If they're making like five billion, that'd be a drop in the ocean"

NHH Microbusiness

This raises some questions around why this level of investment doesn't appear to be translating into good performance, where these investments are being made and the impact of such investments.





Experiences of Yorkshire Water

Prior to participating in this research, personal experiences and general perceptions of Yorkshire Water were mostly positive, despite perceptions being gradually eroded by current coverage on pollution and to a lesser extent coverage on leakage.

Some customers had experienced isolated supply, leakage or pressure issues but mainly these were dealt with in a speedy, professional and satisfactory way.



Customers often note feeling that Yorkshire Water have in the past been particularly good at notifying them in advance of any planned disruptions and being generally good when it comes to ongoing communications.



Positive personal experiences often make finding out about OFWAT's assessment of Yorkshire Water as 'Lagging behind' particularly shocking to many customers who find it hard to equate that assessment to the service they had received at home.

Some customers did note having variable customer service experiences at times with the knowledge levels and helpfulness of call centre staff varying on a contact-by-contact basis and with inconsistent knowledge levels and willingness to help noted at times.



Business customers, appear to be more likely to have experienced supply or service issues, with issues experienced often having a greater impact on businesses in terms of the level of disruption they can cause (usually relating to drainage and pressure); but overall Yorkshire Water are viewed as being a generally competent and reliable supplier.



General negativity around the privatisation of the water industry impacts perceptions

Attitudes and negative sentiment on privatisation have previously been present when conducting water industry research but are now more prominent in group conversations at (and not just for Yorkshire Water).

Both household and business customers say they are keen for Yorkshire Water to invest more in replacing ageing infrastructure and future proofing of the network.

A re-occurring criticism is that they **believe Yorkshire Water** (as well as other suppliers) **spend too much money fixing and reacting to current issues rather than making longer term investments.**

"You hear so much these days about these utilities companies putting up prices but then making record profits and taking big bonuses. I don't know if that's the case for Yorkshire Water but I assume they are no different."

Health vulnerable customer

Customers (both business and household) generally **do not feel valued by Yorkshire Water**, not because of any mistreatment or personal grievances with the company but **because of the nature in which water companies operate** and the lack of ability to switch supplier/wholesale supplier.

Many businesses are not aware that they have the ability to now choose their water retailer and those that do feel it makes little difference to billing or the service received (which makes looking at switching to different providers of little value).



General negativity around the privatisation of the water industry impacts perceptions (cont...)

Attitudes and negative sentiment on privatisation have previously been present when conducting water industry research but are now more prominent in group conversations at (and not just for Yorkshire Water).

There was also increasing disgruntlement amongst audiences, as the sessions/interviews progressed and it became clear how much Yorkshire Water is asking from customers to support its plans.

Well over half of household and business audiences felt that Yorkshire Water should be paying more out of its profits to fund its plan rather than charging customers for it.

Future Bill Payers are more removed from Yorkshire Water and as a result a smaller proportion strongly feel that more should be invested from profits/shareholders.

"I'm sure the MD on his bonus could probably sort some of these problems out, if he just chucked that money back, it'd be all right."

NHH Microbusiness

"I'll pay my costs as long as shareholders pay double their costs"

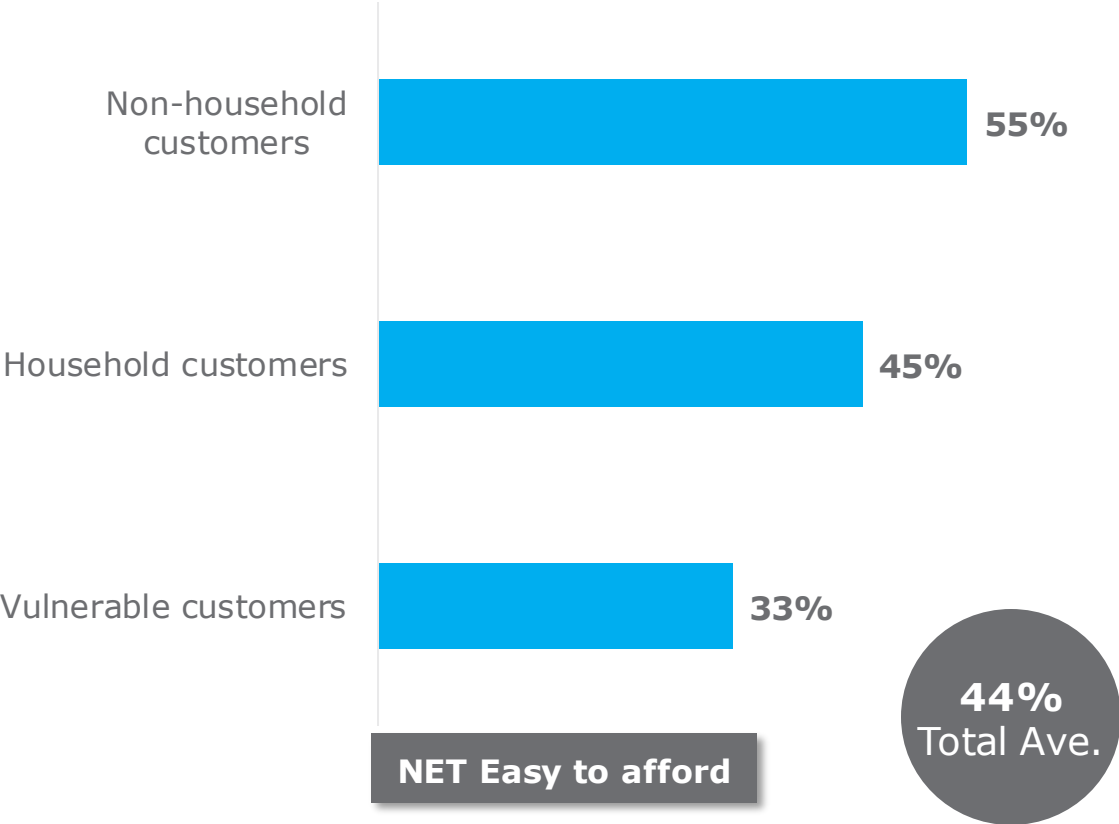
HH Customer Bridlington

"Last year they paid out over £2 billion to bonuses. They're currently up at £250 million in profit, but it's us that we need to sort it out, because they're really struggling . . . and it's like they put these plans up and reading through they're going to do this, and they're going to do that, but they're not doing anything!"

HH Customer Doncaster

Affordability of the current bill (I)

Perceptions of affordability of current bills are variable, with just under half of non-household customers finding current bills 'very / fairly easy' to afford and only a third of vulnerable customers. No vulnerable customers find their water bill 'very easy' to afford.



Value for money scores given anecdotally in the groups often tend to be higher than ratings of affordability in the pre-task; for example mostly higher scores were given in Bradford where net easy to afford was 21%) so whilst perhaps water bills are becoming harder to afford, customers recognise that they are better value and they haven't risen as sharply.

A number of customers note experiencing significant bill reductions after going on a water meter, many of those with the highest bills were un-metered.



Affordability of the current bill (II)

Vulnerable customers tend to rate affordability extremely low, with only a third managing to pay their water bills with no issues.

Both health and financially vulnerable customers voice concern over the potential increase in bills. This is as many of them are already having a difficult time paying their bills.

While this group appreciates that water bills are not as high as gas and electricity bills, many feel that they are already at their financial limit, with a several mentioning that they are in arrears with utilities companies and struggling to put food on the table.

"Because I have gas and electric meters which I top up, I'm very careful what I use and I top up every week; but still things like your internet and everything, it goes up every month and it's like, oh Jesus, I'm going to have to cut down on something else, but you can't. You can only cut down on what you can."

Financially vulnerable customer

"I've struggled so much that most of the time, because of the cost of living and all the cost spikes that are increasing (especially gas and electric and water) every bill is a big expense and the government don't give us enough. Fair enough. They say they give us a living cost for a few hundred pounds, but it doesn't even cover half of what these guys are asking. Not even a fraction... Yorkshire Water should do more to assist people that are in that vulnerable category like myself....Where am I supposed to get the money from? Am I not supposed to eat? Am I supposed to breathe thin air?"

Financially vulnerable customer

Reactions to the breakdown of average daily spend on water

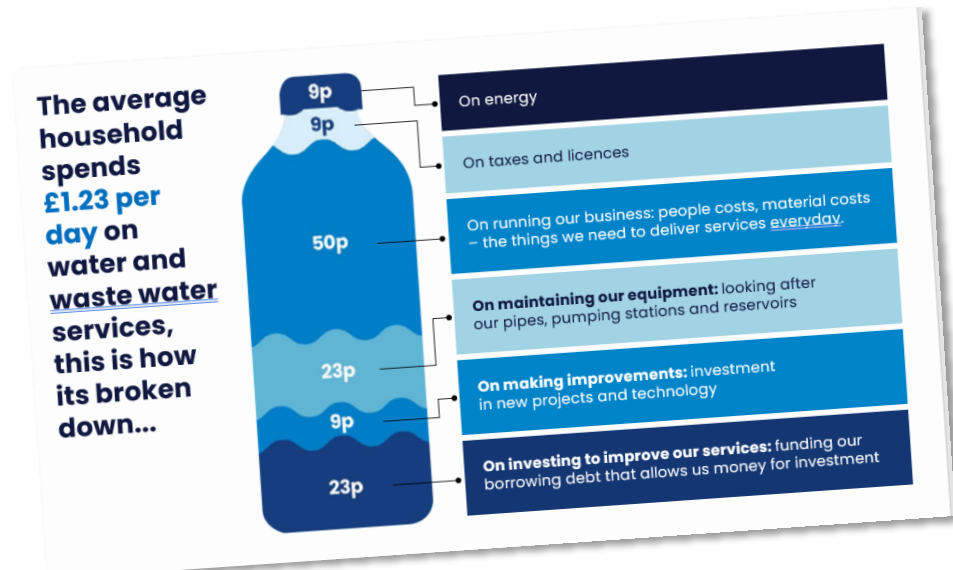
One of the key questions asked by customer upon seeing how the average bill amount is spent each day is **'How much of that goes toward profits?'** This has been asked in virtually every focus group and depth interview. This may be something that Yorkshire Water chooses to elaborate on in the quantitative piece.

It is not clear where profits sit in the chart as it stands and some believe it be the main component of the largest 50p proportion of the chart.

Customers are often shocked (in a negative sense) to learn how much money goes towards paying off debt but customers view the 50p being spent on people and running costs as a positive (so long as this does not include shareholders).

Investing in jobs for people in the region is viewed as important and a potential benefit of to the region.

Many customers feel that the 9 pence on making improvements is not sufficient and should account for a larger proportion of the chart.



"It's helpful to see as it makes you realise how much goes into it all. As a finance director though I do question how borrowing debt can account for so much more than making improvements. I think most customers would hope investments in technologies was higher"

NHH Large business



Household and Non-household finances

The general consensus is that times are tough at the moment and all households (even most ABC1s) are feeling a pinch on their finances and quality of living. Households are having to take greater consideration and notice of their incomings and outgoings and the impact of any bill increases therefore becomes heightened.

Generally HH customers feel that energy and food bills are the worst culprits for negatively impacting finances at the moment. While energy bills have historically been one of the costlier bills, the increase in food costs appears to have really taken many by surprise and has had a particular impact on families with children/teenagers living in the household.

Businesses also report going through difficult times at the moment with raw material costs experiencing high levels of inflation and with consumer facing businesses noticing customers making choices to spend less or cut back on their spending where possible. In addition, a lot of businesses note that they are still playing catch-up and plugging debt accrued during the pandemic.

FBPs were largely unaffected by the COLC but were conscious that their parents or some friends had less disposable income.

Many of these issues are compounded for **Vulnerable customers** who are often noticing a **greater gap between the increasing cost of living and the slower increase in benefits and pensions.**

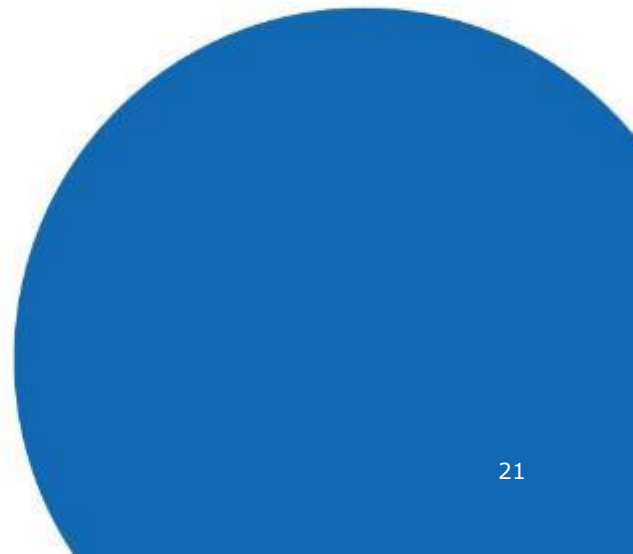
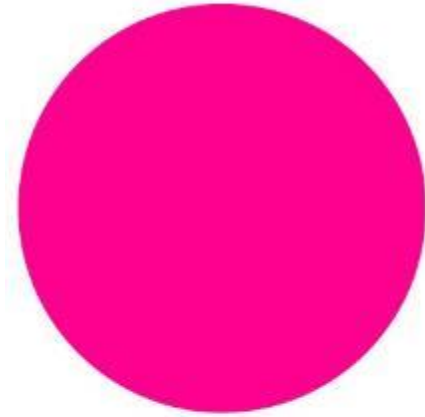
"Things are getting tougher and profits are being cut. Energy bills and material costs are the highest. The water bill is at the bottom of the list, cheap in comparison to everything else."

NHH Microbusiness

Many of the customers (HH & NHH) we spoke to noted often not having to worry about their water bill but because of the impact of price and bill rises across the board they are perhaps more aware and **more conscious of the cost of their water bill than ever before.**

But with many businesses & HH customers facing significant bill increases across the board the **relatively slower increase of the water bills is often viewed positively in comparison.**

2. Yorkshire Water's long-term plan





What customers would hope to see

Ahead of seeing Yorkshire Water's Long Term Plan, customers hope to see more longer term investments made to help secure the reliability and resilience of water supply e.g. investment in more reservoirs and the replacement and upgrading (as opposed to just the fixing and patching) of key infrastructure.

- Customers also mention hoping to see more environmental sustainability in the plans and a greater use of renewable energy.
- HH and NHH customers also hope to see more progress made in terms of reducing leaks. Medium to larger businesses in particular appear to find the wastage element of leaks especially important and a pressing issue to address, as they believe this costs them more as customer in the long term. Businesses also have the biggest concerns about future water supplies and want YW to address this.
- In light of a lot of coverage on this issue recently in the media, tackling of issues relating to pollution and overflows is also frequently mentioned. Vulnerable customers are also particularly interested in Yorkshire Water's plans for managing floods.
- All groups wish to see Yorkshire Water aiming to keep the costs down.

"Being business minded, we're always conscious of waste and reducing any amount of waste of resources in the business, so when you hear about the amount of water that gets lost through things such as leaks it becomes quite frustrating and something I'd hope there would be both short and longer term investment plans for."

NHH Medium business





Reactions to long-term plan

Reactions to the long term plan are mixed and include a large proportion of scepticism and ambivalence. Many customers question the perceived lack of tangible and measurable promises made in the plan. Businesses especially lack enthusiasm for the plan and feel that YW lacks ambition. Future Bill Payers are most accepting.

Customers question **why some of the areas planned for weren't already happening** or hadn't already happened e.g. "we will strive to ensure no environmental harm is caused to the water environment due to the water we abstract".

The perception is that the **content on the slide could be applied to any period of time and doesn't contain anything to hold Yorkshire Water to account for.**

The words '**PR**' and '**spin**' are often mentioned and customers appear to have less confidence in the plan based on Yorkshire Water's current underperformance in a number of key PC areas.

"This could literally be a snap-shot of a generic plan taken from any period of time. It could easily be the same plan they had 10 years ago as there's nothing measurable or specific in there. It seems like a lot of spin to me"

HH Customer Ripon

"Would like to see more about education - provide schools with training or lesson planning from YWAT about water resources, especially from health perspectives."

Health vulnerable customer

It's not what I expect. I think that's just the bare minimum. It's nothing to get too excited about, it's just what you'd expect from a water company.

NHH Microbusiness



What's missing from the long-term plan?

Customers would like to see more quantification in the plan e.g. we currently have x number of reservoirs and plan to build x more by 2050 etc. They would also like to see more evidence around how and when Yorkshire Water will achieve the promises outlined.

Some of the areas mentioned in the plan are felt to be less appropriate as a long term goal and more of an immediate area requiring action e.g. protection against flooding.

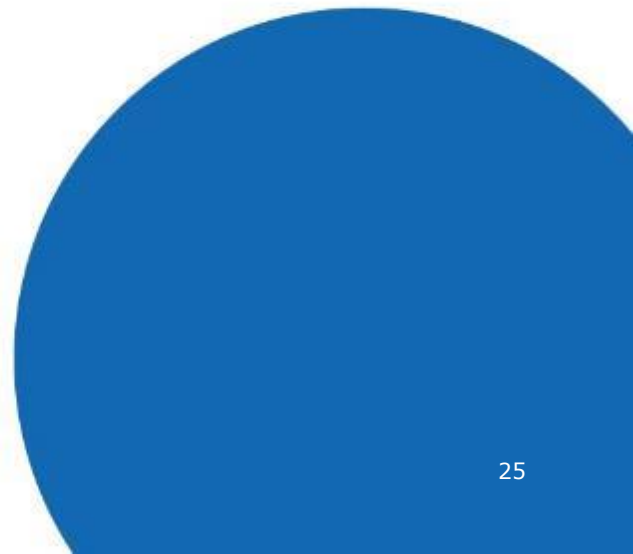
Some areas listed are also felt to be simply 'part of the job' that customers pay for and not a long term goal e.g. 'a service that customers can rely on 24/7 and to put things right quickly if they go wrong'.

Vulnerable customers also question how well promoted and how proactive Yorkshire Water are at ensuring that those that need extra help either financially or through the PSR are made aware of these services. They feel it is not enough to simply offer these services without trying to identify and target those eligible for them.

A number of NHH customers feel that the long-term plan is missing aspects particularly relevant to them as a business, such as improved or more personalised customer service or anything related to tangible day-to-day dealings with or experiences with Yorkshire Water. A number also mention that it lacks innovativeness and reference to future technologies.

The plan is felt to be **strongest in terms of its 'citizen' focussed elements** e.g. protecting and supporting the vulnerable and protecting the environment. It is felt to be weakest from a 'customer' perspective as customers questioned where the money they had already spent on bills had gone and been spent on to date.

3. Performance commitments & comparative performance





Performance commitments and rewards and penalties

Customers appear to really struggle with the system of rewards and penalties and often don't agree with it. While they think that monitoring and policing is important they feel that the current structure for this does not work in the interest of customers.

Customers find it unfair that water companies should get paid more for doing their job well, when that is what they are already paid to do and customers struggle to see how taking funds away from companies helps them to make the investments needed to improve areas they are failing.

Customers question how penalties and rewards make any impact in reality and how they may have impacted their bills and service received to date. They would like to see examples of where Yorkshire Water have been fined or rewarded and what the impact of those measures were on service and bills.

Future bill payers in particular do not feel this system to be fair – they feel that if water companies are fined they have less money to invest in the future services that are more likely to impact the service they may receive in the future. They also question where the money from fines goes to.

Water company performance

As the regulator, Ofwat monitors the performance of water companies against their targets. To encourage them to reach their targets, Ofwat have developed performance incentives.

These can be penalties or rewards:

Penalties: Financial penalties for the water company, applied when the company fails to meet the target set, or if the company delivers much worse levels of service than promised.

Rewards: Financial reward where the water company has over-delivered against a set target (delivering a significantly improved service) or reduced its costs through innovation for example (without impacting on service).

Consequences of poor performance: If water companies are failing to deliver, they will need to address how they are putting things right through a clear improvement plan which Ofwat will monitor.



OFWAT's assessment of YW & comparative performance (I)

All customers and FBPs are generally surprised to see Yorkshire Water as 'Lagging Behind' and the initial picture of this and the areas in which targets are not being met is disappointing.

However, while Yorkshire Water is not meeting targets in 7 out of the 12 areas listed, when customers see performance of other water companies in some of these areas they are sometimes comforted by the fact that **other water companies are often also not performing as well as they could and in some cases much worse. Others disagree, and feel that Yorkshire Water should be able to do better than their current performance.**

"I think just because everyone else is doing as bad, it doesn't let Yorkshire Water off the hook. "

NHH Microbusiness

The information seems to build up a picture of **targets appearing to be set at a level where most companies are unlikely to meet them.**

Many customers find it hard to resonate with figures from companies in other areas and sometimes question the relevance of seeing them in such detail. **Customers suggest that a simple ranking and more information on YW's historical performance would be more pertinent.**

"It's difficult to get a like for like, isn't it, really? "

NHH Microbusiness



OFWAT's assessment of YW & comparative performance (II)

Key feedback on comparative data includes:

- The **amount of leakage generally is quite shocking for customers** and they feel the target is set high (i.e. allow too high an amount of leakage). They also question how water companies can accurately measure the amount of water truly lost.
- The amount of time without water reflects badly on most companies listed and customers feel YW's performance is at least better than some.
- Customers are often particularly surprised about complaints around the taste and smell of tap water as they often associate Yorkshire as having some of the best water in the country, so perhaps that leads to more contacts due to any deterioration being more noticeable.
- Customers can understand that there may be other factors at play outside of Yorkshire Water's control when it comes internal sewage flooding but still find the levels too high.
- While Yorkshire Water are not the worst offenders they generally find **not meeting targets on pollution inexcusable**.

"It said a lot in the last slide about working for the environment, but then they're performing negatively in the pollution. So it's a bit, I don't know."

FBP Sheffield

"They shouldn't be doing as good as everyone else, they should be better"

HH Customer Bradford

"I don't think that really tells us a story, because I think until, unless you know the volume of that spill, you don't really know"

HH Customer Ripon



Performance commitments of focus in the research







There is also some scepticism around the key areas identified by OFWAT that are covered. Some, like leakage and pollution, match up with what they want to see improvement against, but others like time without water and contacts made about quality don't seem as pressing to many based on the way that they are measured by OFWAT.

The way in which time without water is measured is quite intangible and hard to comprehend, as many customers will never have a disruption and others, but usually very few, may have disruptions lasting days which isn't well reflected in the way it is measured.

When asked which are the **most important areas that they would like YW to focus on, pollution and leakage** are of most interest, mostly because of the poor performance currently, sewer flooding inside of properties. Water supply interruptions falls under the radar because of the way it's measured, even though NHH customers in particular see this as an important area.

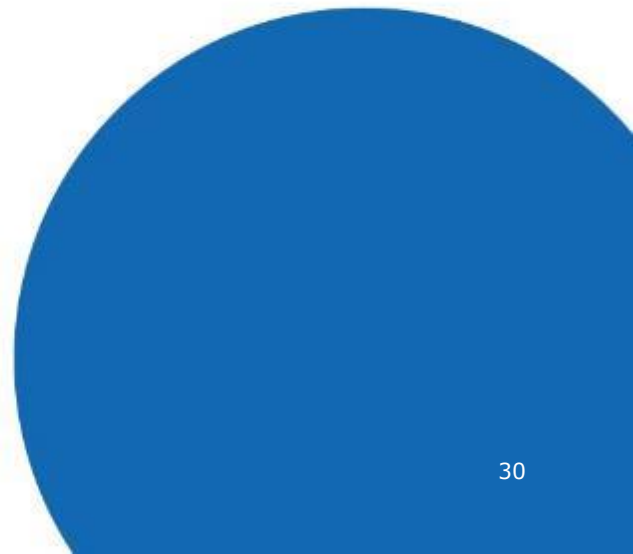
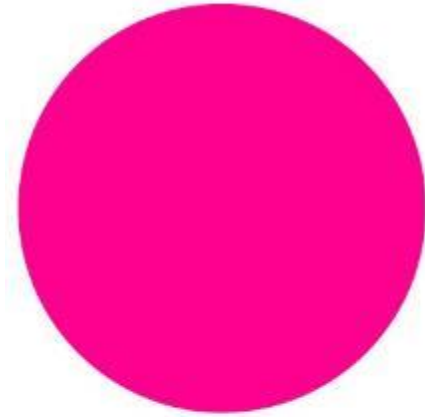
As YW are performing so well on external sewer flooding, this is deemed as a lower priority.

Priority service areas for PR24

Water supply interruptions without warning, for longer than 3 hours	The appearance, taste and smell of tap water	Sewage flooding inside properties	Sewage flooding outside properties	Reducing leaks	Pollution of rivers & bathing waters
					
Measure: average no. of mins that water supply is lost across all properties	Measure: no. of contacts per 1,000 customers	Measure: no. of incidents per 10,000 properties	Measure: no. of incidents per 10,000 properties	Measure: no. of litres of water lost per property per day	Measure: no. of incidents per 10,000 km of sewer
Current performance: 10 minutes 38 seconds	Current performance: 1.09	Current performance: 2.83	Current performance: 19.52	Current performance: 122.91	Current performance: 27.36

This is possible because of the way OFWAT measures and presents these areas

4. Yorkshire Water's business plan & acceptability





An overview of feedback

There are mixed views on Yorkshire Water's short term business plan. Generally while the targets set seem (mostly) reasonable, Yorkshire Water struggles to shake off poor sentiment around current underperformance in key areas which results in some doubt over Yorkshire Water's ability to deliver what they promise.

Overall ABC1s, FBPs and often NHH customers, in particular, appear to often want to see more detail on each aspect of the business plan and they want to see more detail around how the targets given relate to previous 5 yearly performance figures (again this is related to research design & stipulations).

C2DEs appear more accepting of the plan and can sometimes struggle to articulate how it could be improved or how to scrutinise the plan in any depth.

Vulnerable customers tend to feel more positive about the plan. While there is some concern sourcing from the lack of performance figures, most feel satisfied with the targets and objectives set.

"Yorkshire Water have the right intentions but without knowing more specific details how do we know they have the capacity or the resources to fully carry out all these changes?"

HH Customer Ripon

"I wouldn't mind if they took a little longer to get to the targets because it seems like it's a big job. A big ask. So if you want to do all these big things, I would give them perhaps a little more time just to get it just right."

Financially Vulnerable Customer

There is a general sense (across the business plan slides) of scepticism of any performance targets and Yorkshire Water's ability to meet them based on current performance.

Water supply interruptions (I)

Some view this objective as unimportant based on the way it is measured, with bigger problems to worry about.

- Customers would like to see how, if any, previous investments have helped in this area. Overall the reduction of around a tenth by 2030 seems reasonable (again related to research design and stipulations).
- They'd also like to see what the performance was pre: 2023 to gauge how realistic YW's targets are.
- This is not an issue that any of our respondents to date have experienced (not for over 3 hours without warning) so it is a hard performance commitment to relate to for most.
- Given that the measure appears so susceptible to natural disasters and unexpected events (as noted in the description for not meeting the current target) there is a feeling that targets may easily not be met due to unforeseen circumstances and therefore have doubts in the feasibility of the targets set.



"They're all quite relevant and water supply interruptions without warning for longer than three hours... sometimes that's unavoidable."

Financially vulnerable customer



Water supply interruptions (II)

- Health vulnerable customers are highly dependent on the reliability of water supply for medical reasons. Most quote this as a priority area. However, most have not experienced unannounced water interruptions, and are comforted by the support that the PSR provides if such an incident was to occur.
- Reliability of water supply is one of the most important service areas for non-household customers. Without water processes stop or customers or staff must be sent home.
- However, this performance isn't deemed as one of the most important or one which needs stretching further. This is largely due to the way the target is portrayed in minutes.

"Does it seem realistic? I'd hope so, it's nine minutes, literally. But then again, their current target is six minutes, or whatever it was. Yes, six minutes and eight seconds and they're missing that already. But again, that's just a difference of four minutes. I don't understand why it's such a big deal.

NHH Microbusiness

"It's probably not going to work out how they want it to work out. because they've missed their target already. So, it's not like they've hit their target and they're going to keep improving. They need to hit a target first, don't they, before people are going to believe in what they say"

FBP Sheffield

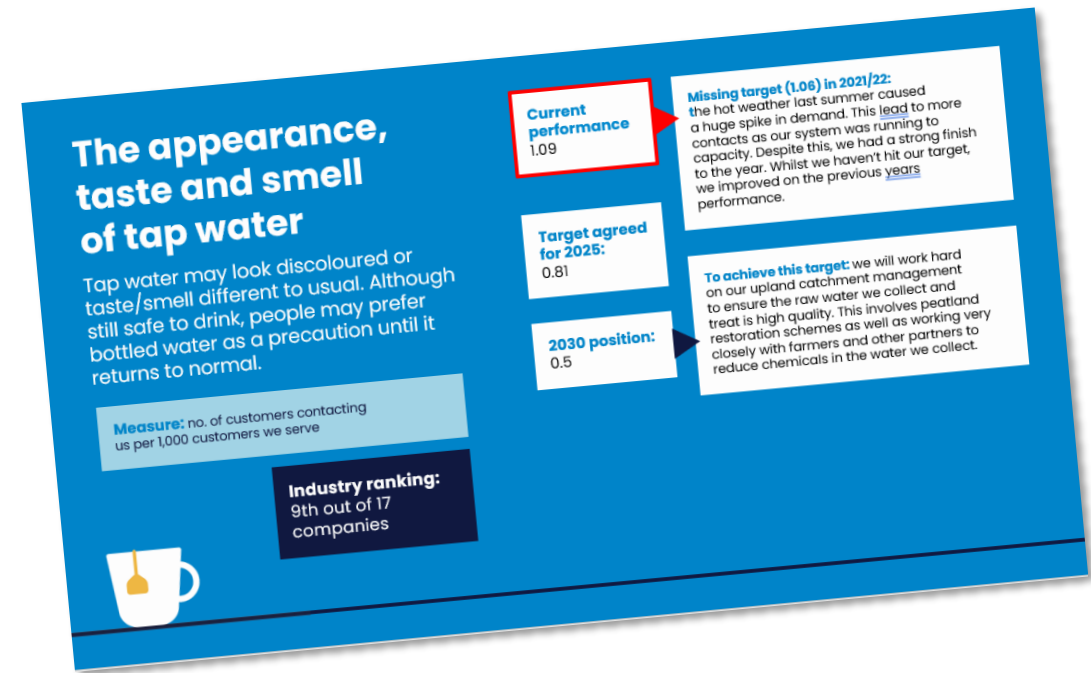
"What was it before then? So, have they actually improved to get the current performance of 10 minutes? What was it before, 15 minutes 30 seconds? Because that doesn't tell us anything, really, does it? It's saying what they're going to do, but what was their previous performance?"

HH Customer Donacaster

Taste, smell & appearance

A general view is that customers in Yorkshire have decent quality water and fair better than other southern regions.

- They feel that the wording is poor 'we will work hard'. Should be more objective than subjective.
- Some feel that this is probably quite a localised issue and that this may only be relevant/important to certain areas of Yorkshire.
- Customers don't always understand why hot weather resulted in the missed target and this feels like a bit of an excuse to many. Customers also note that weather is likely to get progressively hotter with global warming so have concerns that this may impact the stated targets.
- A significant minority want to know how they could be expected to know if this target is achievable without the data from previous years.



"I guess if we could see that it was 10 or 12.09 in 2015. this is how far you have come, absolutely and completely achievable, and given the work that you've done before, but they're just making you look at these arbitrary figures..."

HH Customer Bridlington



Taste, smell & appearance (II)

- The taste, smell and appearance of water is less important to a lot of businesses (unless it's fundamental to them) and that fact that YW is just lagging and that the issues seem regionalised, leaves businesses relatively passive about YW's performance and targets.
- Businesses are mixed in their views around whether Yorkshire Water is doing enough to address this given predicted hotter summers.
- Future bill payers couldn't really relate to the approach to achieving the 2030 target (how does it help?).
- Vulnerable customers feel that providing clean drinking water for their customers is Yorkshire Water's key responsibility, but most have never had issues with their water quality, and like other groups, feel that the target is based on a subjective measure.

"A water company should be able to cope with the hot temperature. Need to be more proactive with resilience"

NHH Microbusiness

"They probably need to do more, I mean, capacity when the weather's hot and they're saying that the weather's only going to get hotter. I'm guessing that they need more places, more treatment plants, and they need to invest in the infrastructure a bit more but yeah."

NHH Small business

"No, I think if it's 1.09% of 1000 customer, it's not very many. So, if it's only 1 per 1000 people, I don't think that those are very high. I would've thought if there was a problem with the taste of the water or whatever, it would affect everybody down the street surely if it was an environmental thing. So that's not very many, is it? And you always get somebody that's going to complain about something, don't you?"

Health vulnerable customer

"All sounds beneficial to the natural environments. So for them reasons I would say that that's a really good way to try achieve their targets."

NHH Small business

Sewage flooding inside of properties (I)

Some customers appreciate the honesty around YW stating that the targets are set unrealistically high at the moment; others find this to be a poor excuse.

- Some customers suggest that YW could perhaps learn from other water companies currently meeting their targets in this area.
- This is generally felt to be an important area to focus on and try and get right as it is viewed as an awful incident to happened anyone. Although some do question how much of these incidents are related to sewer misuse by customers themselves.
- Some customers get the impression from the explanation around targets being set too high that YW may not be taking the issue seriously enough. A few customers appreciated YW's honesty here, some even expressed sympathy for YW's position but overall this approach did not go down favourably with customers often using the phrase 'cop out'.
- The ways and means in which Yorkshire Water say they will make the reduction seems reasonable; some customers do accept that there can be an element of sewer misuse involved and so feel that education is important.



"Justifying why they are underperforming by saying the target is too high. Not sympathetic don't think its justified to say not achieving because the target is too high"

HH Customer Bradford



Sewage flooding inside of properties (II)

- Vulnerable customers are generally satisfied with the targets set for this area, especially appreciating the efforts to improve the piping network and capacity, and several point out the importance of education of the public regarding what can or cannot be put down sinks and drains.
- Businesses feel that Yorkshire Water should be doing more when it comes to sewer flooding. It's currently lagging and they feel that the 2025 target is unachievable and more should be done to address this.
- Similarly, they feel that the 2030 target isn't stretching enough, but do accept there's a level of responsibility on customers to behave in a slightly different way as well.

"I think that's brilliant. I think that's what they should do. I think the old mains cannot be... I'm guessing the capacity that they need to be with all the new housing that's gone up over the last 20-30 years anyway. So, I think as long as they keep improving that then things should get better."

Health Vulnerable Customer

"I know that in some places who is still got Victorian piping. So it's, you know, it's about getting things up to date and moving things forward. And again, I actually think that...I've said it three times now, I think about the education, getting out to the local communities, there's going to be somebody there that knows what to do and how to do it, and probably have a better idea."

Health Vulnerable Customer

"It's two years away that this target's set for and they're already saying there's no chance that we're even going to get anywhere near it. They could do something; they've got two whole years. They could try and put a bit more effort in"

NHH Microbusiness

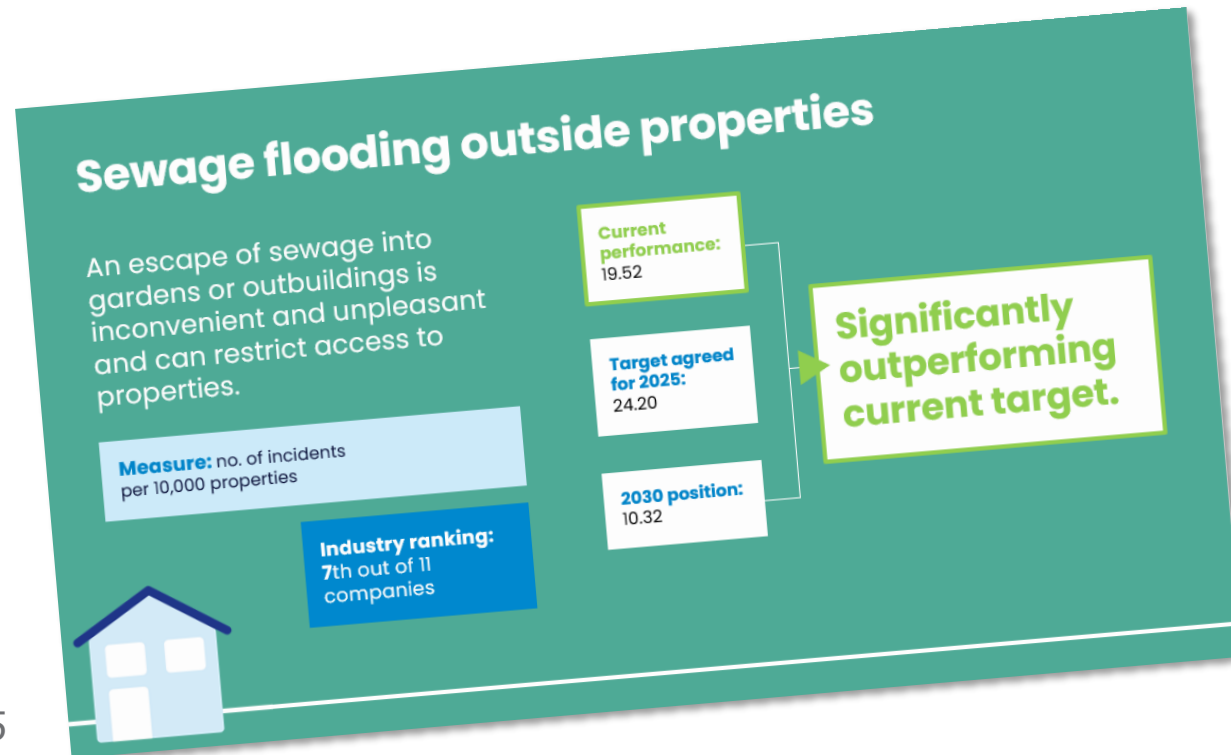
"They should really strive for the best, not relative to where you are now"

NHH Microbusiness

Sewage flooding outside of properties (I)

Customers generally feel performance in this area is already positive and appreciate seeing an area where performance is strong.

- Some question whether or not Yorkshire Water benefitted in this area due to geographical/structural reasons and the nature of properties in the region (in the same way it is at a disadvantage for internal flooding).
- Some would like to know why Yorkshire Water are outperforming in this area – is it through something innovative/different that YW are doing? Or just luck/things outside of YWs efforts and control? Any learnings that can be applied to failings?
- Customers have mixed views on the poorer target for 2025 than current performance. Many believe the target is set far lower than what YW expect to achieve so that YW can again be seen to significantly exceed the target.



"Hopefully they're going in the same direction and it keeps improving, but looking at their other ones, maybe they've had a good year for that one. They just struck lucky?"

FBP Sheffield



Sewage flooding outside of properties (II)

- As a result of already high performance some customers (especially NHH customers) question whether this should be a priority for investment.
- Vulnerable customers especially view this as an important area of priority and continuous improvement, and a key aspect of service. They are largely motivated by the concern over the destructive nature of both internal and external flooding.

"The flooding, that's really important. They need to get on with that. Put a lot of effort into the flooding because people have lost their homes, properties and all that. I can't imagine what they went through. That must have been horrible and then to have it done again a few years later, it must be absolutely heart-breaking."

Financially Vulnerable Customer

"I mean that's great, it's really positive to see that. It does look like they're hedging their bets a bit on the targets"

NHH Large business

"It literally says that they're significantly outperforming at the moment. So, why would they add so much extra pressure to make them do amazingly, outstandingly, superb fandabby-dozy in 2030 when they could be putting their energy into areas that actually need it"

NHH Microbusiness

"To be honest, somebody's garden or outbuildings flooding doesn't affect the day to day running of a business and a life. We can still survive. So, it's not an important one. It is important, but not as important"

NHH Microbusiness

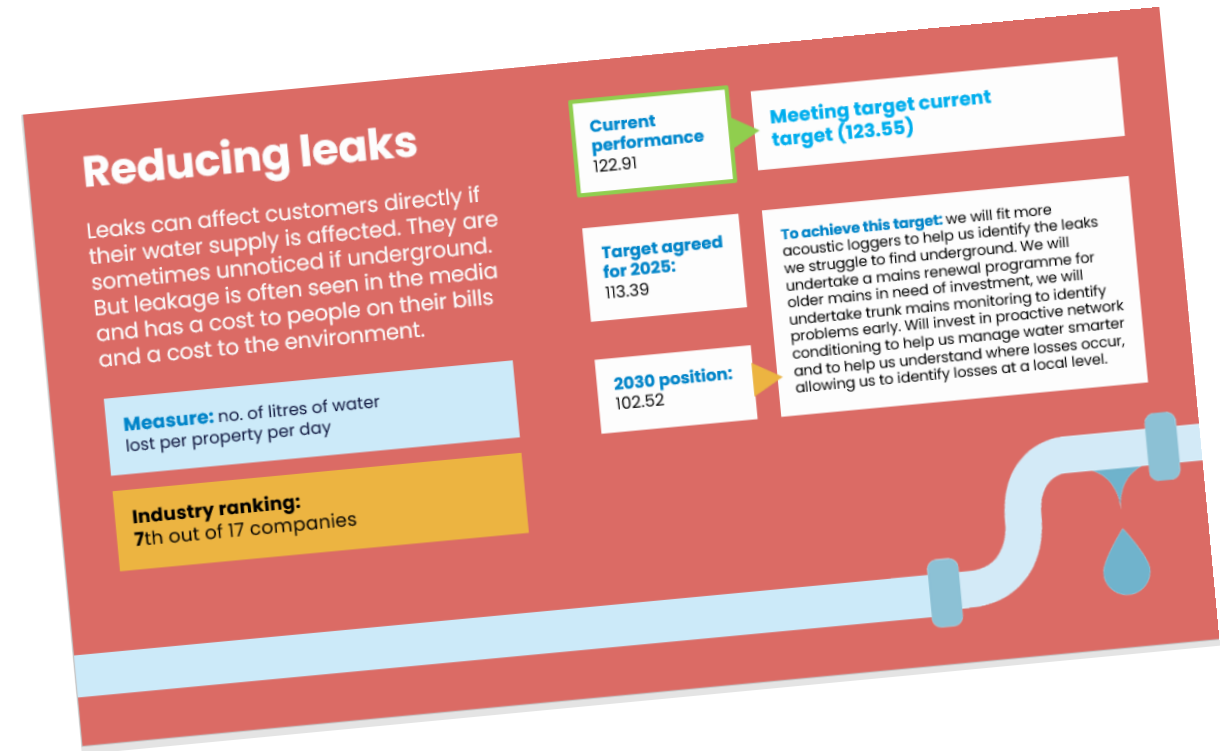
Reducing leaks (I)

Customers feel this is an important area to tackle as they believe in the long term this impacts their bills (especially vulnerable customers).

- The level of wastage frustrates customers (particularly NHH customers).
- A number of customers attribute leaks to perceived previous lack of investment to upgrade and replace pipework and infrastructure.
- Some question exactly how Yorkshire Water can effectively monitor and measure leakage at the moment.
- Some customers want more information to better quantify the problem e.g. how many kilometres of pipework there are in Yorkshire, how do the number of litres lost per day equate as a percentage of total litres used etc.

"Regardless of whether they meet their targets or not a lot of water is still being wasted!"

NHH Large business



"What I want to know about this is I'm on a water meter. How would I know? That I've got a leak if it's underground and I'm paying for this water, how would I ever know?"

Financially Vulnerable Customer



Reducing leaks (II)

- There is general acceptance around the plan for meeting targets and the methods proposed, some do question how much these methods have been used previously and if not why not.
- Even if targets are met, the levels of leakage are still noted to be too high for most customers and many (especially future bill payers) feel that this target should be more stretching, but question whether YW would meet it.
- Some vulnerable customers are concerned about the personal costs associated with undetected water loss, especially when on a meter.

"What they're saying that they're going to do seems good, but without knowing industry specific information about other companies and what exactly they can implement, I can't really say if that's the best policy or not"

NHH Medium business

"I've just done a calculation, because I had to provide my annual water consumption to Yorkshire Water recently and it was roughly 60 cubic metres per year, for the year, and I've just worked out that that works out, per day, at around 164 litres that I've used that they're saying that their current position is that I use 164 for my house, but they lose 122. There's not that much difference between what I use and if you think of what we all then use, right, that's a hell of a lot of reservoirs"

HH Bridlington

"They're only aiming to lose 20 litres over that period. Am I reading that right? So, only 20 litres. That's four bottles of water, isn't it?"

NHH Microbusiness

"At this rate, correct me if I'm massively wrong, but I think we'll get to zero in about 55 years' time. That's not very good, is it? We'll probably be dead by then!"

FBP Sheffield

Pollution incidents (I)

Often a key area of focus and currently a bone of contention for many customers. Customers generally feel performance in this area is not good enough.

- Reasons given for missing this target are described as “inexcusable”.
- Customers often feel that targets here should be stricter and more ambitious.
- They also feel there should be greater penalties in place for underperformance.
- The reasoning given around regulatory changes making targets harder to achieve does not sit well with customers.
- There is general acceptance of the ways and means Yorkshire Water propose to help tackle the issue although some customers and FBPs want more context.
- **The main thing for customers is to see occurrences almost, if not mostly, eradicated entirely.**



“Can you Google how many kilometres of sewer Yorkshire Water has? If it's 10 million, then it's not much, but if it's 20,000...”

FBP Sheffield

“Pollution levels are a big concern and it's good to see that being addressed in the plan, especially as the pollution in local rivers is so high”

HH Customer Ripon



Pollution incidents (II)

- Pollution, whilst not important to many NHH customers from a business perspective, is important to a lot of NHH respondents personally.
- For these respondents, YW is not doing nearly enough to tackle this issue, and several would like more to be done on educating customers.
- Whilst NHH customers want more to be done, they are sceptical given YW's current performance.
- Most vulnerable customers find this area to be a big priority, primarily due to environmental concerns, but many are also concerned about the health and safety of the bathers swimming in public waters. Most feel that the objectives set out by Yorkshire Water to improve this target are satisfactory, but like NHH, some are sceptical of Yorkshire Water due to current performance.

"The small sentence at the end 'help our customers in understand their role in reducing pollution'. That doesn't seem to be like a huge focus and on purely going off of, you know, the small number of words used to describe it. Whereas I think that could be"

NHH Medium business

So, they've got a year and a half to drop it to 19.5. They're never going to achieve that. It's absolute garbage. If they can't achieve it now and it's increasing, how are they going to get down there?"

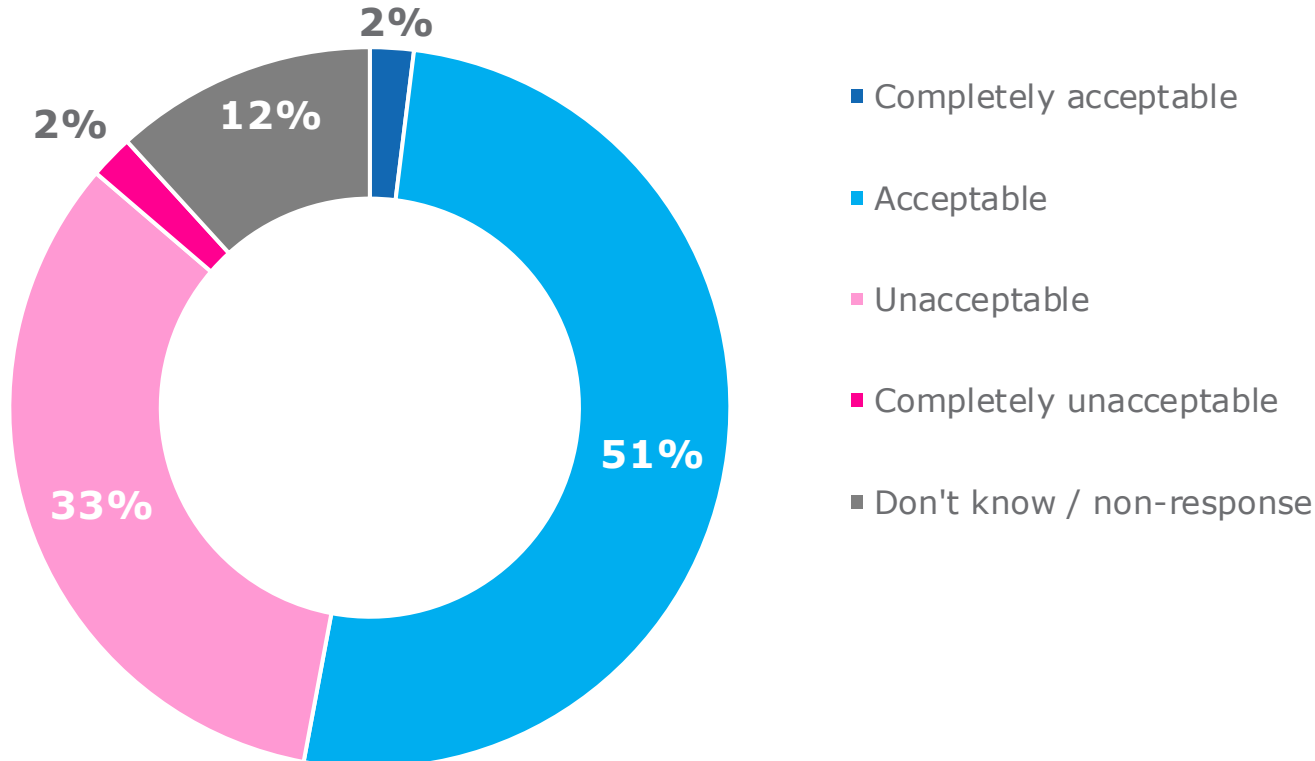
NHH Microbusiness

"You know, it's ridiculous that people can't bathe at a beach of the natural sea because the pump companies are pumping sewage out. So, yeah, this angers me quite a lot but, you know, at least they're trying to do something. But I think Ofwat should be bringing it down to a much lower position"

NHH Small business

Acceptability: Household customers

More than half of the household customers (53%) find the plan acceptable and just over a third find it unacceptable.



"Billing for tomorrow because of today's poor management."

HH Customer Bridlington

"In comparison to other increases this is manageable and I trust the company is accountable."

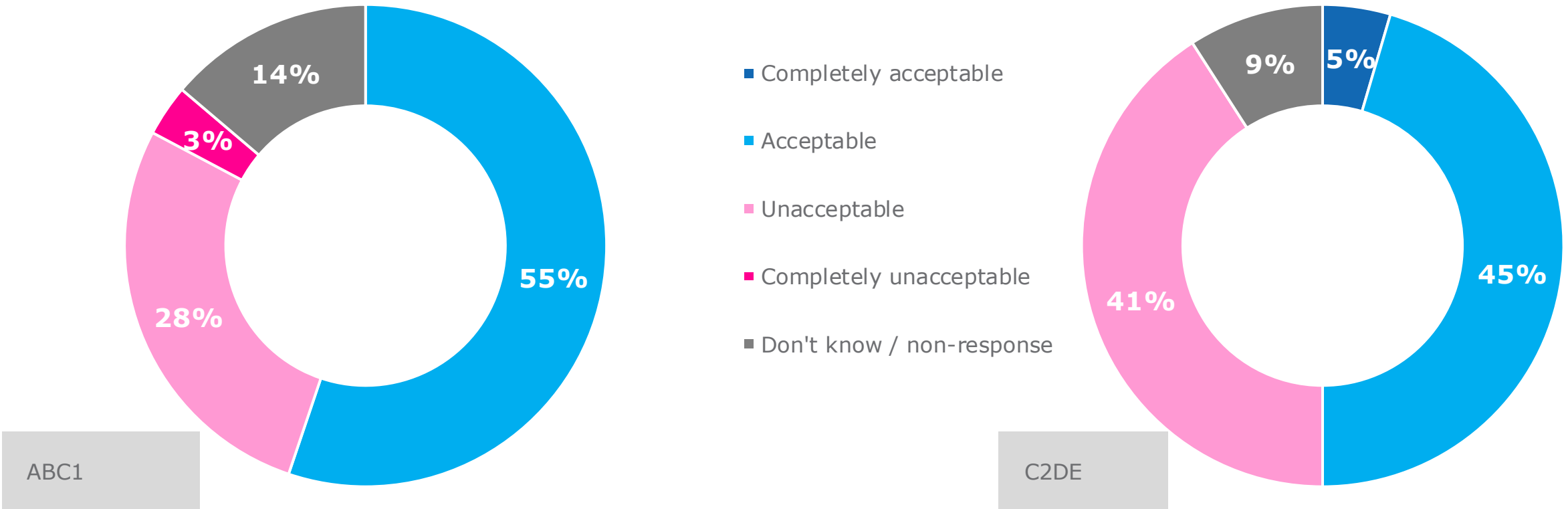
HH Customer Ripon

"There is nothing to compare it to. We can't shop around for other water companies, it is what it is. They have to do what they need to hit the targets and we pay the cost."

HH Customer Doncaster

Acceptability: Household SEG ABC1 vs. C2DE

Overall, 55% of the ABC1s and 50% of the C2DEs find the plan NET acceptable.



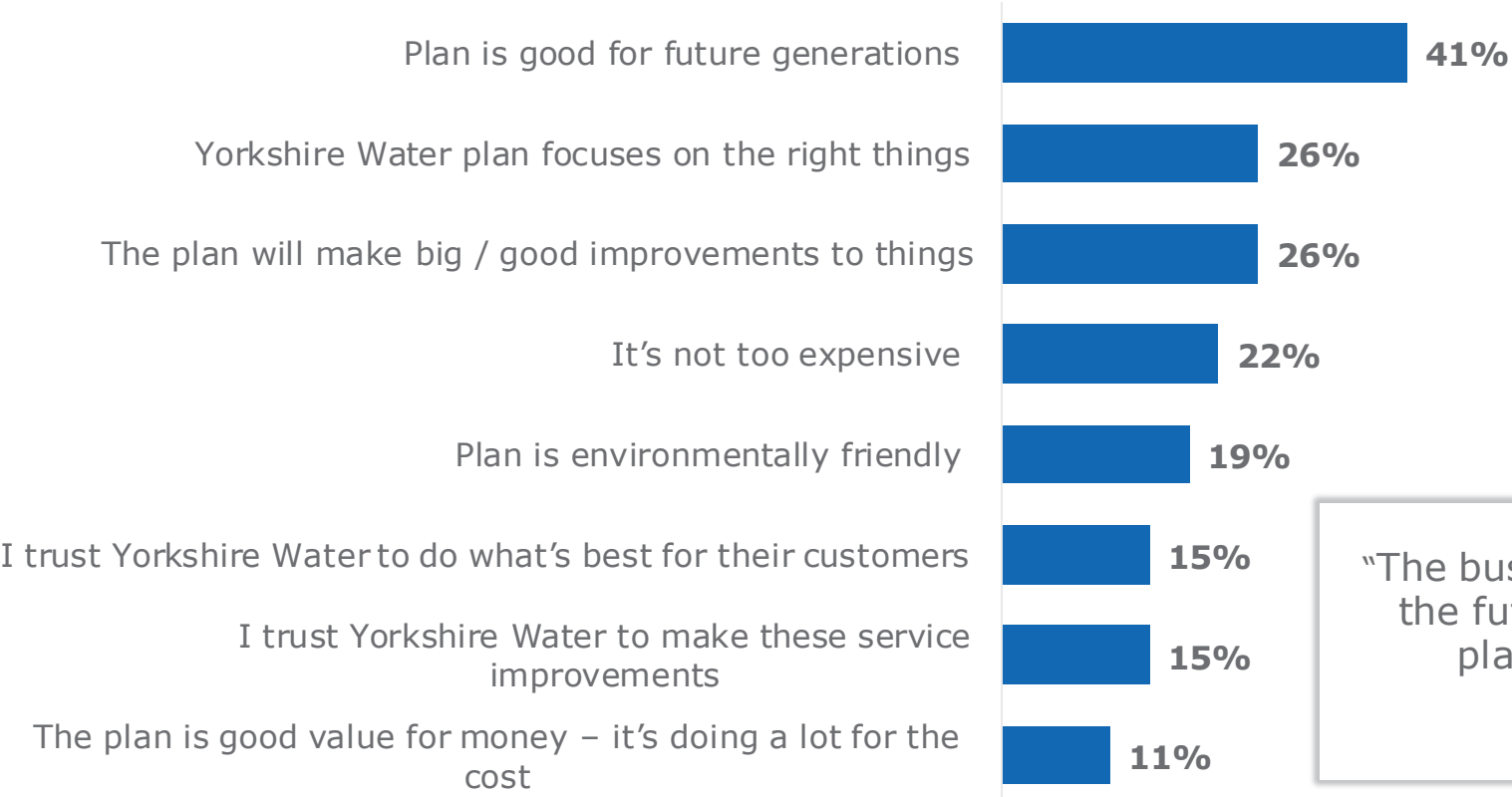
ABC1

C2DE

Caution with analysis – base sizes are low

Acceptability: Household customers

Key drivers of **acceptability** is that the plan is good for future generations, focuses on the right things and will make good improvements.



ABC1 customers in support of the plan state that it focuses on the right things (6 of 16), will make good/big improvements (6 of 16), and is good for future generations (6 of 16).

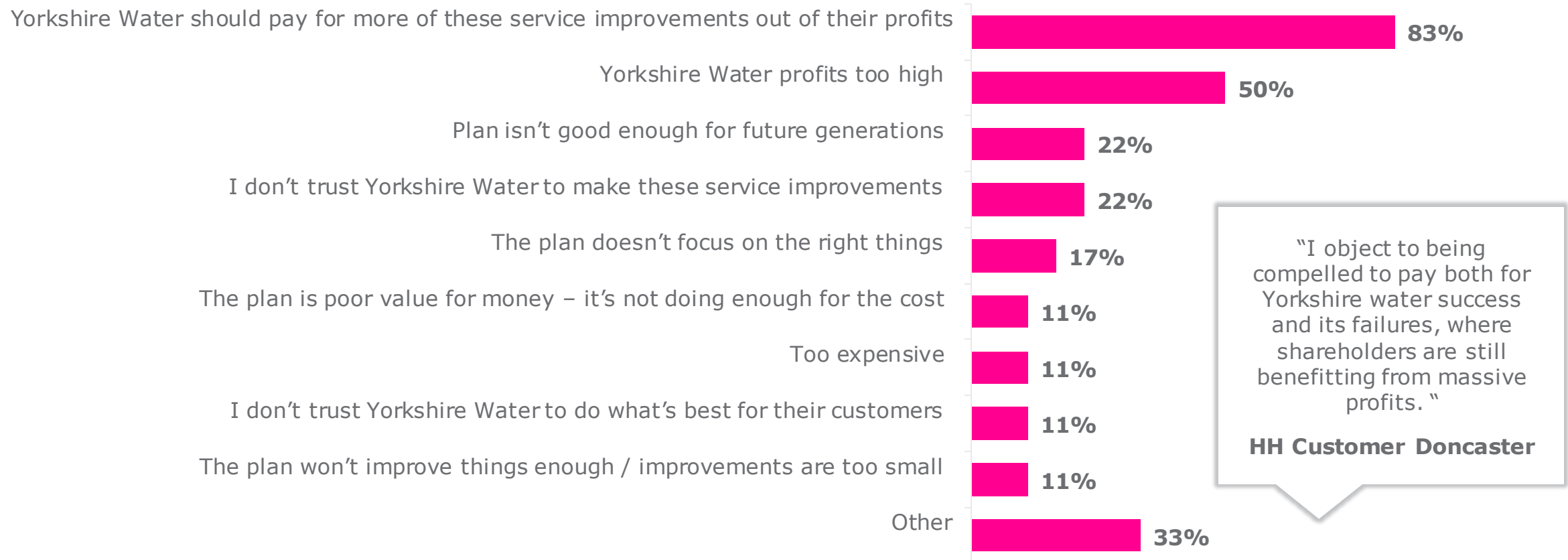
C2DE also think that plan is good for future generations (5 of 11) and think that the plan is not too expensive (5 of 11).

“The business plan looks to improving services in the future, if targets can be reached then the plan looks good for future generations”

HH Customer Bridlington

Acceptability: Household customers

The main driver of **unacceptability** is that Yorkshire Water should be paying for these improvements out of its profits, followed by profits are too high. Nearly all C2DE customers who find the plan unacceptable and 7 of 9 ABC1 customers, think that YW should pay for service improvements out of its profits.

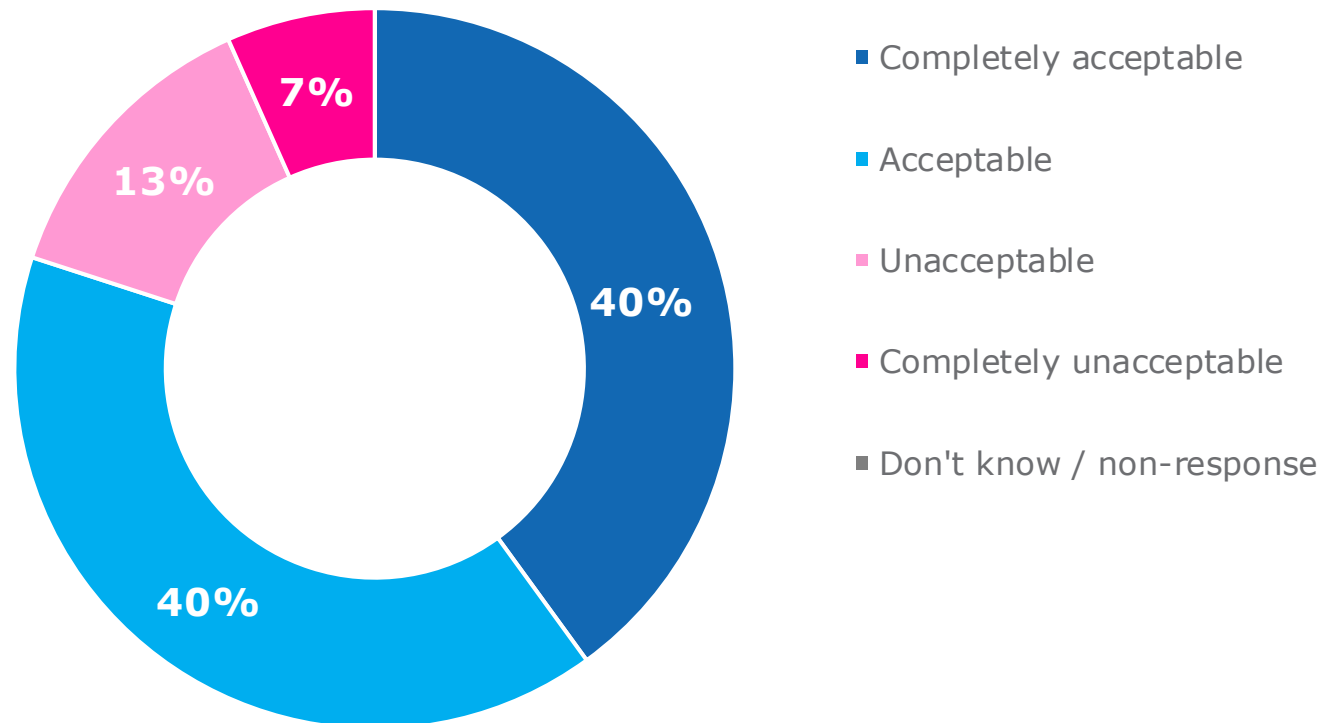


Caution with analysis – base sizes are low

Base: All HH respondents stating the plan is unacceptable (18) Post-task **Q03a** You said that the proposed business plan is completely unacceptable or unacceptable...Why do you say that?

Acceptability: Vulnerable customers

Overall, vulnerable customers are satisfied with the plan, with 80% of the customers finding it NET acceptable, the highest of any audiences.



"Oh, I have no worries. I think everything they've outlined is sensible and essential."

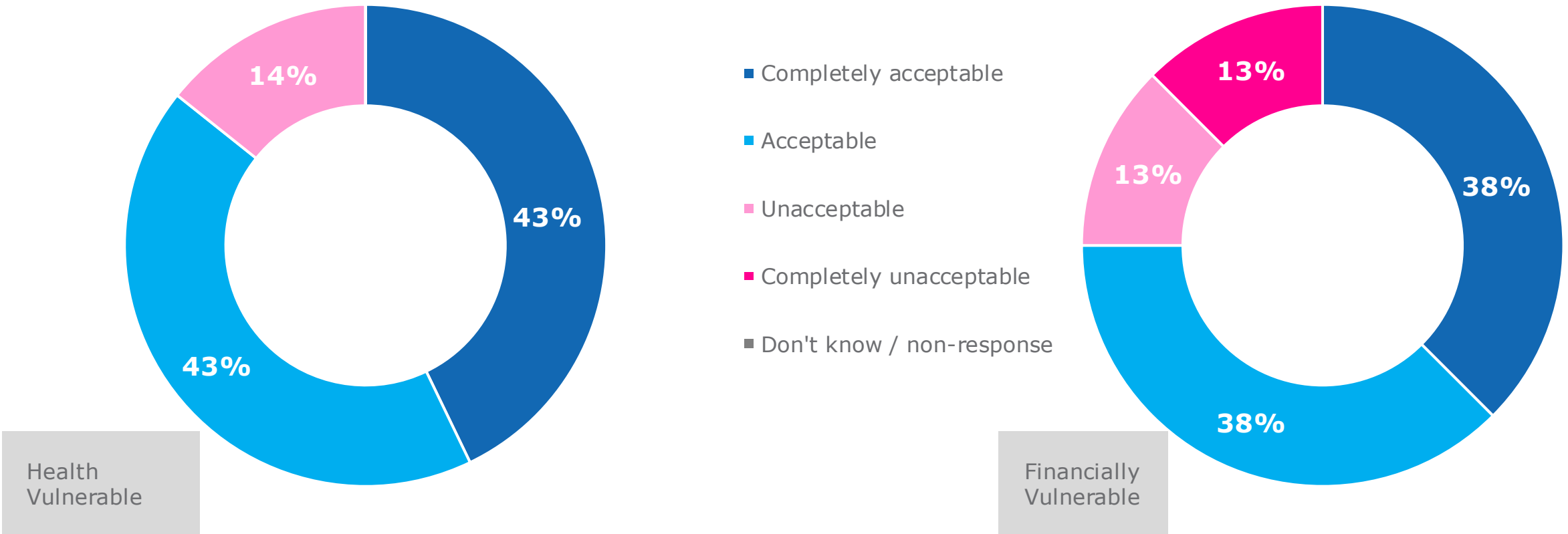
Financially vulnerable customer

"That's a completely acceptable cause. At least they're trying at the end of the day to make it better for the customer. And as long as they're supporting the customers and working with the customers - That's the best thing to do."

Financially vulnerable customer

Acceptability: Vulnerable - health vs financial

Customers with health vulnerabilities find the plan more acceptable than those with financial vulnerabilities (86% net acceptable vs. 76%).

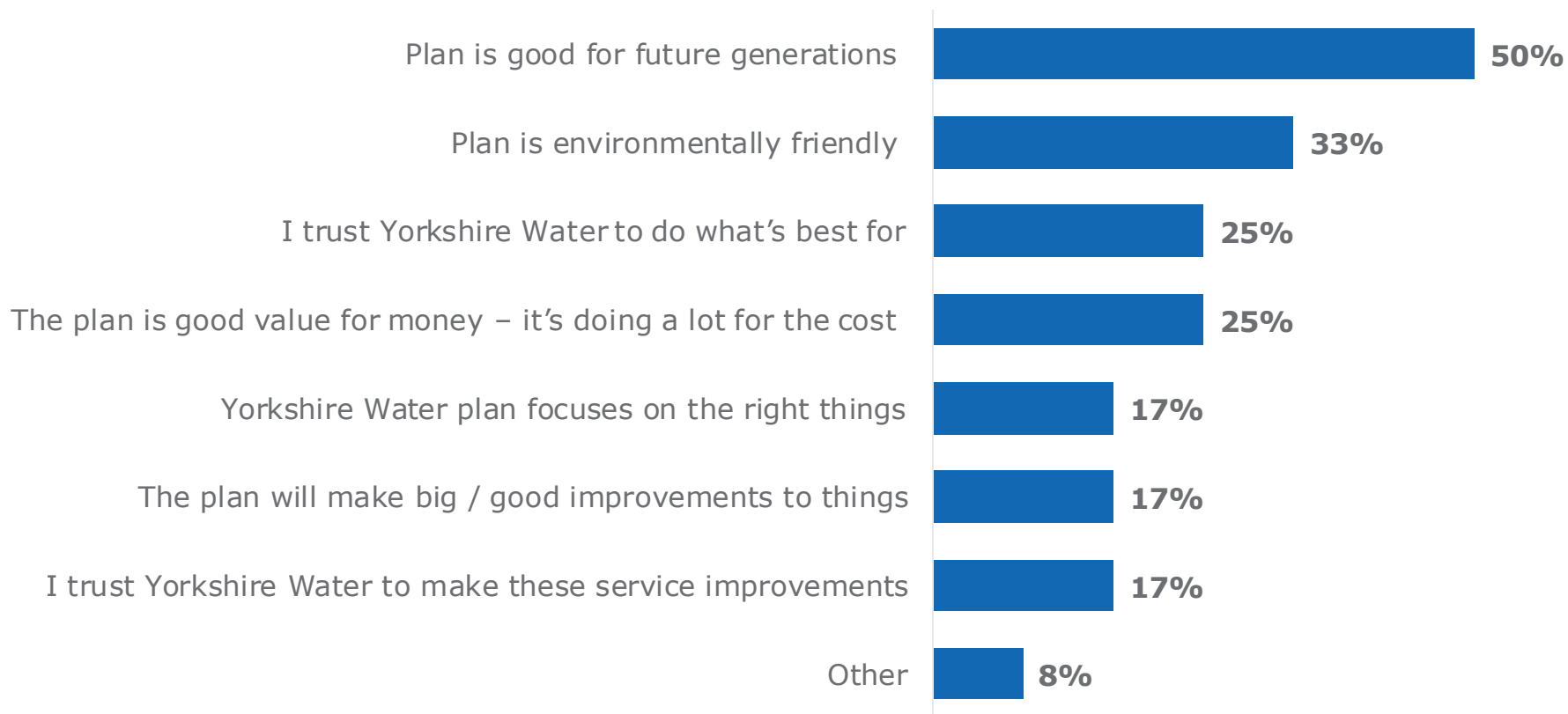


Caution with analysis – base sizes are low

Base: Health Vulnerable Respondents (7); Financially Vulnerable Respondents (8); Post-task Q03 Based on everything you have heard and read about Yorkshire Water proposed business plan, how acceptable or unacceptable is it to you?

Acceptability: Vulnerable customers

Drivers of **acceptability** are that the plan is good for future generations, followed by the environment.



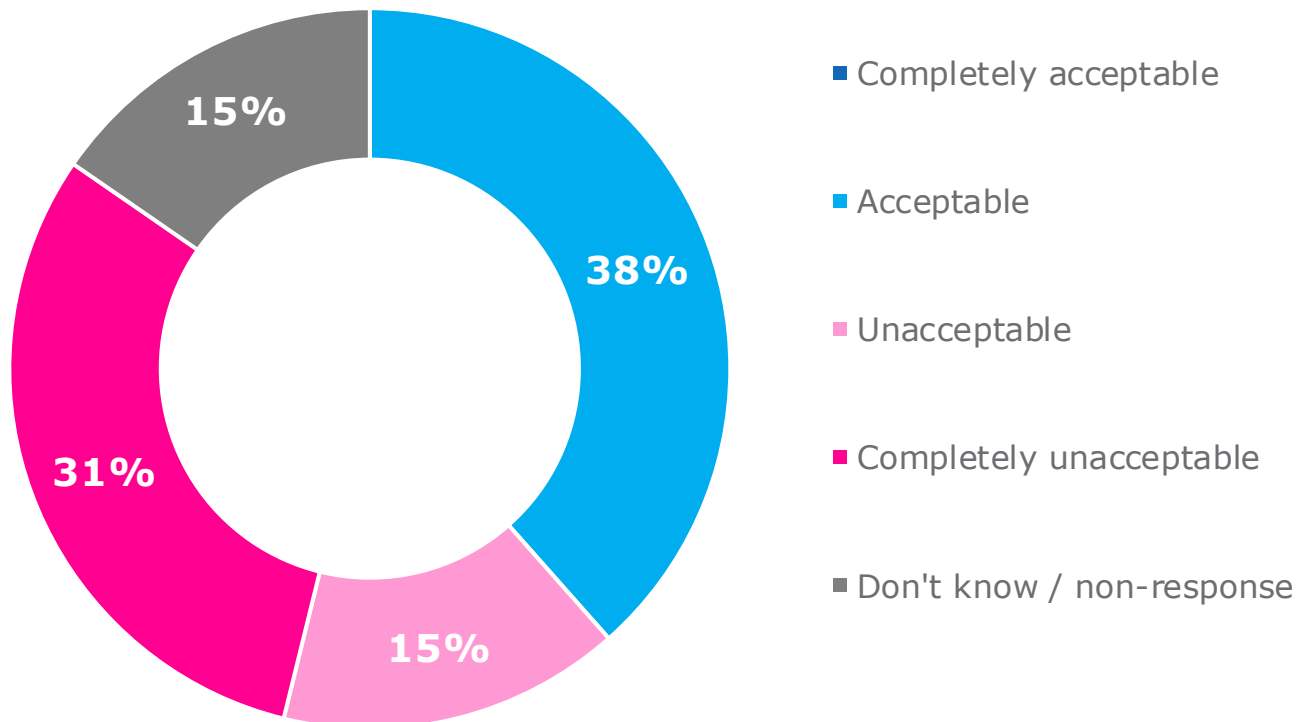
Many vulnerable customers are concerned about Yorkshire Water's environmental impact but feel comforted by the plans put forward to limit the damage.

Moreover, the overall positive experience of Yorkshire Water's services has had a positive impact on vulnerable customers' views on the company and by default acceptability of the plan.

A minority find the plan unacceptable and show a distrust towards Yorkshire Water which is motivated by the issues voiced by the media (shareholder profits and pollution incidents). Thus they are less likely to trust YW to follow through with the plan.

Acceptability: Future bill payers

Only 38% of future bill payers find the plan acceptable. All of these customers were in the Sheffield group, whilst those who found the plan unacceptable were all in the Huddersfield group.



"It doesn't seem that much. I do think it's good that it stays the same. So, from '25 to '30, it is the same because they're taking into account inflation"

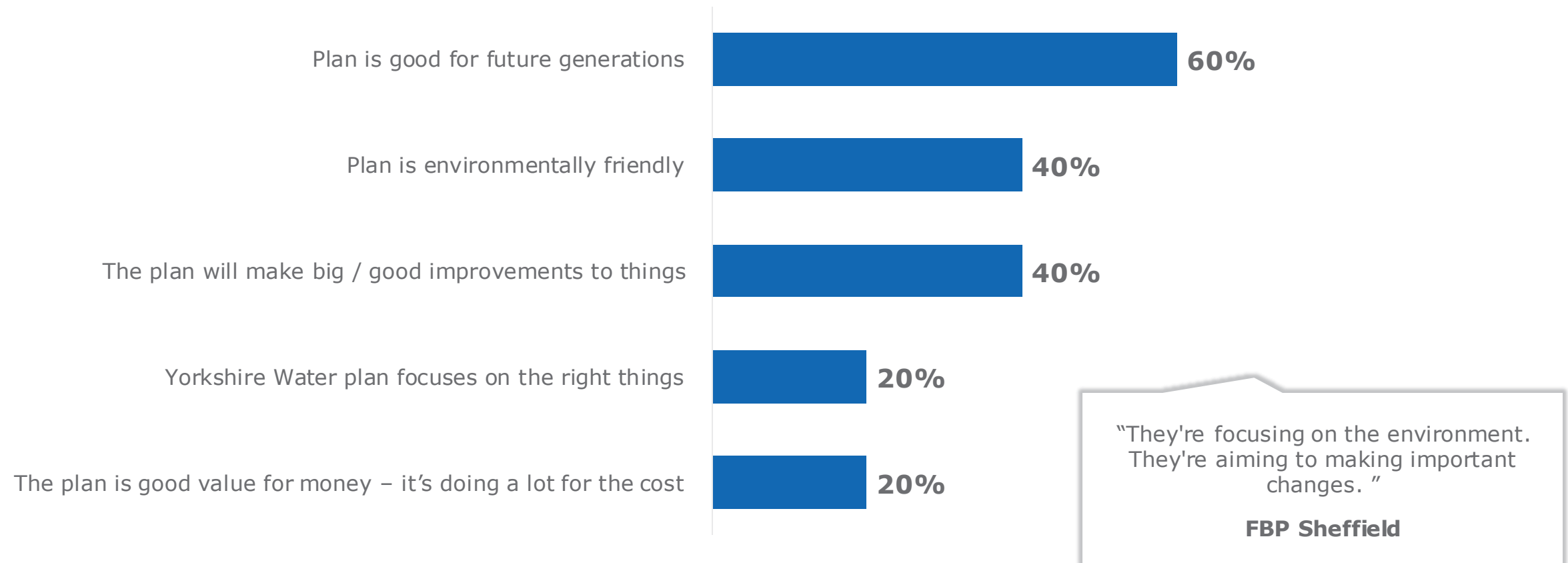
FBP Sheffield

"At least the 2026-2030 bill's all the same, with inflation and everything else will go up, hopefully pay as well. So, theoretically I should be all right paying it after 2025. But you know, it's going up quite a bit now from what it currently is"

FBP Sheffield

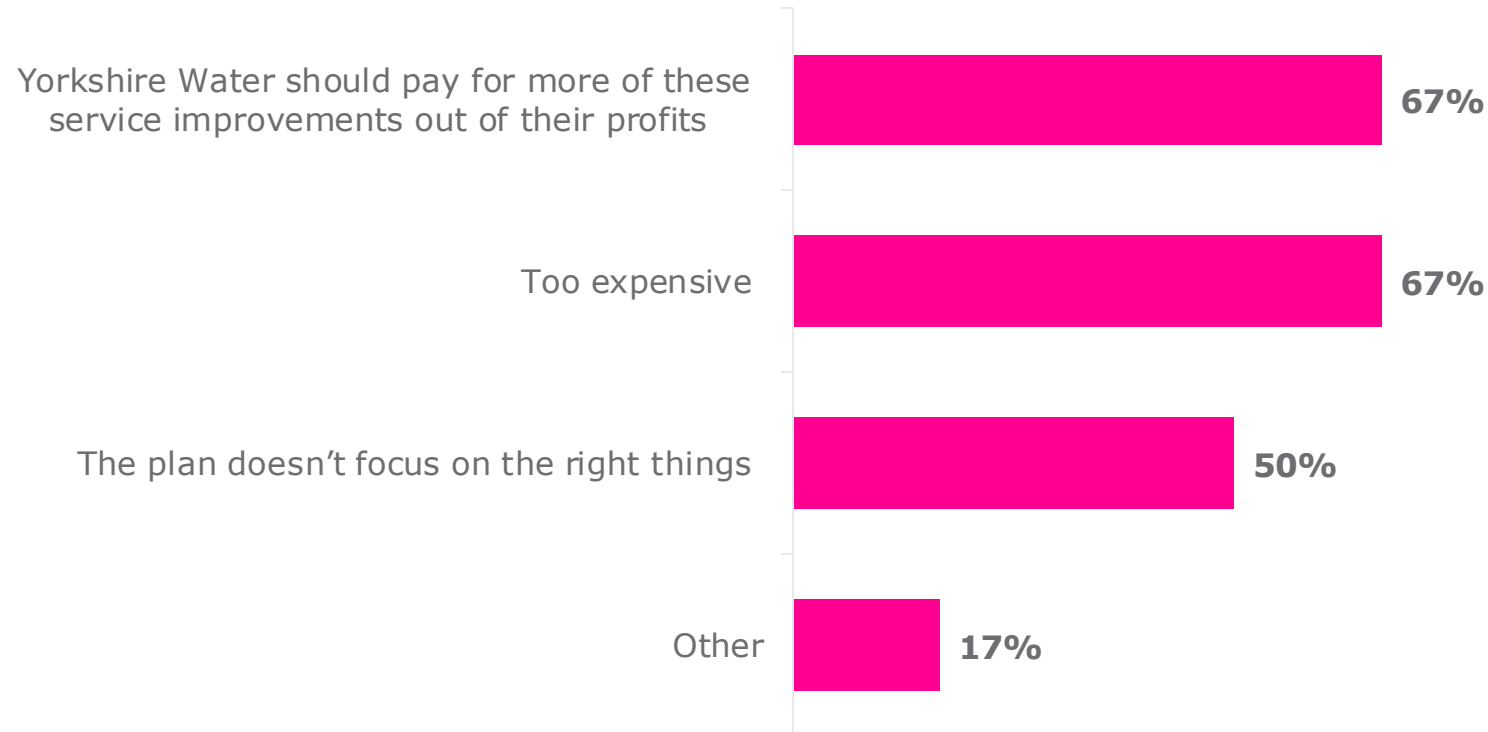
Acceptability: Future bill payers

Drivers of **acceptability** are that the plan is good for future generations, followed by the environment and that it will make good improvements.



Acceptability: Future bill payers

Some future bill payers were shocked by the increases, and some felt YW should pay out for more improvements. There's also a concern that the plan's not focussing on the right things.



"It doesn't seem to be benefitting the customer in any way and instead it is negative by making it hard to afford when the COL crisis is already rising."

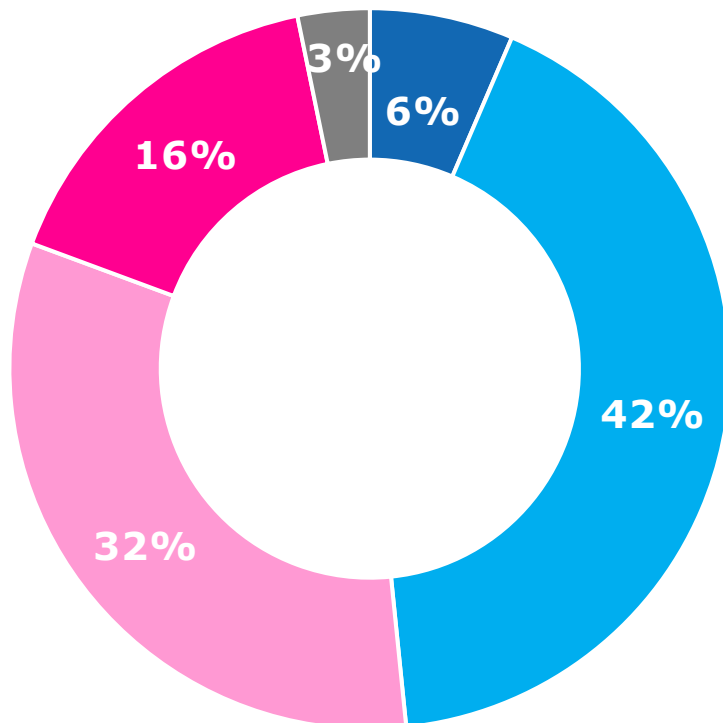
FBP Huddersfield

"Feels like YW are hiding things - not transparent. Seems like the customer is going to suffer no matter what route when they can avoid this by using their own profits. Not good for the consumer to foot the cost of YW's fire-fighting / problems."

FBP Huddersfield

Acceptability: Non-household customers

There is an even split between non-household customers who find the plan NET acceptable/ unacceptable. Acceptability is lower amongst micro businesses.



- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

42% of micro businesses and 58% of small/medium/large found the plan NET acceptable.

42% small/med/large and 53% of micro businesses found it NET unacceptable.

5% of micro businesses DK if the plan is acceptable or unacceptable.

"The plan is realistic and they see where the problems are, solving these problems will detriment the figures at the end. They see where they're too high and they see where they're failing and that's where the focus needs to be."

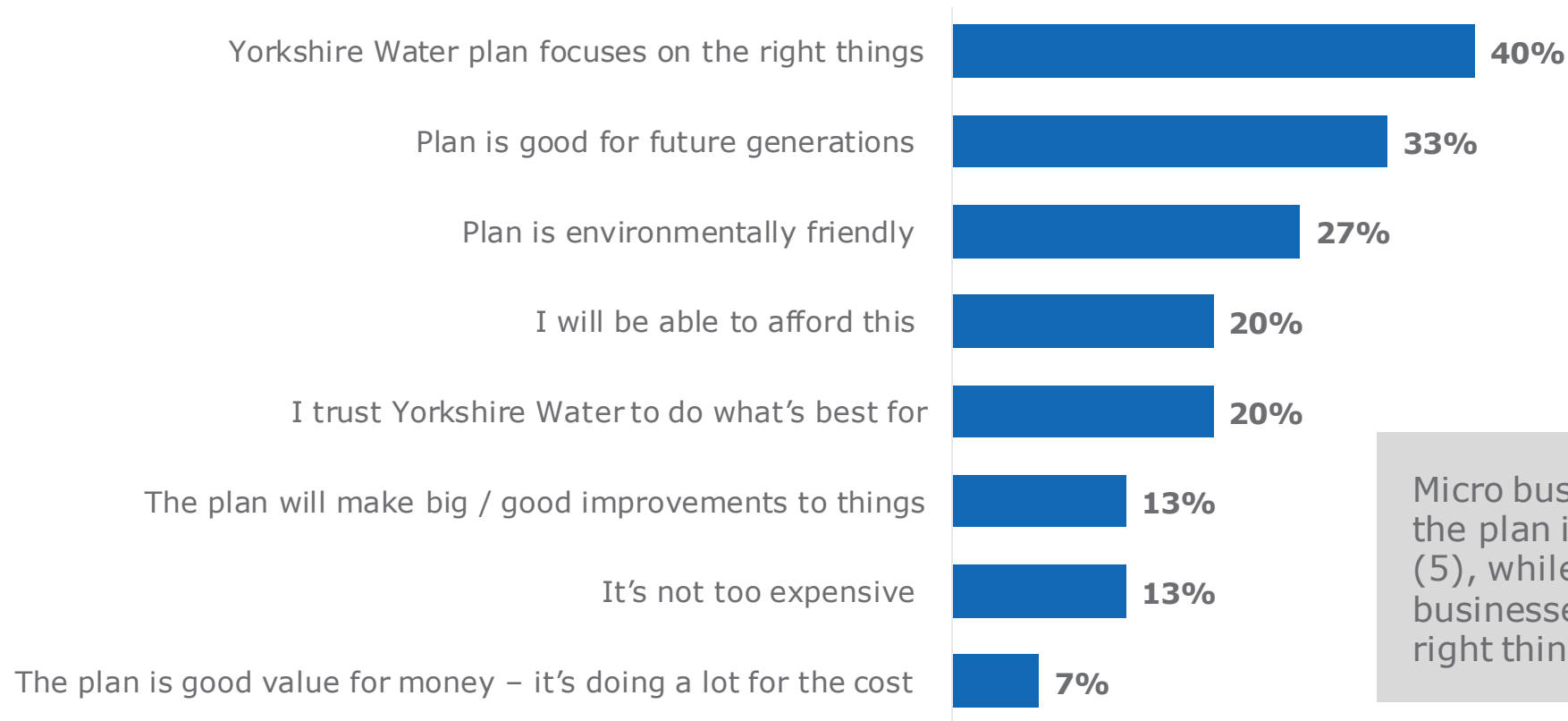
NHH Large business

Caution with analysis – base sizes are low

Base: All NHH respondents (31) Post-task **Q02** Based on everything you have heard and read about Yorkshire Water's proposed business plan, how acceptable or unacceptable is it to you?

Acceptability: Non-household customers

Those who find the plan **acceptable** feel that the plan focuses on the right things and is good for future generations and the environment.



"With the initiatives it's gonna cover, I can understand that. I think that I think it's worthwhile paying for them."

NHH Small business

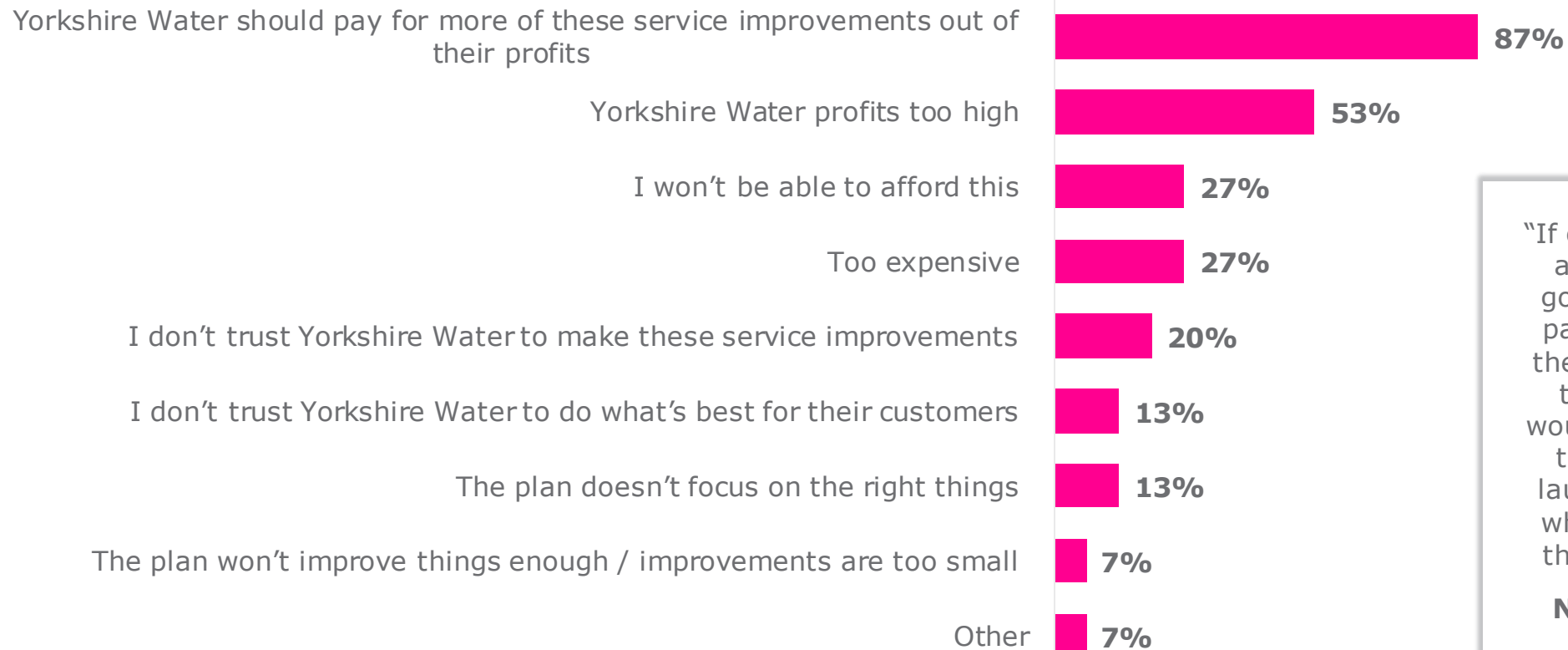
Micro businesses are more likely to say the plan is good for future generations (5), while small/medium/large businesses think YWAT focuses on the right things (4).

Caution with analysis – base sizes are low

Base: NHH respondents stating the plan is acceptable (15) Post-task **Q03b** You said that the proposed business plan is completely acceptable or acceptable...Why do you say that?

Acceptability: Non-household customers

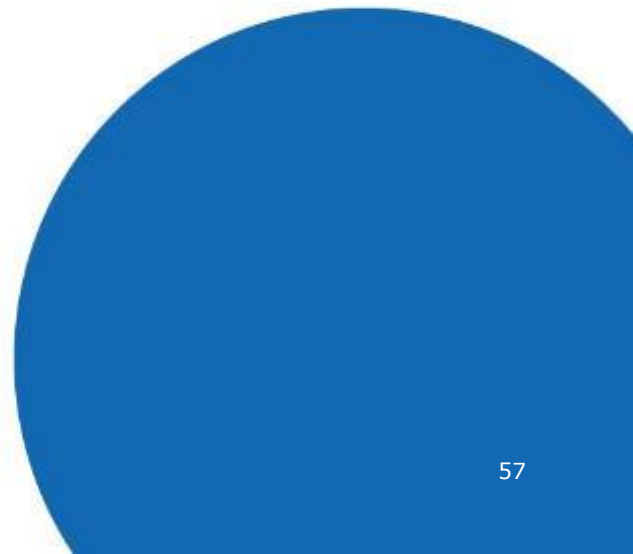
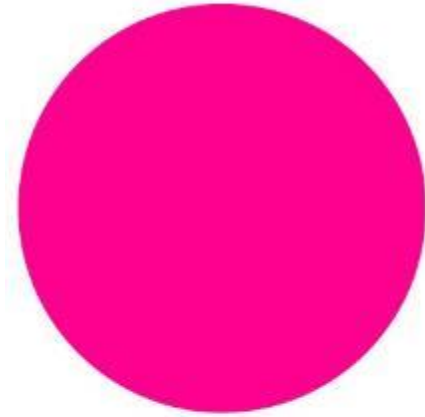
On the other hand, those who find the plan **unacceptable** feel that Yorkshire Water's profits are too high and they should invest more out of these profits. Both Micro and small/medium/large groups agree that YWAT should pay for more of those (8,5), but micro businesses are more likely to state that YWAT profits too high (7 vs. 1).



"If our bills were going up and their profits were going down to afford to pay for everything that they need to do to make themselves better, it wouldn't be so bad. But if they start, you know, launching record profits while the bill's going up that's when it's wrong."

NHH Small business

5. Bill impact & affordability





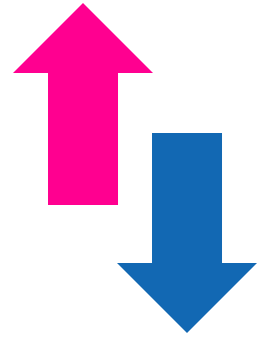
Drivers for affordability scores

Those who fundamentally disagree with the privatisation of the water industry are more likely to find it unacceptable and those who already find their bills too high or unaffordable at present are also more likely to not accept bill increases of any kind.

However, there is also a significant proportion of customers who are fairly neutral or accepting of the bill impacts as they would **naturally expect bills to rise and many also accept that investments need to be made to help tackle some of the issues** they feel so passionately about.

However, **any increases need to be backed up by significant performance improvements and some customers have doubts as to whether or not Yorkshire Water will deliver the performance** they set out in the plan based on their current performance 'lagging behind'.

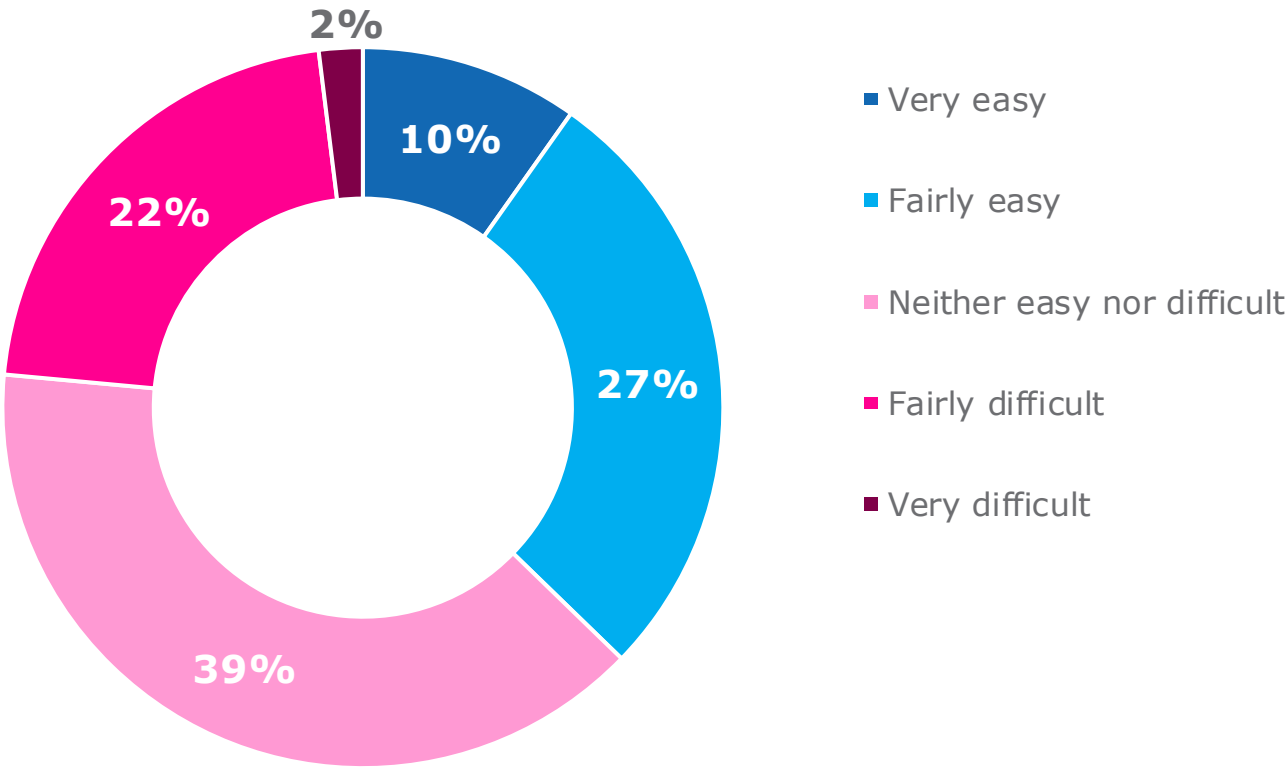
There also appears to be a need for some reassurances made around any increases in bills not leading to any increased profits or pay-outs to shareholders. Customers call for **more transparency throughout the research around profits** and how much of their bills goes towards that. Given the amount of money that some customers have already paid to Yorkshire Water over the years, there are also calls for more information around where money has been spent and what it has achieved to date.



It is fair to say though that **the levelling of bills after 3 years is seen positively by some and many are even surprised to see a levelling of increases**. However, customers are **keen to understand how, if at all, Yorkshire Water are shouldering some of the financial impact of the changes that are required**, given that some of these investments are being made more rapidly in order to address current underperformance.

Affordability: Household customers

Just over a third (37%) would find their personalised projections affordable and just under a quarter feel bills would be difficult to pay. Even amongst those who can afford the bill increases or who are neutral, there is a significant minority who do not agree with it in principle.



"The price is a small charge for something that could potentially help future generations."

HH Customer Bradford

"Certain elements should not be fronted by customers. Should be a given not extra. I wouldn't go to Tesco if they fly tipped, then the cheek of asking for a clean up fee! No way."

HH Customer Doncaster

"In comparison to other increases this is manageable and I trust the company is accountable."

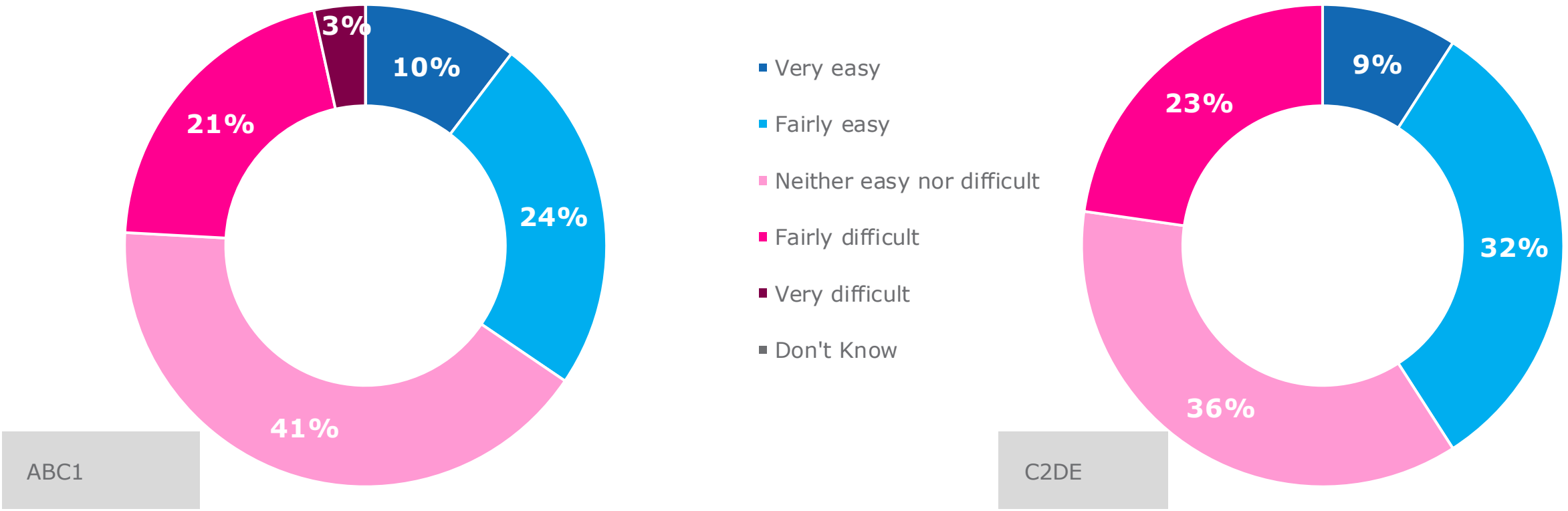
HH Customer Ripon

Caution with analysis – base sizes are low

Base: All HH respondents (51) Post-task Q01 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

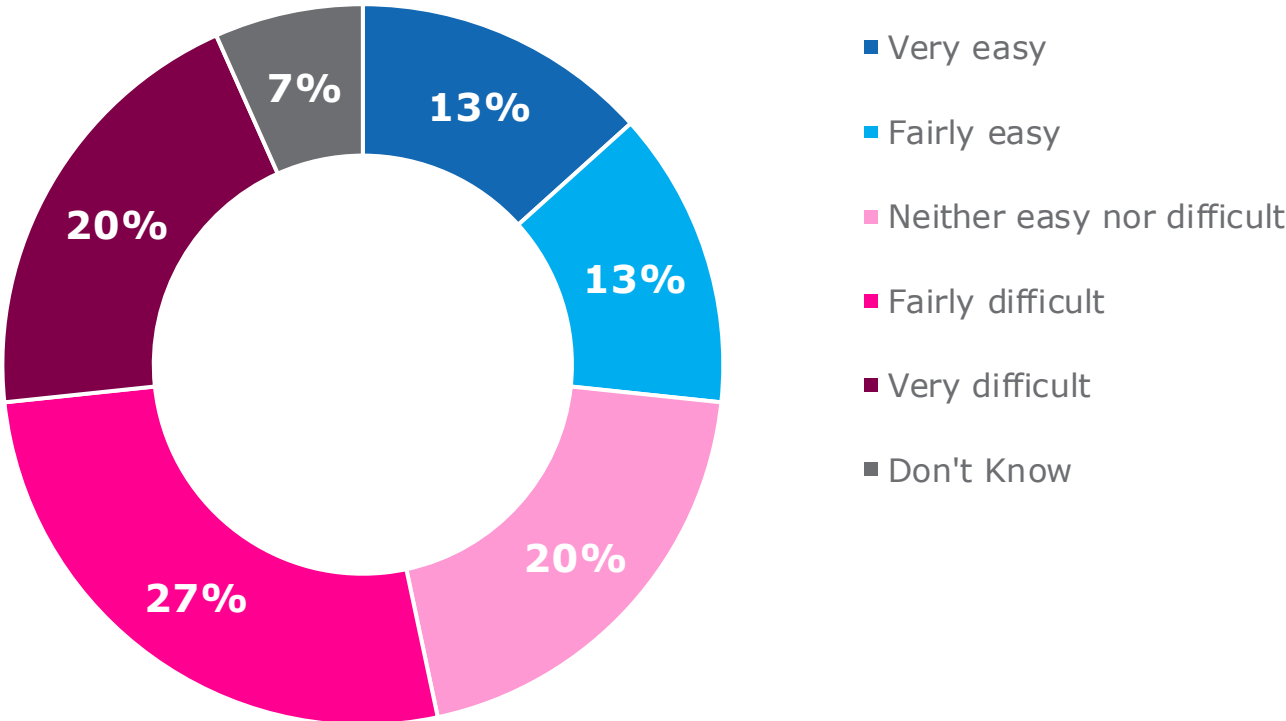
Affordability: Household SEG ABC1 vs. C2DE

Interestingly less ABC1 households (34%) find their personalised projections affordable versus C2DE households (41%) and a similar proportion would find it difficult. Some of this middle income group, who do not receive governmental or company support, are feeling the pinch of the Cost of Living crisis and this increase would add to their worries. Some say it's unaffordable because they object to it doing to YW directors and shareholders.



Affordability: Vulnerable customers

Many in the vulnerable category are fearful of the increases, but few criticize Yorkshire Water for the increase in pay – While they are concerned about the increase in bills, most accept that all bills are expected to rise, and that money is necessary further investments.



However, most feel that they will struggle to pay the bills without support, with several stating that they barely manage with the current costs. Others hope that that wages and government support will increase as the prices continue to rise.

"I think I'll struggle because I'm struggling now basically but...let's just try and pay it, there's no way around it."

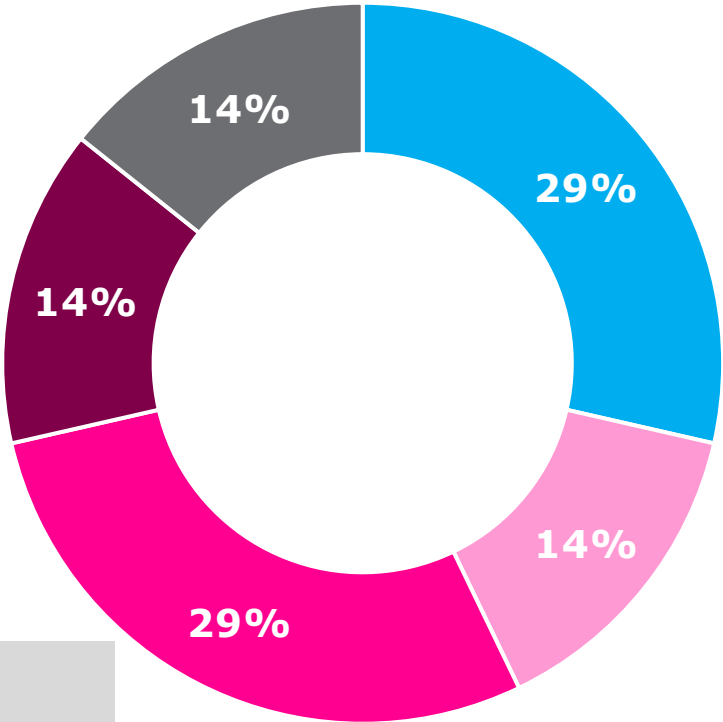
Financially vulnerable customer

Caution with analysis – base sizes are low

Base: VUL Respondents (15) Post-task Q01 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

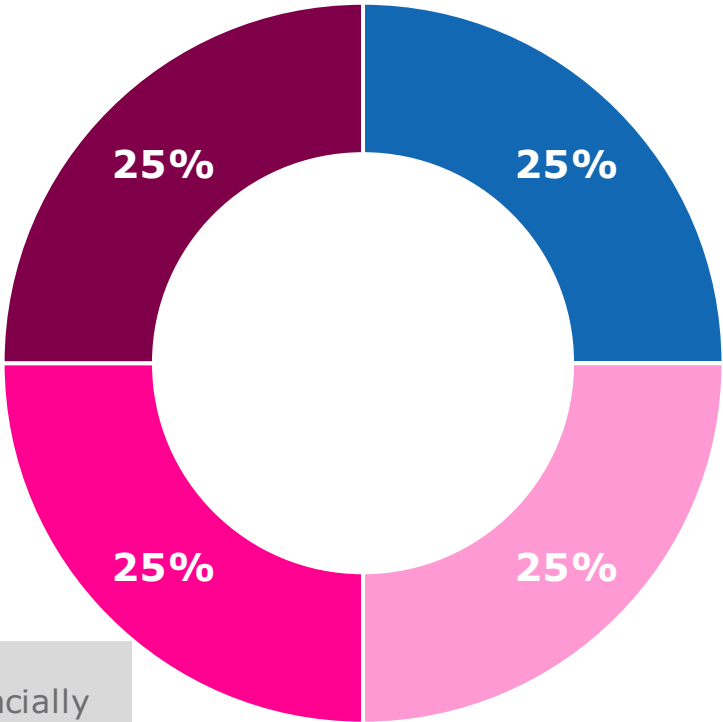
Affordability: Vulnerable health vs financial

Most vulnerable customers (both financially and health vulnerable) have voiced that now that they are aware of the financial support available, they are likely to reach out to YW to receive more information about the support available to them.



Health Vulnerable

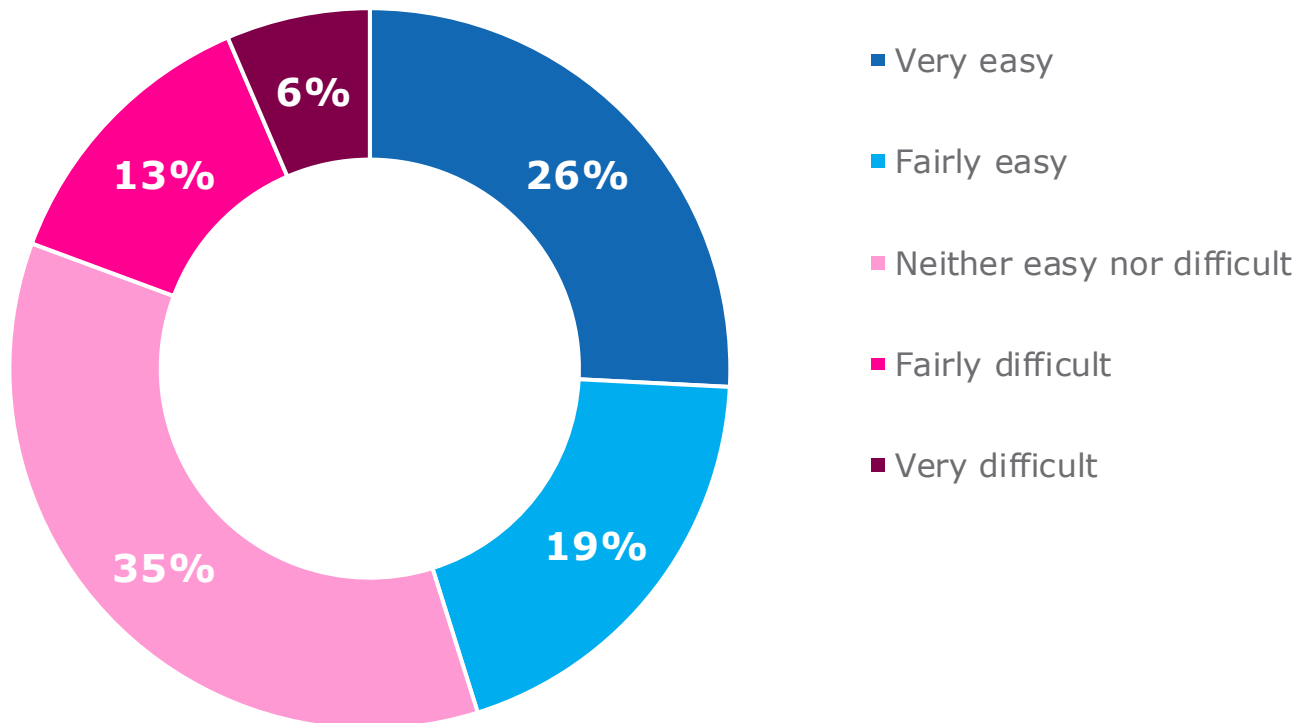
- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Don't Know



Financially Vulnerable

Affordability: Non-household customers

Out of all the research audiences, NHH customers are most likely to say that they would be able to afford the bill hikes and least likely to say they can't afford them. Nearly half (47%) of micro businesses and 42% of small /medium /large businesses find the plan NET affordable. 17% small/med/large and 21% of micro businesses find it NET unaffordable.



"With the initiatives it's gonna cover, I can understand that. I think that I think it's pretty worthwhile paying for them."

NHH Small business

"That's a big jump from '24 to '25. That would concern me a bit, I think"

NHH Medium business

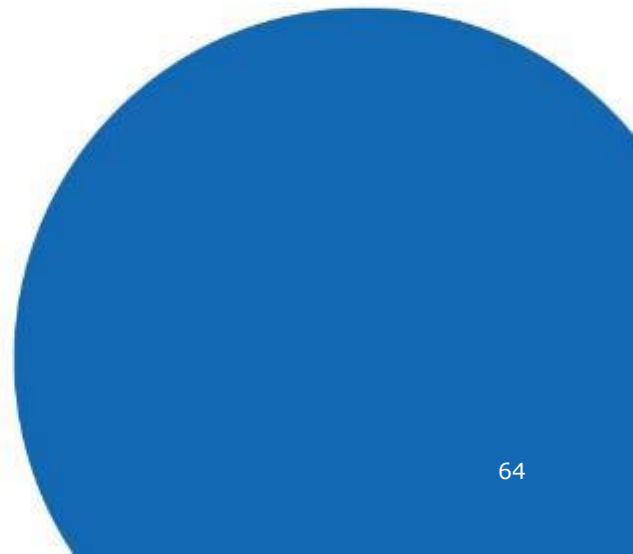
"It's affordable. You know, we factor in. For some companies, it's not going to be affordable. It's just wrong really though, isn't it?"

NHH Medium business

Caution with analysis – base sizes are low

Base: NHH respondents (31) Post-task **Q01** Thinking about how your organisation's income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

6. Obligatory & optional investment areas



Obligatory investment areas (I)

As these areas are an obligatory investment, customers do not always have much to say on this area of the research. It feels like more contextual information for them to have to consider (at this point they have already received a lot of contextual information and the cognitive load is quite great).

Sometimes there is confusion around any crossover of investment to related performance commitments previously listed e.g. investment in storm overflows would positively impact pollution targets? And how investment is separated from some of these areas.

There is also some confusion as to why Yorkshire Water need to be forced to invest in these areas and question why investments were not already being made in these important areas.

"Clearly it's important, but I think what have Yorkshire Water been doing over the last 30 years?"

HH Customer Bridlington



"Again, why are we being asked to pay for them doing their bloody job, which it should have been investing over the last 40 years. If it's a mandatory running cost, then it's a running cost of the business."

HH Customer Doncaster

Obligatory investment areas (II)

- Across all audiences, the majority of customers don't question that investment in these areas is needed. What they do question however, is why they are being asked to foot the bill, with some more accepting about the increases.
- They are doubtful that this will be it and that YW will ask them for more to foot the bill for these programmes.
- Customers also feel that there seems to be quite a lot of crossover between these and aspects of the longer-term plan.



"£29 – I'm doubtful that it will cost that little, I think it will cost a lot more. It shouldn't be happening in the first place; we shouldn't have to pay for them not doing their jobs."

HH Customer Bradford

"I think it's something they definitely need to do, have to do. Again, I'm not happy that we have to pay for it"

NHH Small business

"It's just, it's a hard one, because obviously they've got to do this, they've got the goals that they want to do for the customers but Yorkshire Water will just constantly look to the customer; the bills are just constantly going up"

FBP Sheffield

Optional additional investment areas

There are also mixed views on the optional investment areas. In isolation, many customers feel they are quite reasonably priced and worthwhile and beneficial activities to do. However, those who already believe their bill to be too high are often reticent to face more increases than absolutely necessary.

It's fair to say that some customers are keen to make additional investments to see faster and improved performance in these 'worthwhile' areas but there is some doubt raised as to whether or not Yorkshire Water will actually achieve what they promise, even if customers do pay extra

Again, current performance levels appear to cast doubt on the confidence customers have in Yorkshire Water to meet the performance levels they promise. There perhaps needs to be some reassurances made around potential rebates or reductions if Yorkshire Water decides to proceed with these investments but does not achieve what it sets out in the plan e.g. are these subject to OFWAT's penalties system if they are additional performance areas?

Some customers also express the view that these are activities and areas that Yorkshire Water should already be making the stated improvements in using the current revenues received through bills.

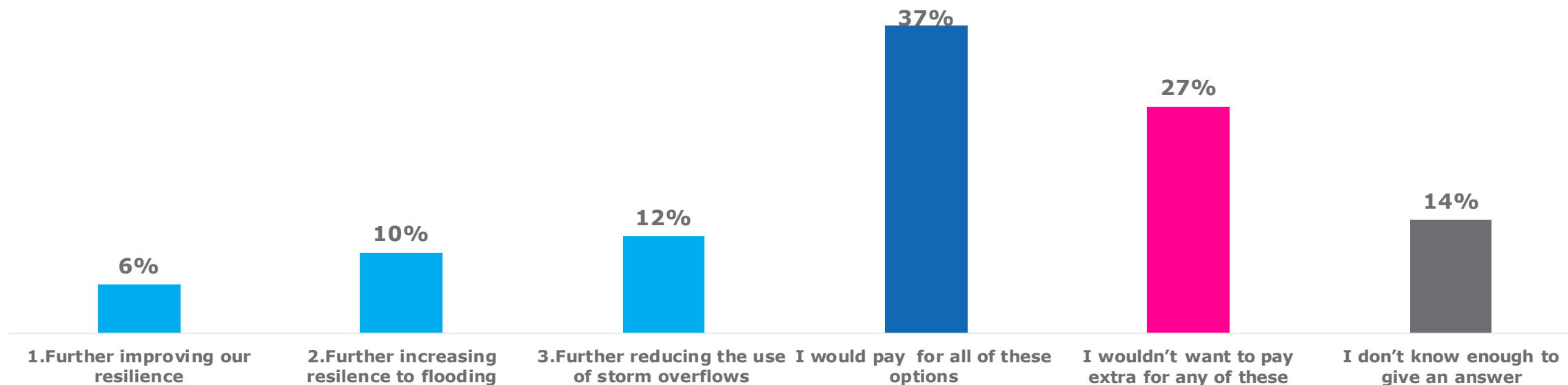


"I know you want a yes or no answer but the maths doesn't add up, if there's confirmation that the figures shown here are 100% correct then I'd be happy to pay for these additional upgrades."

HH Customer Ripon

Optional choices: Household customers

On balance, more household customers are willing to pay for an optional choice than not (59% vs 27%), with storm overflows and resilience to flooding the most popular choices. Nearly one in six would need more information to make a decision.



Caution with analysis – base sizes are low

Base: All HH respondents (51) Post-task **Q09** Which, if any, of the optional investments would you be keen for Yorkshire Water to add to their business plan and you would be willing to pay for?



Optional Choices: Household customers

Opinion of the optional choices is mixed. While £5.90 a year isn't seen as making much of a difference to bills, some feel that YW could easily pay for and should pay for this themselves, especially when targets aren't being met! Some said that before this project and learning more about YW and their poor performance, they would have accepted the additional £5.90 without question. However, now they'd think twice.

Those **willing to pay** for the investments are driven by either personal causes (e.g. they have experienced flooding; they are beachgoers); environmental reasons; doing their bit for future generations or just because the cost isn't too hefty.

Those **unwilling to pay** feel that it is time for Yorkshire Water and its shareholders to take responsibility. A small proportion also feel that certain options would only benefit certain geographies and that only people in those areas should pay.

"I think investment in the future will save money long-term and protect the future generations."

HH Customer Bradford

"If it's going to cost us £6 a year to deliver all of that, then yes, I wouldn't object"

HH Customer Ripon

"If it was performing in all areas, that would be a different matter. It's not performing in 7 out of 12. And I just feel as if, you know, let's get that right, and these should be the aspirational targets for 2030 onwards."

HH Customer Bradford

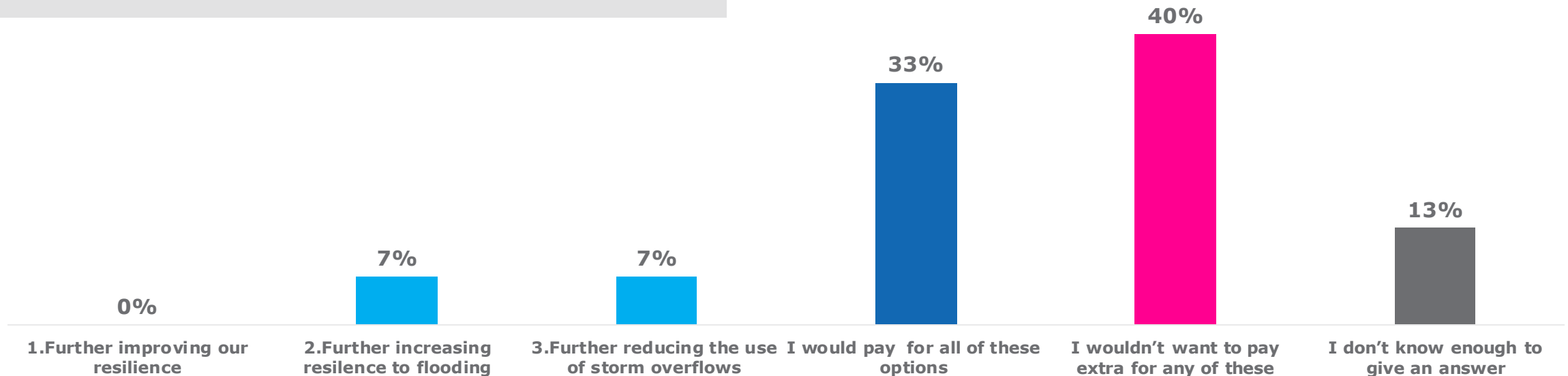
"These costs are quickly adding up. At what point does the company need to take the hit?"

HH Customer Doncaster

Optional choices: Vulnerable customers

Vulnerable customers are less willing to pay for these options than household customers with 37% willing to pay for at least one option versus 40% not. Once again, resilience to flooding and reducing storm overflows are more popular.

Overall, health vulnerable customers are more interested in investing into at least one optional investment choice (57%) than the financially vulnerable customers (37%).



Caution with analysis – base sizes are low

Base: All VUL respondents (15) Post-task Q08 Which, if any, of the optional investments would you be keen for Yorkshire Water to add to their business plan and you would be willing to pay for?



Optional Choices: Vulnerable customers

Opinion of the optional choices is mixed amongst the vulnerable group. Much like households, some feel that Yorkshire Water should already be investing in these areas, while others are interested in quicker investment which would result in improvements sooner.

Many of the vulnerable individuals are keen for the improvements to be done, and would opt in, however they do not have the means to do so. Some are particularly interested in areas which concern the areas they live in, and many feel that a small extra investment now will prevent massive increases later when the issues become bigger.

Others feel that the increases associated with the start of the new plan are already pushing them to their financial limits, and Yorkshire Water should have enough of an income from these increases to fund further investments.

"At the moment I'm struggling with what I'm trying to maintain. And all they want him to do is grind more money out of you. Where are we supposed to get it out? All they can think about is put you on this scheme, that scheme...We can't even maintain the goddamn ones that we've got. So I'm not even interested realistically. For me, that's just a posh way of grounding money out of you."

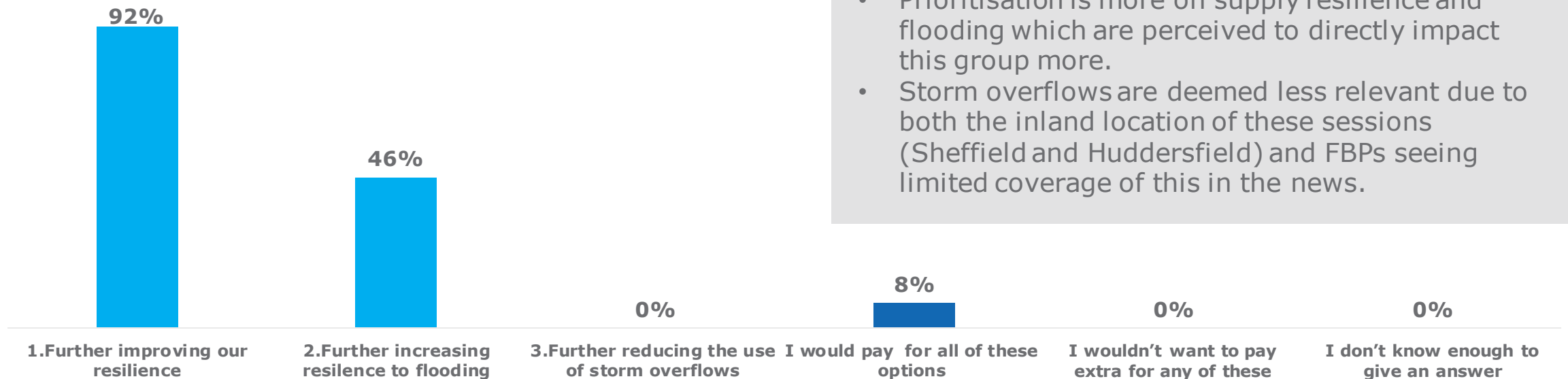
Financially vulnerable customer

"If I had financial security, I wouldn't mind paying for all of them, but I haven't got financial security."

Financially vulnerable customer

Optional choices: Future bill payers

100% of Future Bill Payers are willing to invest into at least one optional investment, with 'further improving our resilience' the most popular. However, only 8% are willing to pay for all three

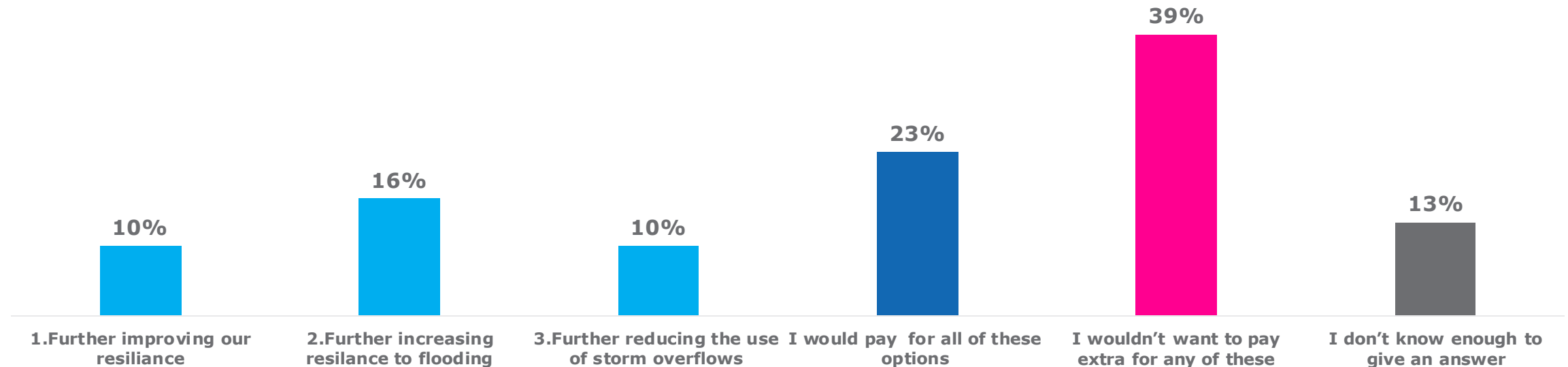


- As non-bill payers, this group feel that the cost is very reasonable, especially compared to the obligatory spend.
- There is some confusion around why these things aren't included in the mandatory spend.
- Prioritisation is more on supply resilience and flooding which are perceived to directly impact this group more.
- Storm overflows are deemed less relevant due to both the inland location of these sessions (Sheffield and Huddersfield) and FBPs seeing limited coverage of this in the news.

Optional choices: Non-household customers

Half of Non-household customers are willing to pay for at least one option (51%) and almost four in ten wouldn't pay extra. Resilience to flooding is slightly more popular than the other two choices.

Overall, microbusinesses are more interested in investing into at least one optional investment (63%) than S/M/L businesses (50%). Microbusinesses appear to feel more freedom to make decisions regarding how their budget is invested.



Caution with analysis – base sizes are low

Base: All NHH respondents (31) Post-task Q09 Which, if any, of the optional investments would you be keen for Yorkshire Water to add to their business plan and you would be willing to pay for?



Optional Choices: Non-household customers

Businesses are split into those who are willing to pay a small amount to make improvements and those who aren't.

The main reason why some are **willing to pay** for the investments is because the cost isn't too hefty and they want to see the service improved. Some have been affected by flooding so experience also influences choice.

Yeah, I think that's reasonable as long as it actually does it, you know, does what it's supposed to do.

NHH Medium business

"I would pay into that 'cause I know it affects my area a lot which might be selfish but yeah, I wouldn't mind paying that and I'm sure a lot of people in York wouldn't mind paying that either"

NHH Small business

"I don't think that's bad at all. If it's going to improve the service even just a little bit, that wouldn't bother me whatsoever. I don't think it would bother most people, even as a household or a business."

NHH Medium business

Those **unwilling to pay** feel that Yorkshire Water should be shouldering the cost either out of principle or because they're upset that their money has literally been going down the drain as targets haven't been met.

Others feel that some of the options hold no relevance and don't want to subsidise businesses and households in other areas.

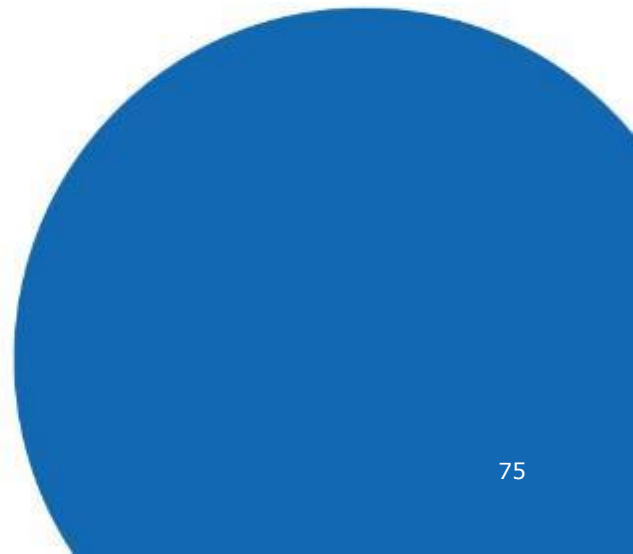
"If there are only secluded areas that are being affected, well, realistically, wouldn't you be more sensible levying those peoples' bills? Why are you levying everybody else's bills when they're not directly going to be affected by this?"

NHH Medium business

"Why would we pay to increase our own bills when targets aren't met? Profits YW are making could change the world – literally"

NHH Microbusiness

7. Support for vulnerable customers



Range of support available

Customers are generally very supportive of Yorkshire Water offering and investing in a range of ways to support customers who may be financially vulnerable. However, many customers raise concerns that current ways of supporting customers are reliant on the receipt of certain benefits and as customers noted, many people are struggling with bills at the moment even when working full time and not being in receipt of any benefits.

Some questions are also raised about how pro-active Yorkshire Water are at promoting these financial support schemes, with some customers who are currently already struggling to afford their bills noting never having heard of or been offered any support in the past.

One positive area raised is the cap that Yorkshire Water can place on bills for health vulnerable customers who need to use increased amounts of water. This is felt to be a particularly important and worthwhile support activity.



"It's not sufficient – I have a half decent job, I'm good with spending and I'm still struggling."

HH Customer Bradford



Views of vulnerable customers on services & support available (I)

We have experienced mixed reviews of the support Yorkshire Water offer to vulnerable customers we have spoken to.

Vulnerable customers are generally satisfied with the range of support PSR that Yorkshire Water is offering, often stating that the support given caters to an impressive range of needs.

However, only one of the health customers we have spoken to has benefited from any services available on the PSR despite being signed up. This was sometimes because they didn't need any support, but a few felt that the service they receive is no different despite being in need of support with their supply at times (which many rely on for incontinence).

Those we have spoken to with health vulnerabilities are often also in difficult financial situations and perhaps would benefit mostly from support with bills but either hadn't been offered support or where they had accessed the support had really struggled to prove their eligibility (in one case to the extent where this had negatively impacted their wellbeing).



"It sounds like they've tried to think of everybody, which is nice. This is like different ways of dealing with stuff 'cause everybody's different."

Financially vulnerable customer

"I feel that they are not doing anything for their vulnerable customers. There should be a separate customer line for vulnerable category individuals with reps who are aware of the documentation needed as they have not been helpful. I've never been contacted about support available. I found out about the priority registry and financial support from a nurse, rather than Yorkshire Water."

Health vulnerable customer, Social Tariff

Views of vulnerable customers on services & support available (II)



Vulnerable customers are concerned by the lack of outreach from Yorkshire Water in informing their vulnerable customers about the Social Tariff. Vulnerable customers themselves mention feeling the onus was on them to find out about support services, including the PSR and were not proactively offered or made aware of the services.

Few also criticize Yorkshire Water for their relatively low uptake and investment in the Social Tariff scheme in the context of the industry average.

"So I'm surprised at how few people they're helping. Maybe the word's not getting out about the support that they offer. I don't know how that could improve, you know, whether they could, I don't know whether they do advertise it well on their website or whatever, but I don't think that's very many at all....But I'm aware that the help is there so there's a miscommunication somewhere about how people can attain the help."

Health vulnerable customer

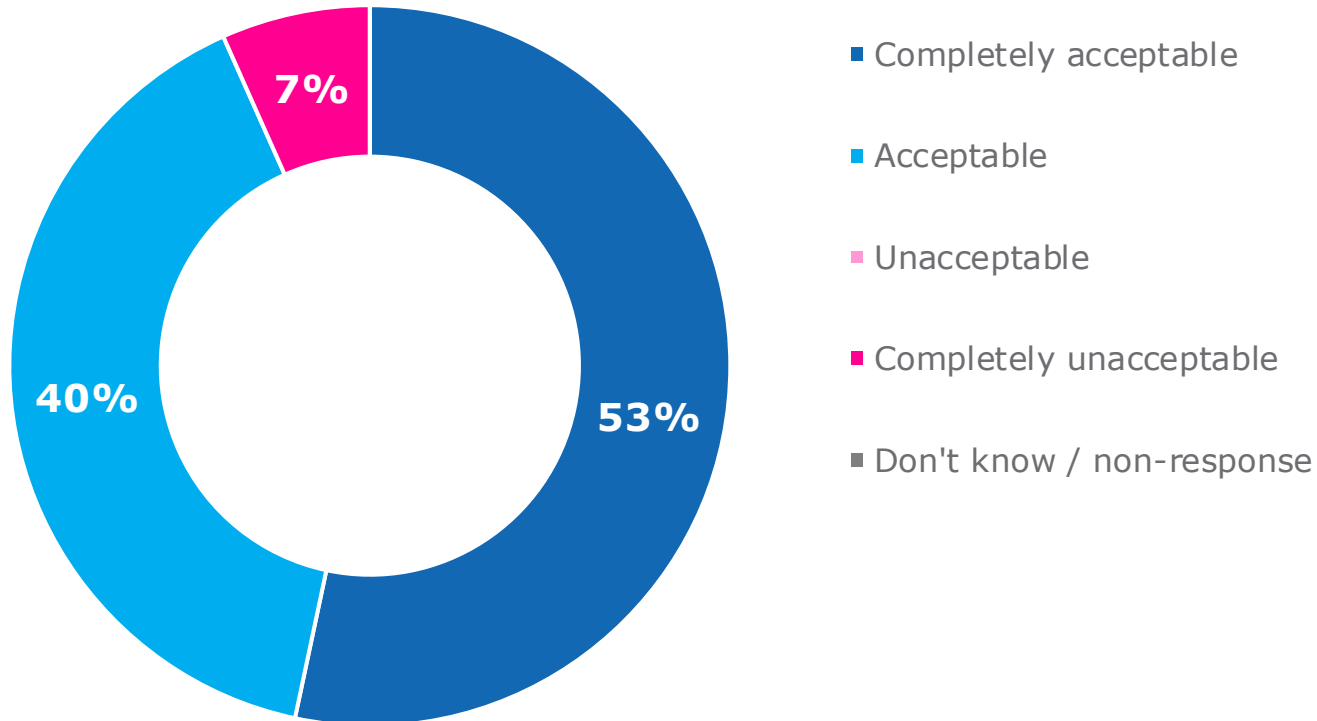
"I would say that looking at how the prices are going to rise, they're going to have to do that anyway, certainly if things get worse financially for Britain...people are going to be struggling more, so they're going to have to include more people in that register."

Financially vulnerable customer

"I think... look, well, Yorkshire Water rang me, and they asked me if I would like to be on it. Honestly, I think I said yes."

Financially vulnerable customer

Acceptability: PSR and financial support plan Vulnerable customers

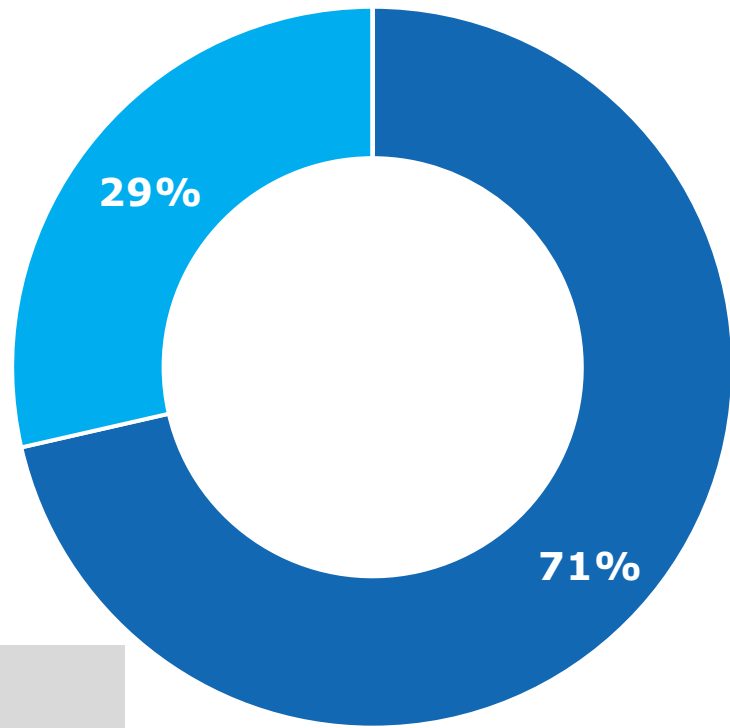


Overall acceptance of the PSR and Financial Support Plan is very well received by the vulnerable customers, with most being happy with the range of support being offered.

100% of Health Vulnerable group and 87% of the Financially Vulnerable group feel that the plan is NET acceptable.

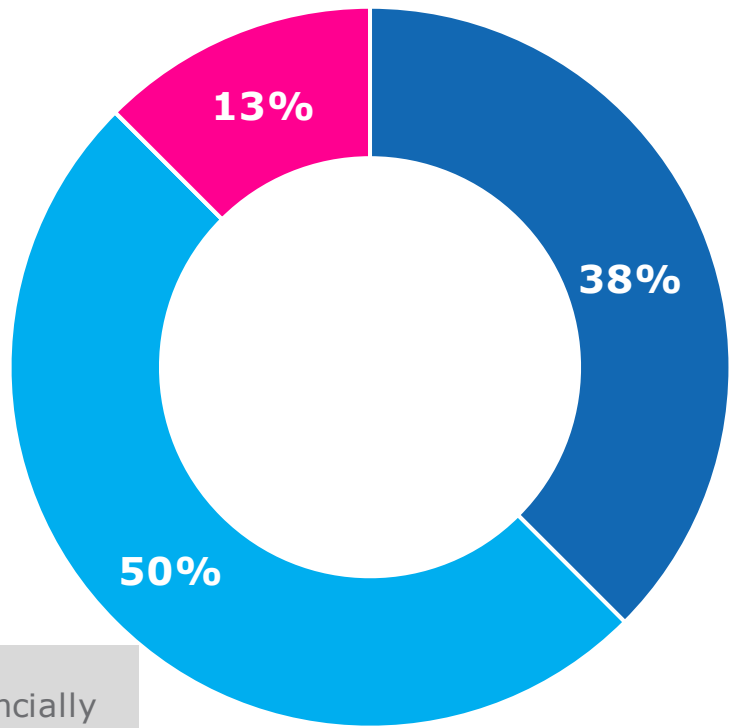
Acceptability: PSR and financial support plan

Vulnerable health vs financial



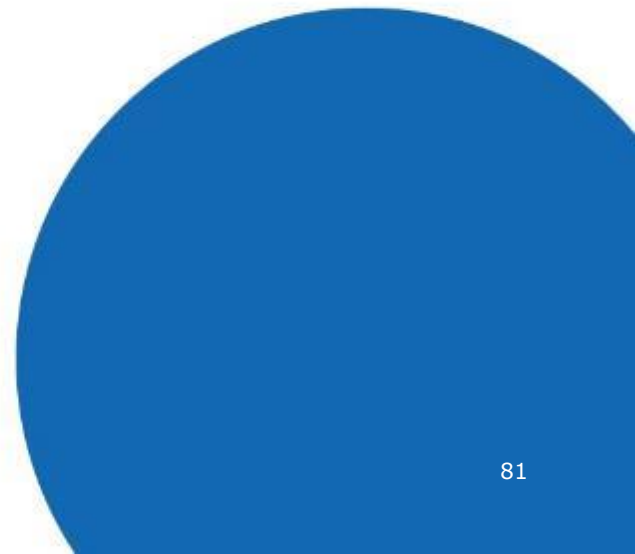
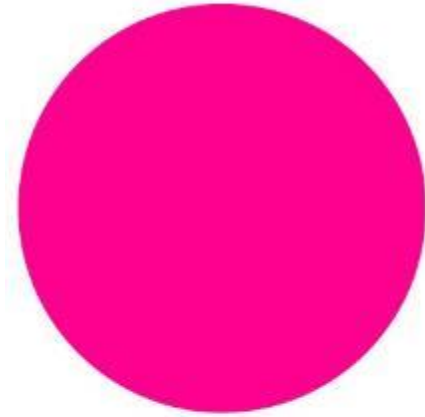
Health
Vulnerable

- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response



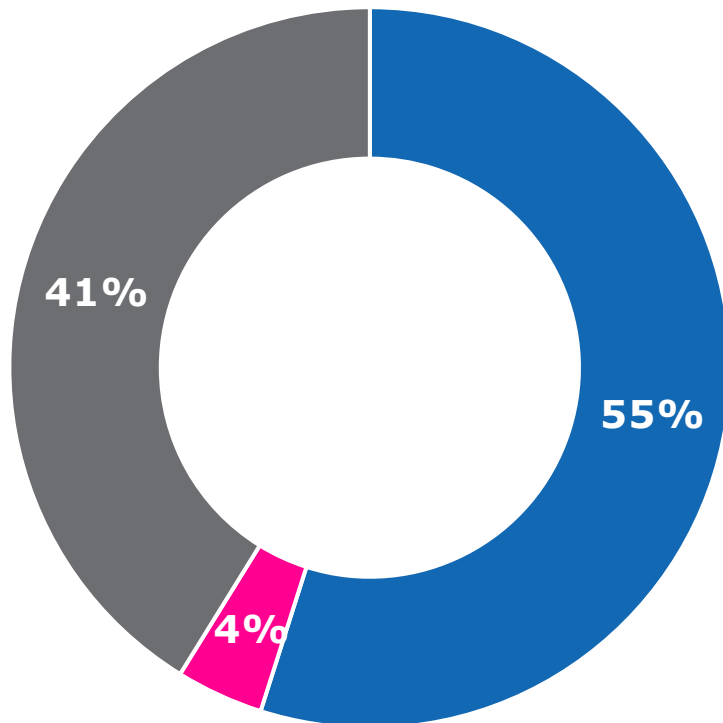
Financially
Vulnerable

8. Phasing



Phasing: Household customers

When presented with two options .e. bills increasing sooner or later, household customers would prefer the former. However, in the sessions customers opted for a third option - a gradual increase and gradual service improvements. Whilst customers would prefer service improvements to happen quicker, this is counter balanced by the Cost of Living crisis and a need for bill increases to be gradual.



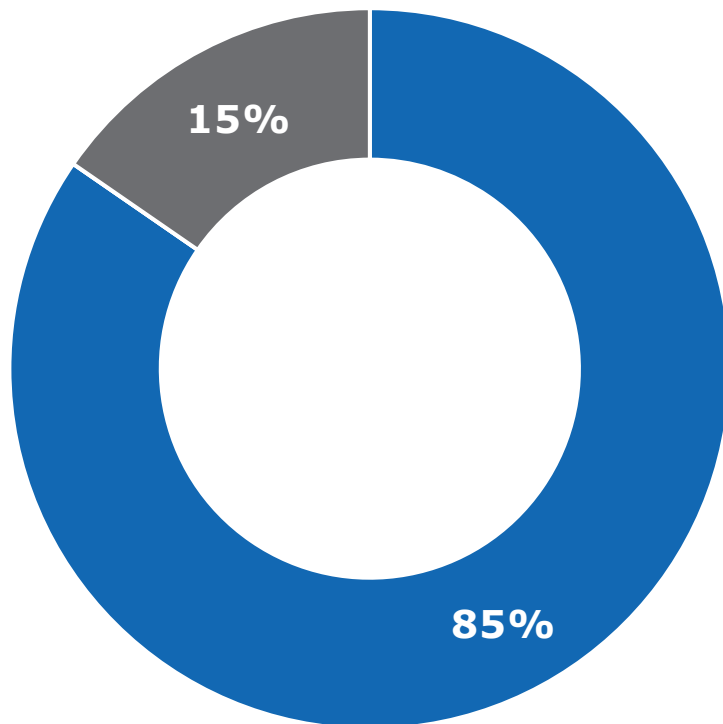
- An increase in bills starting sooner, spreading increases across different generations of bill payers
- An increase in bills starting later, putting more of the increases onto younger and future bill payers
- I don't know enough at the moment to give an answer

"The one I'd really like to say is Option 2 (sooner) but I don't think we can we put the general public in that position when we don't know what the situation is going to be like in 2030 or even 2025, so Option 1 (gradual)."

HH Customer Bridlington

Phasing: Future bill payers

In the sessions Future Bill Payers were torn between Options 1 (gradual) and 2 (sooner). Personally, to ensure things don't get worse, most would prefer bill increases to start sooner but for the majority, this doesn't sit well due to the current economic climate.



- An increase in bills starting sooner, spreading increases across different generations of bill payers
- An increase in bills starting later, putting more of the increases onto younger and future bill payers
- I don't know enough at the moment to give an answer

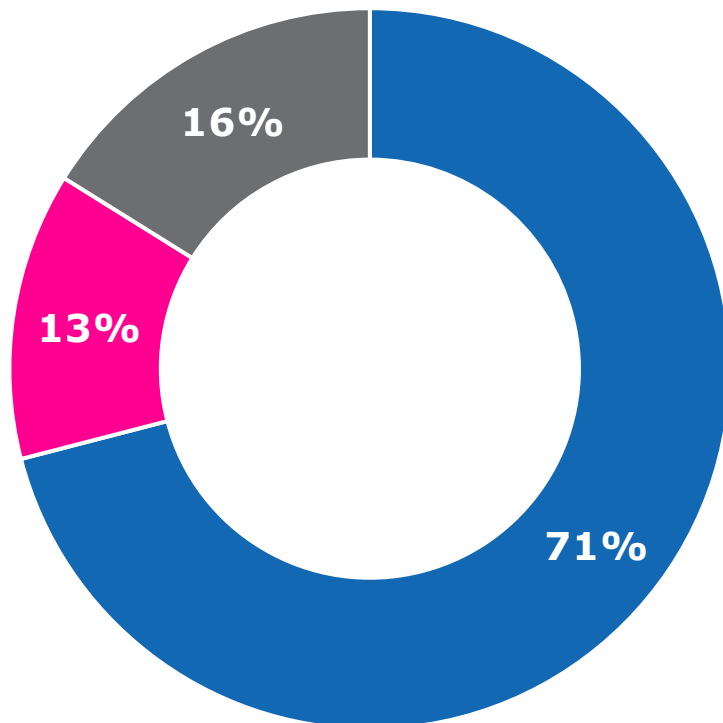
They also don't conceptualise why bills need to continue going up. They feel that there needs to be a period of investment when higher bills are needed to cover that, but then once that investment is made, the 'reward' should see bills coming down. There is probably a case for YW spelling this out and certainly thinking about how to frame the information and the potential need for continued investment.

"I'm stuck between options 1 and 2 because if it's taking a long time, how much more may it cost trying to fix it because of how long it's taking? So, I'm a bit, maybe option 2, but it's depending how much it is increased by. So, is it like you leave DIY in the home...you leave it longer and then it's a worse job to do and then it costs more to fix so then in the long run would they have to put them up even more?"

FBP Sheffield

Phasing: Non-household customers

Once again, on paper there is a strong preference amongst businesses to get things done, however, in the sessions and depth interviews, opinion was more mixed between a gradual and a sharper bill increase.



- An increase in bills starting sooner, spreading increases across different generations of bill payers
- An increase in bills starting later, putting more of the increases onto younger and future bill payers
- I don't know enough at the moment to give an answer

74% of micro businesses and 67% of small/medium /large prefer an increase in bills starting sooner.

25% S/M/L and 5% of micros prefer an increase in bills starting later

21% of micros & 8% of S/M/L businesses feel unable to give an answer.

"I don't agree with any of it but if I had to pick one of the options, it's one. But what I think they should do is option two"
NHH Microbusiness

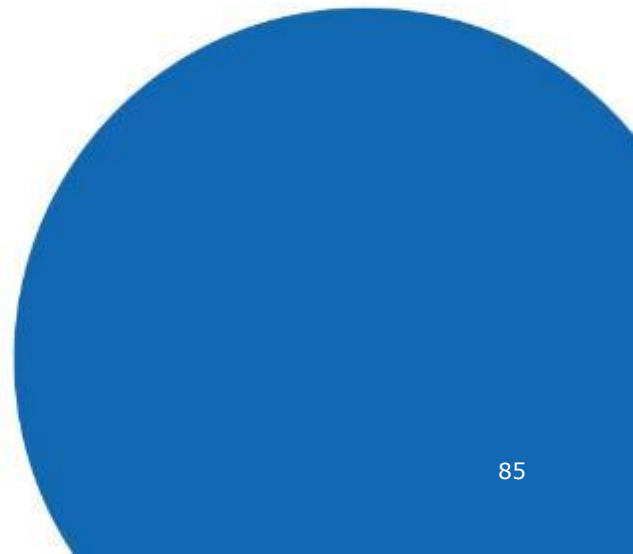
"I feel like I'm more drawn to option 2, but I like the idea of the gradual on the option one, but I think if nice I was pushed into a corner to make a decision then I think let's crack on and let's get things done."

NHH Large business

Base: NHH respondents (31) Post-task **Q05** Long term investment by Yorkshire Water will require an increase in customer bills. Bills could increase in different way over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?

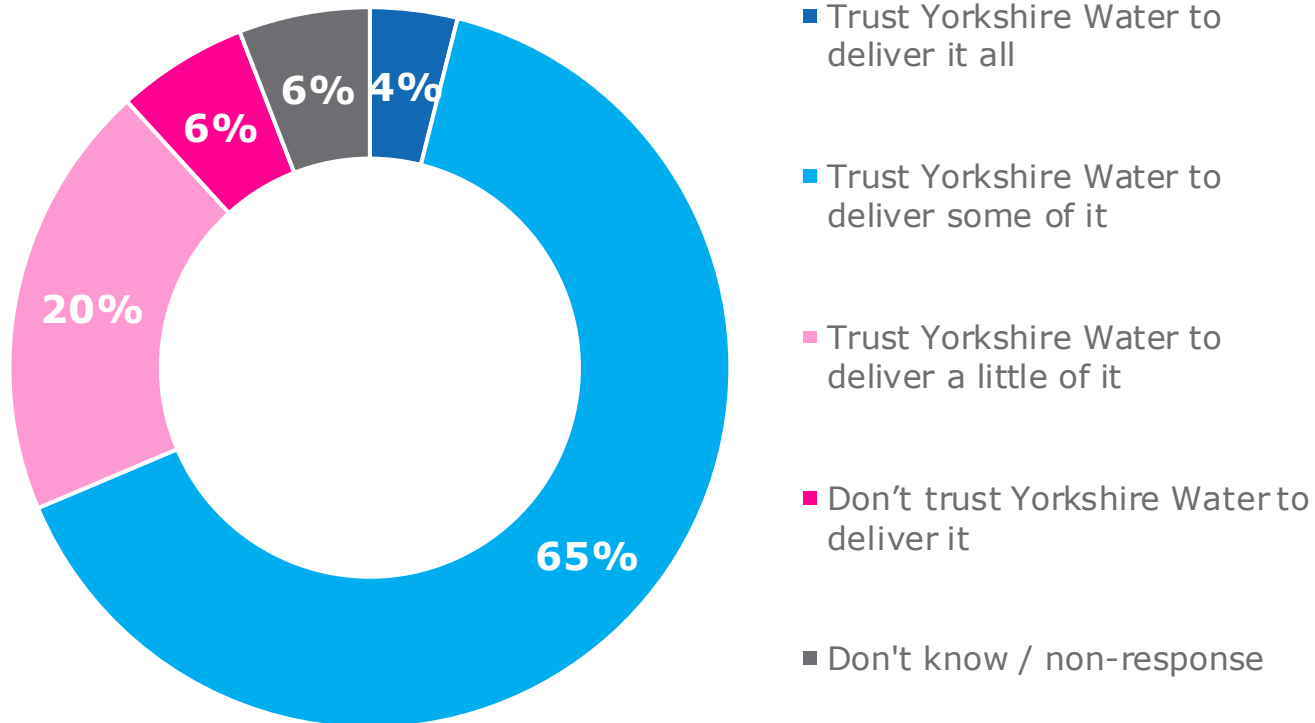
Caution with analysis – base sizes are low

9. Trust



Trust : Household customers

On balance, the majority of customers trust Yorkshire Water to deliver some of the plan, however, over a quarter (26%) only trust them to deliver a little of it or none of it.



Trust in the water sector is on the decline. CCW Water Matters¹ reports household trust levels in England being at their lowest point in 10 years with confidence around the long-term resilience of water supplies continuing to fall.

CCW's Perceptions and Trust in Water Companies² report highlights consumer trust in water companies to protect the environment is the lowest of the aspects measured.

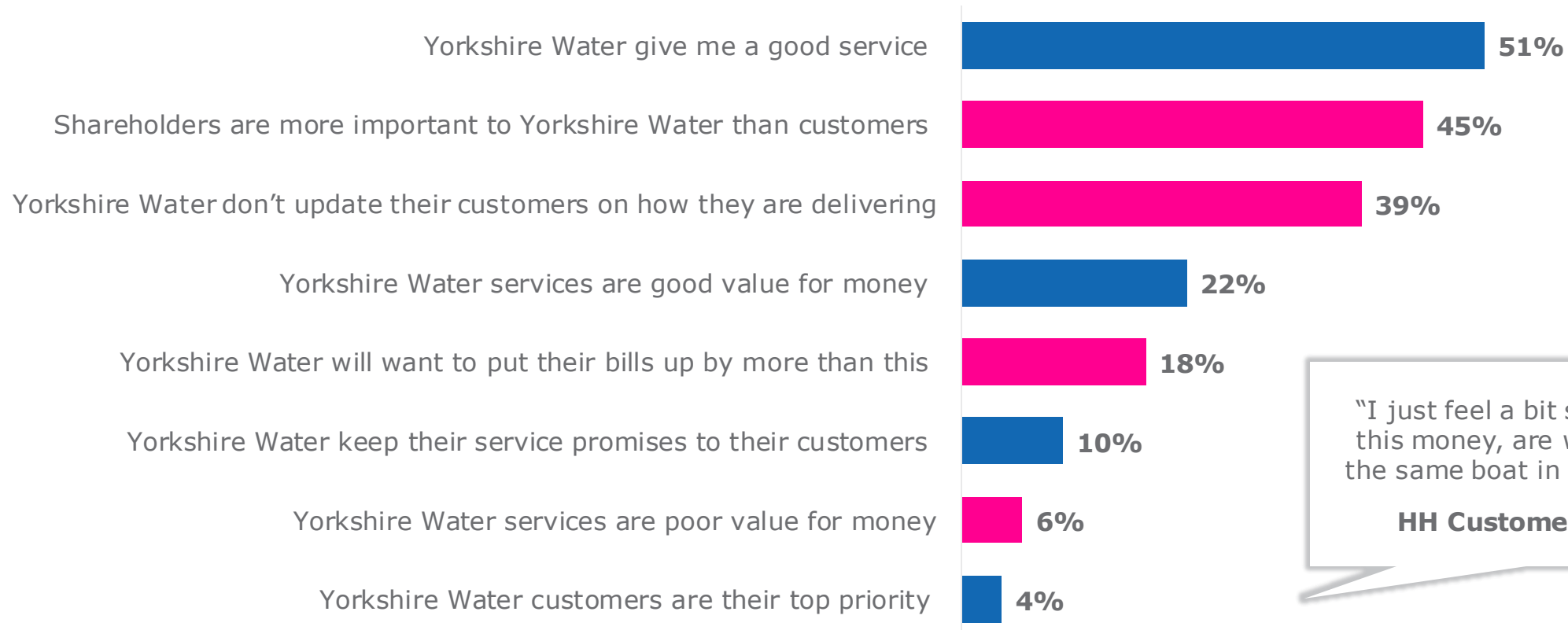
This, alongside YW's current position and inability to reach it's targets across several areas and strength of feeling against shareholders is feeding mistrust in YW's ability to deliver this plan in full.

1. [Water Matters 2022 – CCW](#)

2. [Perceptions and Trust in Water Companies – CCW](#)

Trust: Household customers

As reported in CCW's Perceptions and Trust in Water Companies¹ research, household customers are generally happy with the service they receive and for some this engenders trust in YW to deliver it's plan. However, nearly as many customers feel that shareholders hold more importance than customers for YW.



"I just feel a bit sceptical. If I pay this money, are we going to be in the same boat in another 5 years?"

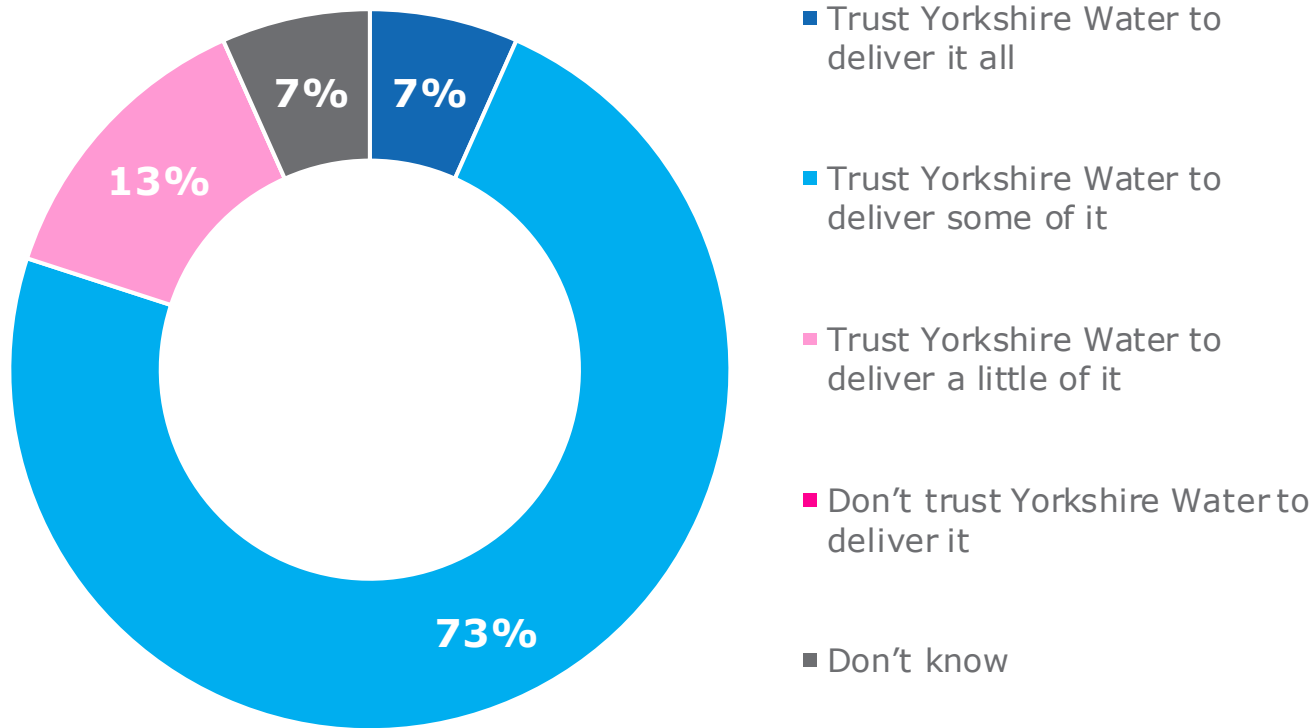
HH Customer Bridlington

1. [Perceptions and Trust in Water Companies - CCW](#)

Caution with analysis – base sizes are low

Trust : Vulnerable customers

Vulnerable customers are the most positive of the audiences that at least some of the plan will be delivered.

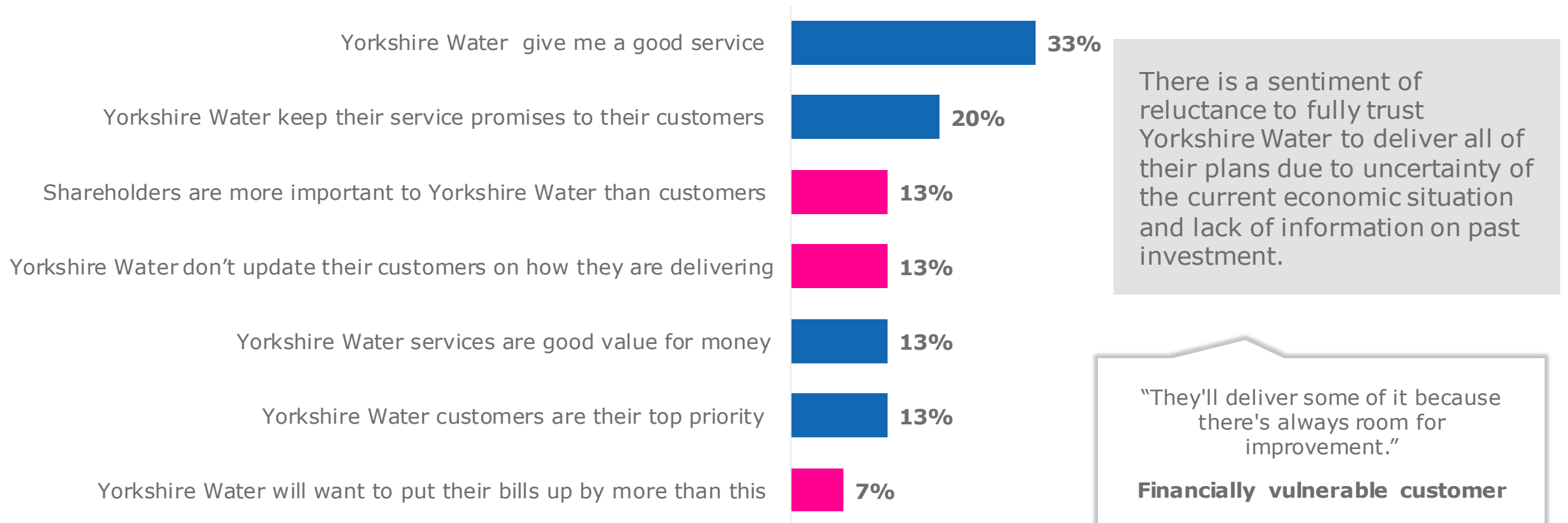


100% of health vulnerable and 63% of financially vulnerable customers trust YWAT to deliver **at least some** of the plan.

Reservations are felt due to previous failures to achieve targets.

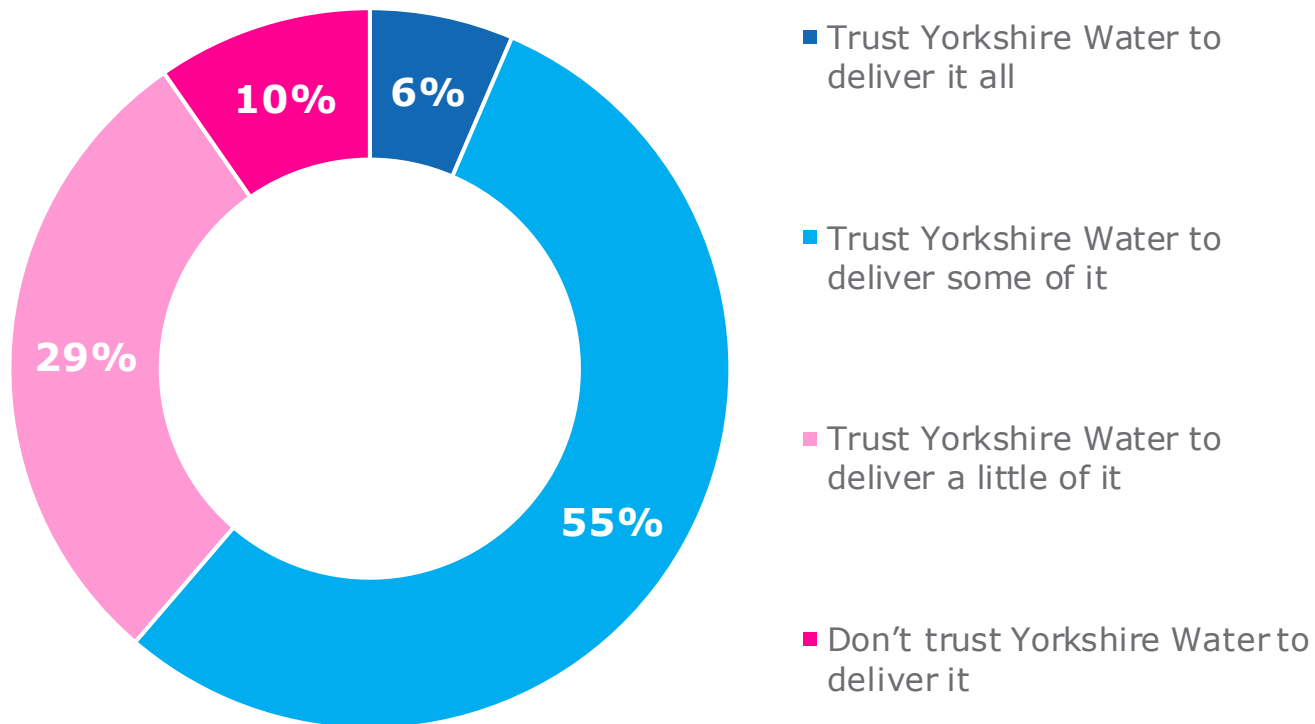
Trust: Vulnerable customers

Positive responses outweigh negative responses amongst vulnerable customers. The service they receive and for some, additional bill support, leaves most believing that YW will deliver at least some of its plan.



Trust : Non-household customers

Businesses are the most sceptical of the audiences, with 61% trusting that Yorkshire Water will deliver at least some of its plan and trusting them to deliver a little or none of it.

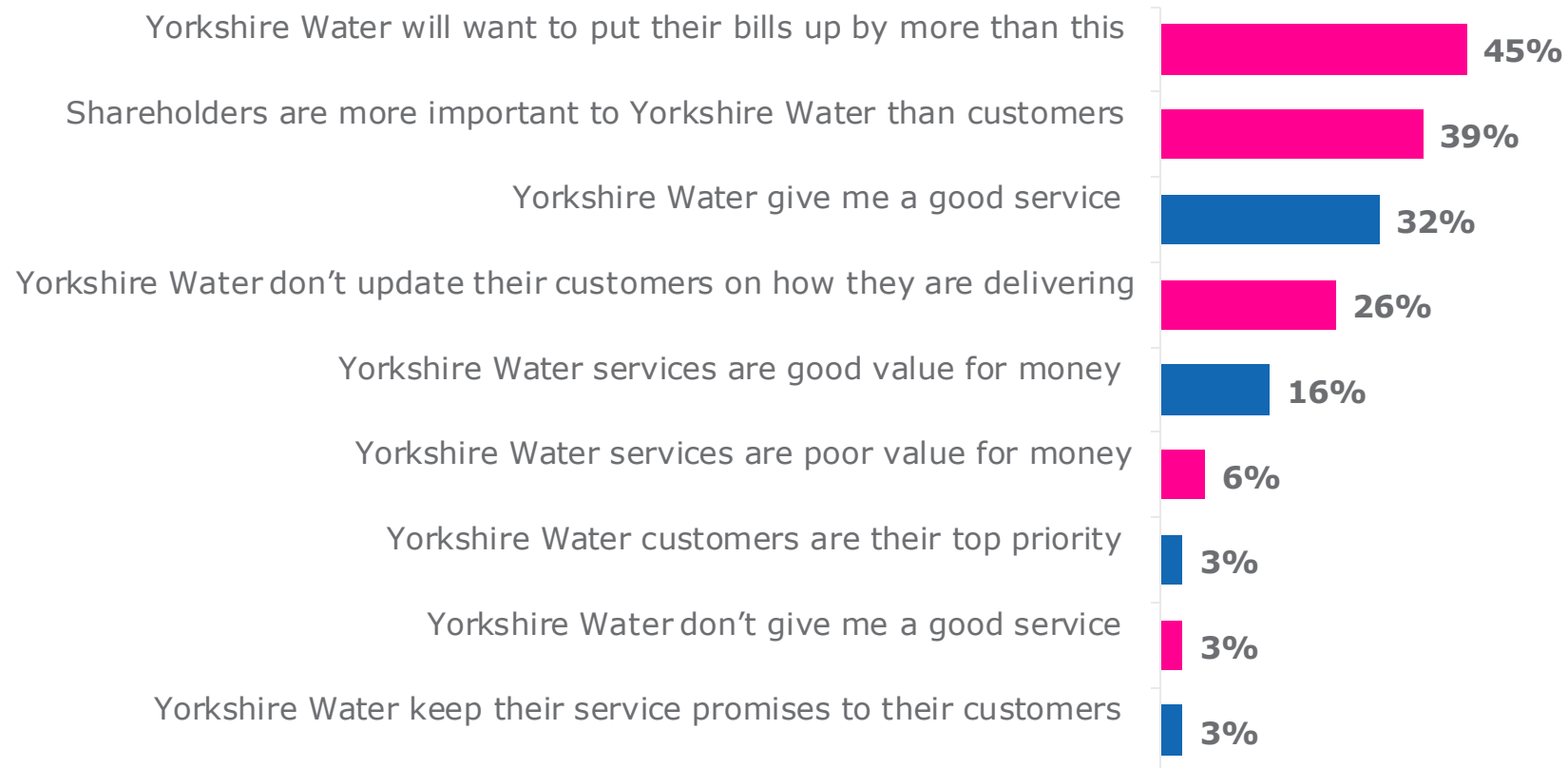


Micro businesses have the least faith in YW delivering its plan:

- 75% S/M/L and 53% Micro businesses trust Yorkshire Water to deliver at least some of the plan.
- 25% S/M/L and 47% Micro businesses believe YW will deliver only a little or not at all.

Trust: Non-household customers

Non-household customers, especially micro businesses, are least trusting of Yorkshire Water because they feel that shareholders are more important and they don't trust YW not to try and put the bills up more than they're projecting.

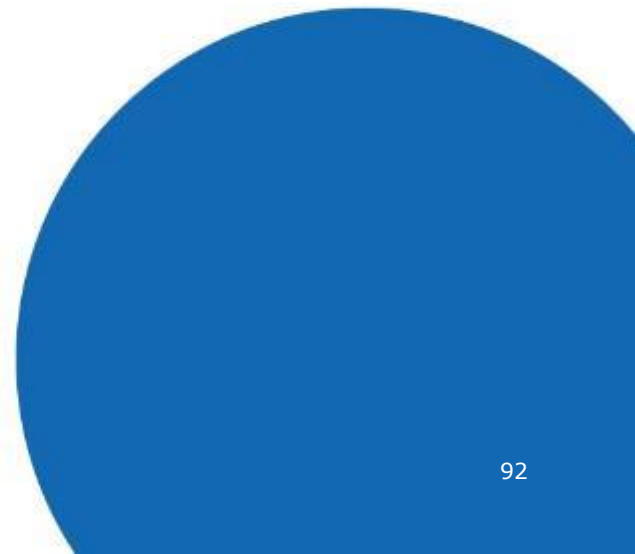
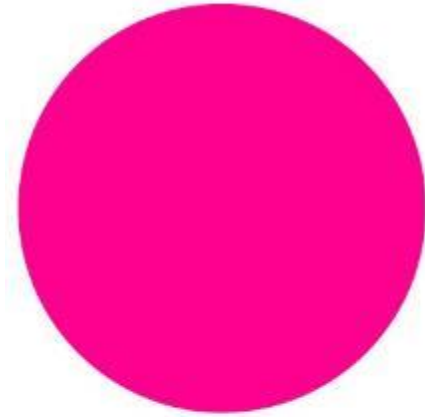


Micro businesses are more interested in seeing more communications from YW (YW "don't update their customers on how they are delivering" Micro 6 vs. S/M/L 2.)

"Our money isn't really for this, is it? It's going directly into the shareholders' pockets because when they achieve it, they get a bigger bonus. So, you may as well just redirect it straight into their pocket... I think the sadness is that they are making enough money a year to fund all these improvements themselves."

NHH Microbusiness

Summary & recommendations for the quantitative phase





In summary...

When customers see that Yorkshire Water are 'lagging behind' it raises initial questions about investment, what Yorkshire Water are doing, and why they are in the position they are, which in turn appears to **impact views on Yorkshire Water's business plan going forward**. On the more positive side though, current bills are still generally thought to be affordable for many – especially when compared to energy, so there is still some goodwill, and a sense that personal experience doesn't necessarily match what the PC measures are showing.

A few (typically NHH and ABC1s) also **question if company by company performance is relevant** and fair – with some (smaller and more densely populated companies) potentially having an advantage in some PCs. However, it does help to paint a picture that Yorkshire Water is not the only water company to be struggling to meet targets in some areas. However, this too **raises questions around the funding and privatisation of the water sector**, a topic and sentiment that appears to be quite top of mind at present for many customers and **exacerbated by recent news coverage on pollution**.

In terms of the business plan, there is a clear **divide between those who feel overwhelmed** and less able to comment in detail on the information presented to them (often lower SEG and vulnerable customers) **versus those who have a desire for more detail** and tangible metrics.

Words like vague, ambiguous and unclear are frequently mentioned throughout and particularly regarding Yorkshire Water's long term plan. There is a sense amongst many ABC1s that they need to know more to make an informed judgement. There is also some **scepticism around the significance and importance of some of the PCs identified by OFWAT** as the focus for this research and also the way in which performance is measured (e.g. disruptions over 3 hours). Customers also often **feel the need to see more historical performance data** to put the targets outlined in the business plan into better perspective. Customers sometimes found the information as to why Yorkshire Water hadn't met a target as interesting context but a lot of the time customers did express the perception that the explanations sounded like "excuses" or "a cop out".



We suggest...



Overall it may be worth **considering how the business plan shown can incorporate more tangible and measurable details** without adding too much extra content, as customers already note being overwhelmed at times by the volume of what they are shown.



You could **consider 'Click here' for more details options** so that quantitative participants can choose how much information they feel they would like to see or need to see. This could be applied to reasons for not meeting targets or to add historical performance data to some metrics shown.



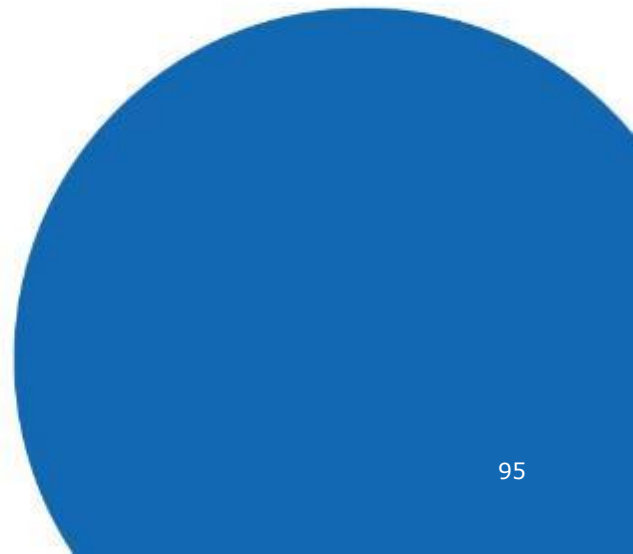
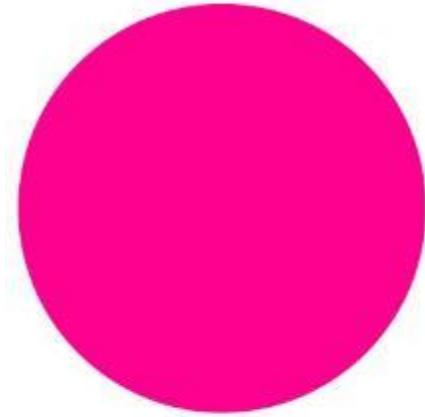
It may be **worth considering the wording used in places to make it less vague and subjective.** It may be worth clarifying where some of the activities YW are proposing are a continuation of current activities or new technologies or efforts yet to be used.



Where possible it may worth being **clearer on YW's financial contribution to what is being proposed** and how YW are shouldering some of the financial burden rather than passing it all onto consumers. Any clarity on profits and bonuses is also greatly desired by customers.

Appendix 1

Recruitment method





Recruitment method

Deliberative focus group sessions with 83x customers & future bill payers lasting 3 hours
(achieving an even split across AB, C1C2 & DE SEG in HH groups)

51x Household customers (YW customer sample)

19x Non-Household customers (purchased sample – once exhausted, external recruiter)

13x Future bill payers (external recruiter)

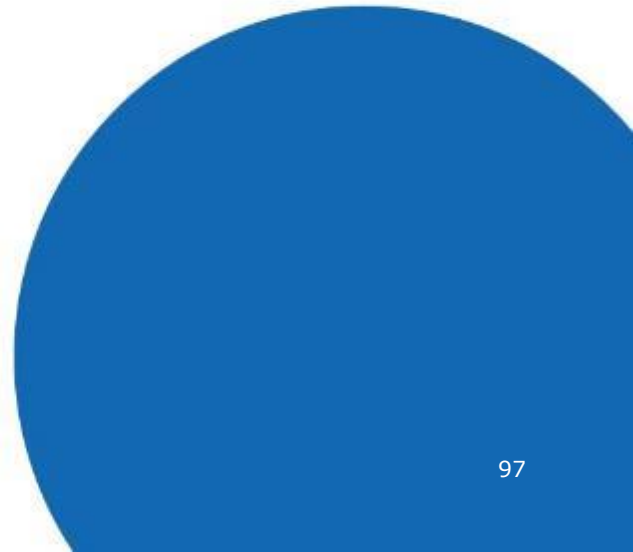
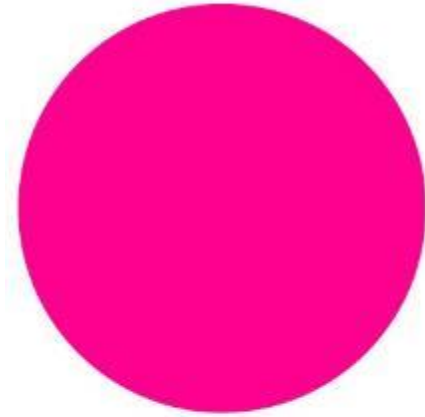
27 x in-depth interviews with NHH & vulnerable customers lasting 90 minutes

15x Vulnerable customers: 7x Health vulnerable, 8x Financially vulnerable (YW customer sample - once exhausted, external recruiter)

12x NHH customers (Small, Medium & Large (purchased sample – once exhausted, external recruiter))

Appendix 2

Pre-Task Responses





Pre-Task questions: Non-Households

How easy or difficult is it for your organisation to afford to pay your current water and sewerage bill?	%	Which of the following aspects of service is most important for the day-to-day operation of your business?*	%	What are your business's expectations for future water and sewerage services – what would you most like to see improved?	%	Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you?
Very easy	26%	A reliable water supply service	52%	A reliable water supply service	45%	"I didn't know you could switch water suppliers, I was surprised how badly the water companies did compared to their targets, no mention of how much money goes to shareholders, profits"
Fairly easy	29%	Consistent water pressure	3%	Consistent water pressure	42%	
Neither easy nor difficult	29%	Reliable and consistent water supply quality	26%	Reliable and consistent water supply quality	58%	
Fairly difficult	0%	Responsive customer service	6%	Responsive customer service	48%	Anything missing from the plan?
Very difficult	0%	Accurate bills	10%	Accurate bills	35%	"Profit margins against cost to customers" "The plan needs more detail because there are so many uncertainties"
Don't know	16%	Reliable removal and treatment of water	6%	Reliable removal and treatment of water	26%	
		Reliable removal of rainwater from the site	3%	Reliable removal of rainwater from the site	29%	

Base: All NHH (31). *Selected as no.1 most important aspect of day-to-day operation.

Caution with analysis – base sizes are low



Pre-Task questions: Households

How easy or difficult is it for you to afford to pay your water and sewerage bill?		%	Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you?	Was there anything in the business plan that you haven't seen that you would have liked to/have expected to have seen covered?
Very easy		20%	<p>"I find it surprising that water companies were set targets. Again, surprising that penalties/rewards are charged. It is interesting the environmental focus that appears in the plan."</p> <p>"The breakdown of information costs and how the daily costs are spent. Surprising how much water is lost through leakage per day. Surprised how much drinking water is produced daily."</p> <p>"Performance: rewards and penalties. Shocked that YW are 'lagging behind' overall. Shocked that 122.91L are lost per property per day and this is considered good - that's still massive waste"</p> <p>"1. the assumption to rise our bill year on year to cover weather investment. 2. fines from Ofwat don't seem to reflect the punishment needed re. pollution / spills into rivers + sea. 3. leakage of unaccounted for water?"</p>	<p>"How performance was/ is evaluated 12 monthly if targets not met / action plans that are put in place. I.e. in 21/22 what actions were taken when lagging behind."</p> <p>"I would have appreciated more financial information e.g. profit figures, shareholder remunerations.</p> <p>Would have liked to see some thought into sustainable water harvesting technologies"</p> <p>"Co-operating with other water companies. How does YW keep up with new initiatives in the water industry nationally and worldwide?"</p> <p>"The figures quotes are not baselined and as such show very little actual data. Inflation is currently greater than standard living wage rises, as such this has a significant affect on all these working. For those on benefits the cost rises could be devastating."</p>
Fairly easy		25%		
Neither easy nor difficult		37%		
Fairly difficult		6%		
Very difficult		0%		
Don't know		12%		

Base: All HH (51).

Caution with analysis – base sizes are low



Pre-Task questions: Vulnerable

How easy or difficult is it for you to afford to pay your water and sewerage bill?		%	Please indicate from the list, which of the following you received from your water company?		%	Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you?
Very easy		0%	A bill in you preferred format		0%	
Fairly easy		33%	A password used by meter readers		7%	
Neither easy nor difficult		13%	Delivery of bottled water to your home		0%	
Fairly difficult		27%	No, none of these		87%	
Very difficult		20%	DK / N/A		7%	
Don't know		7%				

Base: All VUL (15).

Caution with analysis – base sizes are low



Pre-Task questions: Future Bill Payers

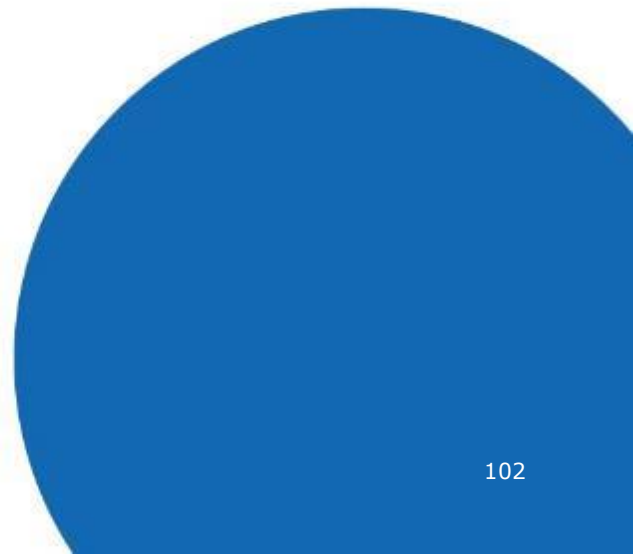
If 10 is 'very impressed' and 0 is 'very unimpressed', how are you feeling about your water company?		%	Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you?	Was there anything in the business plan that you haven't seen that you would have liked to/have expected to have seen covered?
1		0%	<p>"Water companies set targets based on customer feedback. Not aware there are rewards for companies who over-deliver. YW is lagging behind - surprising as I rarely have issues"</p> <p>"That water costs £1.23pd - thought it would be cheaper. That so much is invested per day to maintain the network. Seeing excuses."</p> <p>"The 20/21 performance being significantly lower is surprising and something that needs to be looked at for the future. That some water companies do water and waste"</p>	<p>"In terms of the 25-30 year plan, I would have liked to have seen goals every few years leading up to 2030, to see if they achieve slowly, and if not, they can relook at their methods before the end of 2030 and seeing another failed 5 year plan."</p> <p>"Transparency of where the money goes."</p> <p>"Expected to see t/o of YW compared to others. Also expected to see interim targets e.g. 2025, 2027, 2030 - which would make it easier to assess future plants."</p>
2		0%		
3		0%		
4		0%		
5		8%		
6		23%		
7		8%		
8		31%		
9		15%		
10		15%		

Base: All FBP (13).

Caution with analysis – base sizes are low

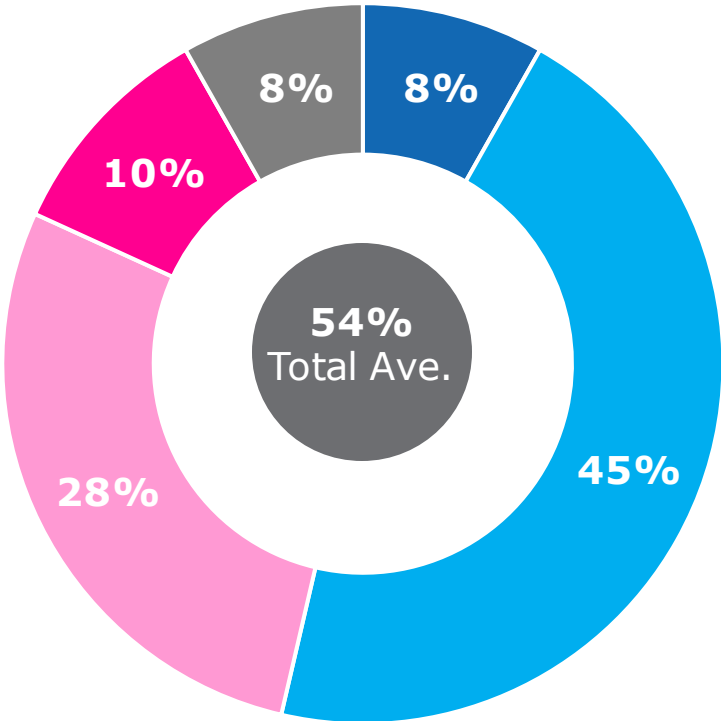
Appendix 3

Post-Task Responses: Total base



Acceptability: Total

Overall, just over half of the total base feel that the plan is NET acceptable. Acceptability is highest among vulnerable customers (80%) and lowest among Future Bill Payers (38%).



- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

"A lot of 'aim to', 'enhance' rather than tangible costed plans. This maybe because of limited time + making the presentations easier to understand for all the group. "

HH Customer Bradford

"Too vague, saying 'we will' + not 'we are'. Some areas of improvement should have been done before; why have we been paying for these improvements but none have been achieved."

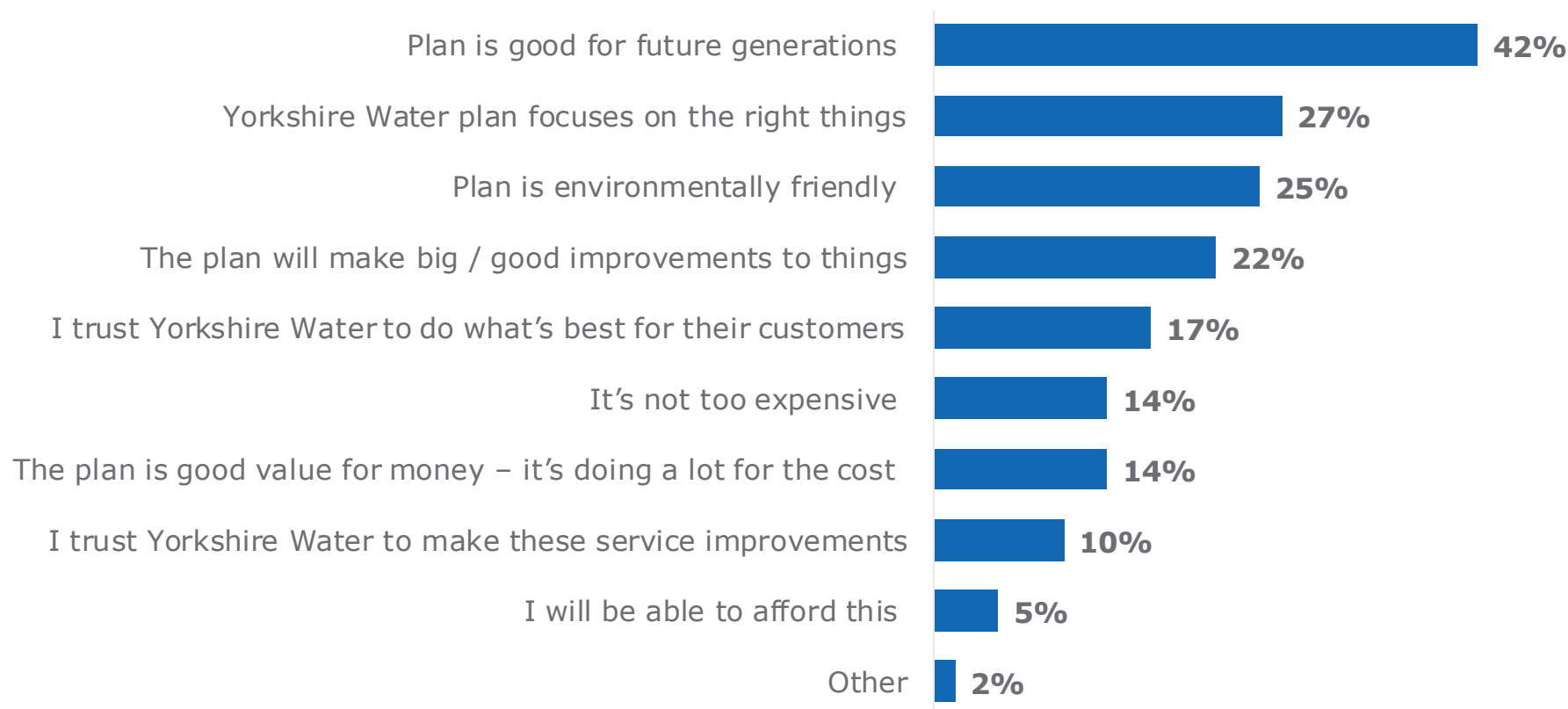
HH Customer Doncaster

"I have not heard anything about the profit contribution to what appear to be laudable aims but which, it could be advised, is what the company should be doing anyway – it's their job. "

HH Customer Bradford

Acceptability: Total

Belief that the plan is good for future generations is the key factor for deeming the plan as acceptable.

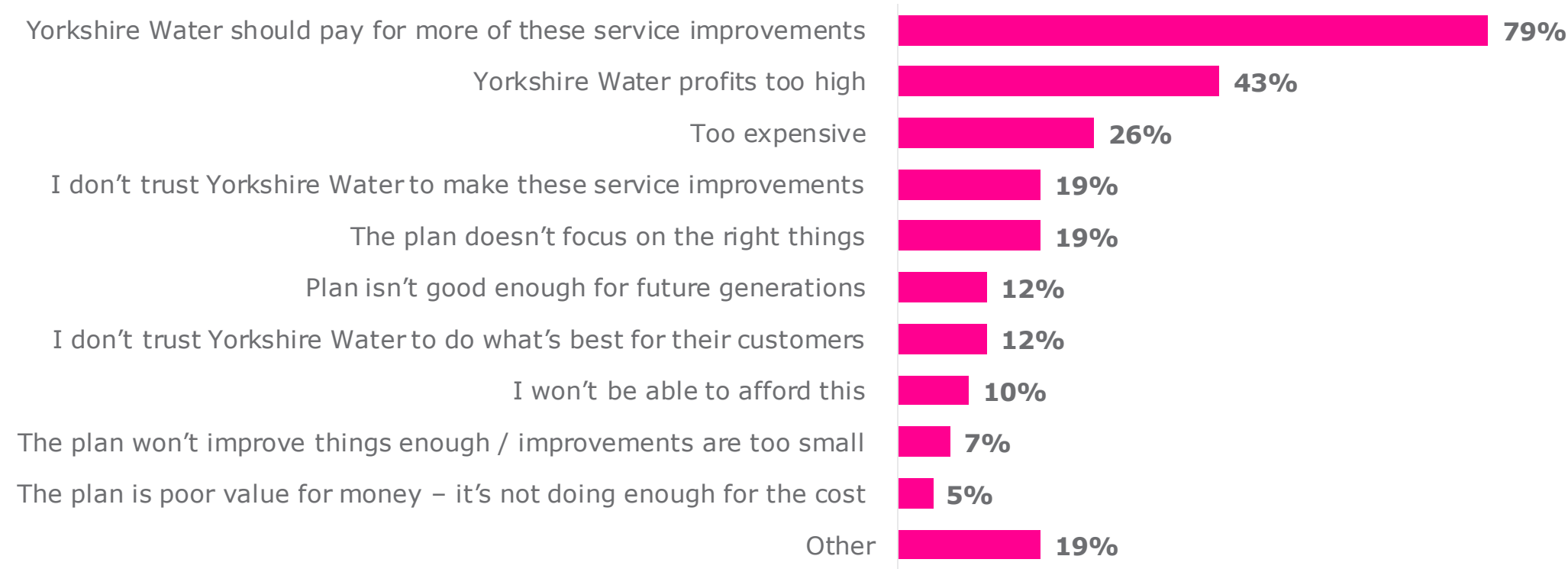


Caution with analysis – base sizes are low

Base: All respondents stating the plan is acceptable (59) Post-task **Q2b/3b/4b** You said that the proposed business plan is completely acceptable or acceptable...Why do you say that?

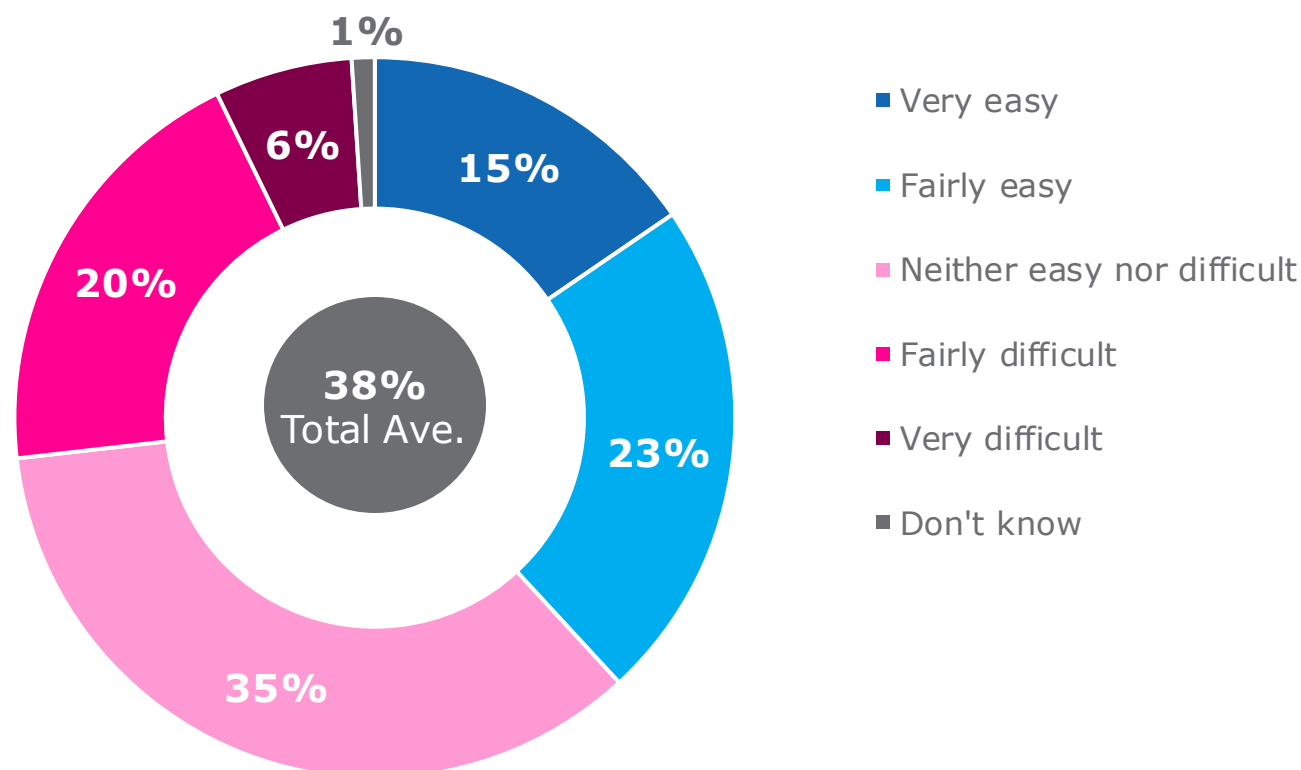
Acceptability: Total

Those who do not find the plan acceptable are most likely to state that Yorkshire Water should pay for investments out of their own profits and that YW profits too high.



Affordability: Total

Just over a third of the total sample (excludes FBPs) find the projected bill increases affordable. Net affordability is highest amongst businesses (45%) and lowest amongst vulnerable customers (26%)



"The price is a small charge for something that could potentially help future generations."

HH Customer Bradford

"Certain elements should not be fronted by customers. Should be a given not extra. I wouldn't go to Tesco if they fly tipped, then the cheek of asking for a clean up fee! No way."

HH Customer Doncaster

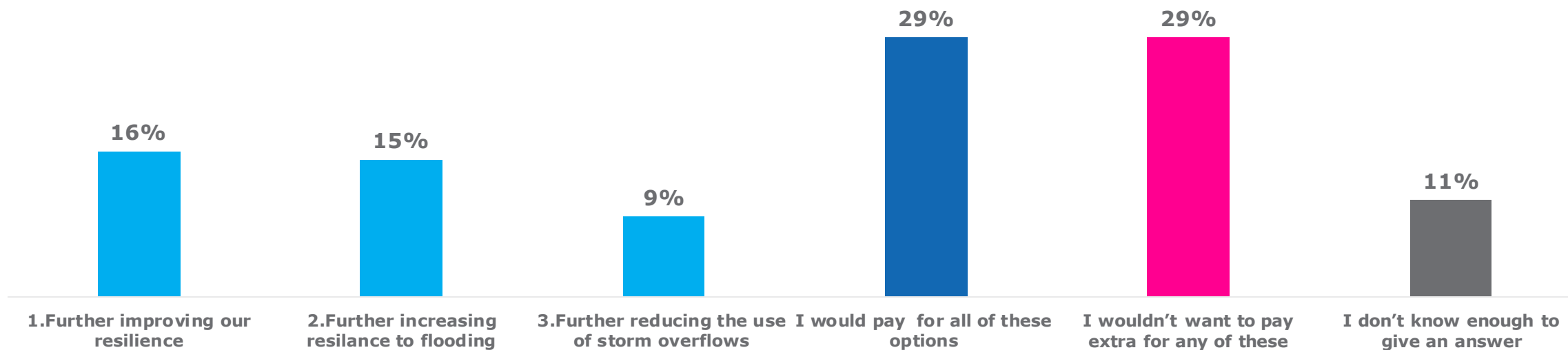
"In comparison to other increases this is manageable and I trust the company are accountable."

HH Customer Ripon

Optional choices: Total

There is a reasonable interest amongst customers and future bill payers to invest in at least one of the additional investment areas. Those that don't support additional investment often cite that they want to see YW carry more of the burden for additional investment rather than passing it onto the customer. NHH customers are less likely than HH customers to want to invest because they often view the options to be of more benefit to households or citizen focussed benefits.

60% of Total would pay for at least one optional extra.

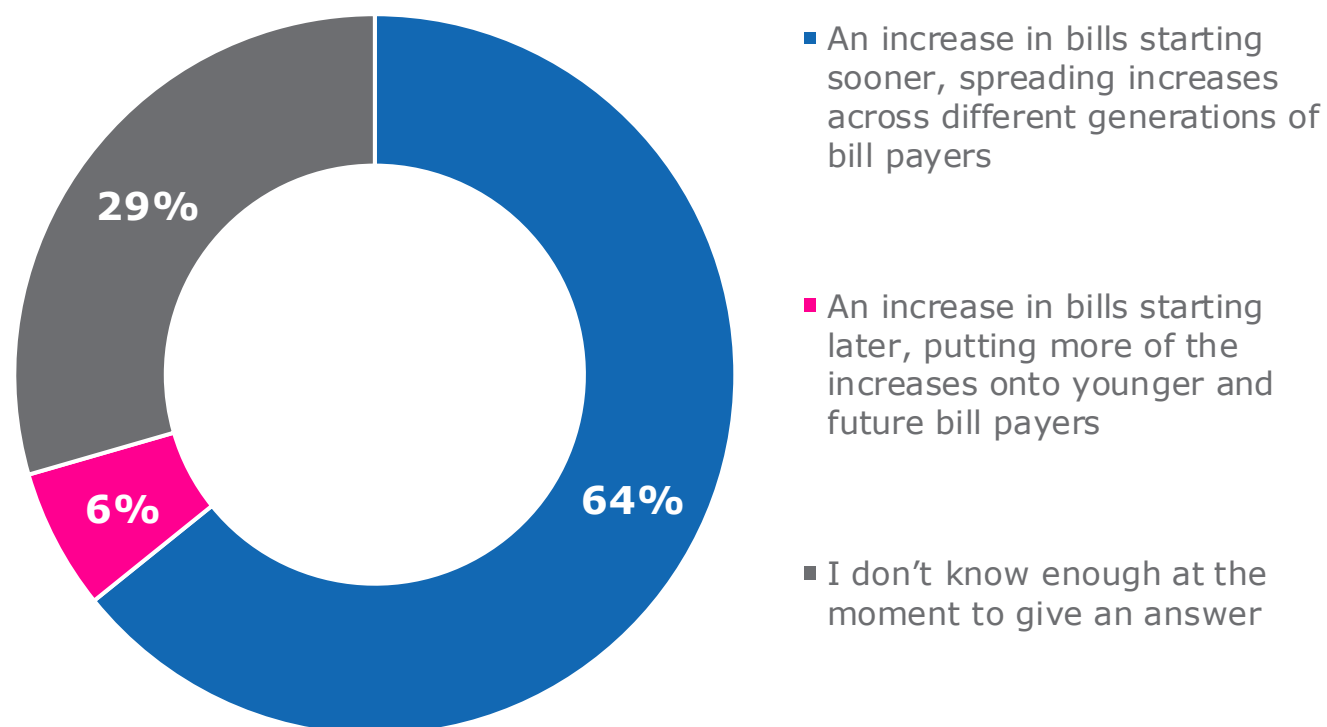


Caution with analysis – base sizes are low

Base: All respondents (110) Post-task **Q6/8/9** Which, if any, of the optional investments would you be keen for Yorkshire Water to add to their business plan and you would be willing to pay for? ¹⁰⁷

Phasing: Total

When presented with two options – bills increasing sooner or later, the total sample would prefer the former. However, in the sessions customers opted for a third option of a gradual increase and gradual service improvements. Vulnerable customers are concerned about the bill increase associated with earlier investment, and so are less likely to vote for this option but are overall in the belief that sooner investment is better.



"Yeah, because if they're rapidly just changed it, not everybody might be able to afford it and we would struggle."

Health vulnerable customer

"Prevention is better than cure and I've always had that outlook. If we don't do the improvements now, we don't know whether if we leave it to option three and delay that investment, then that delay might cost twice as much, take twice as long, and affect a lot of people."

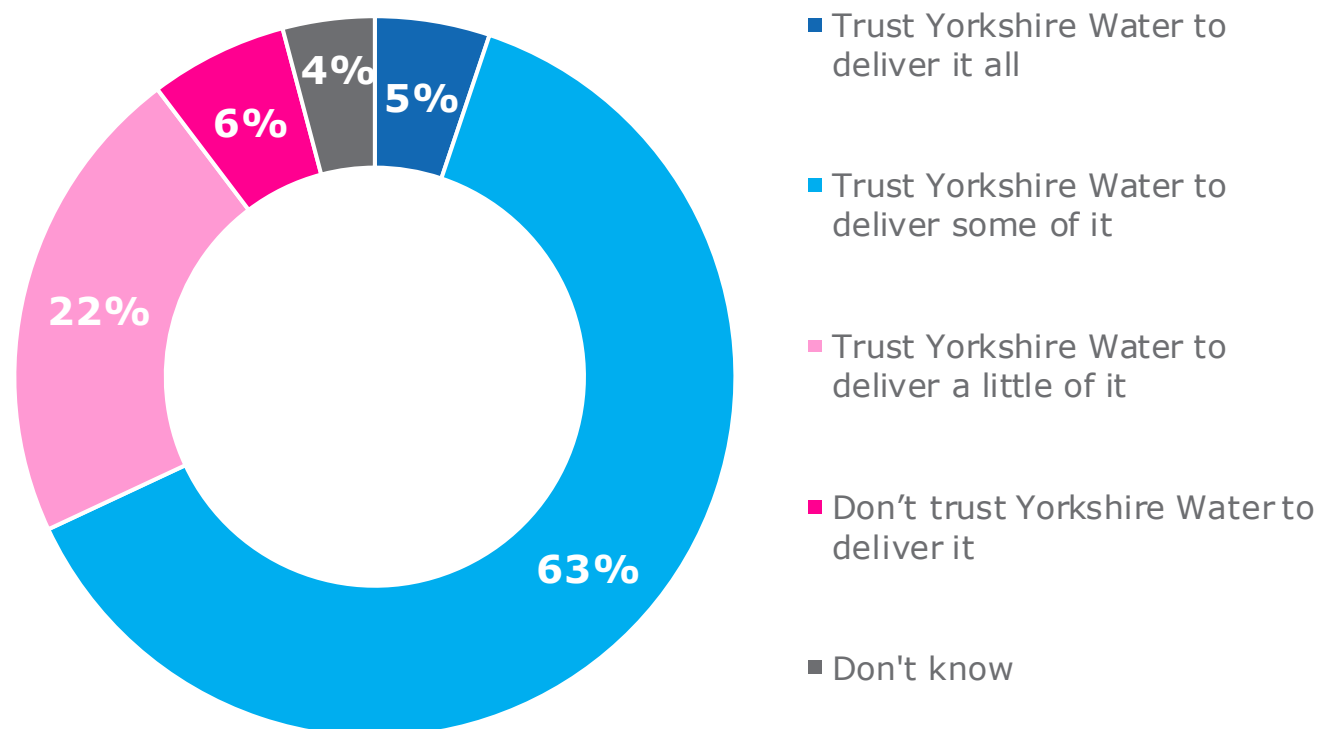
Financially vulnerable customer

Caution with analysis – base sizes are low

Base: All respondents, excl. VUL (95) **Q4/5** Long term investment by Yorkshire Water will require an increase in customer bills. Bills could increase in different way over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?

Trust : Total

On balance, the majority of customers trust Yorkshire Water to deliver some of the plan, however, over a quarter (28%) only trust them to deliver a little of it or none of it.



Vulnerable customers have most trust in YW to deliver at least some of it's plan (80%) and NHH customers have least trust (61%). This is mainly driven by micro businesses. Household customers sit in the middle (69%).

YW's current position (lagging in 7/12 areas) has left customers wondering if it's capable of meeting the 2030 targets. This coupled with some questioning where customers' money goes (how much goes on service improvements and how much goes to shareholders) is feeding mistrust in YW's ability to deliver this plan in full.

Trust: Total

As reported in CCW's 'Perceptions and Trust in Water Companies' research, customers are generally happy with the service they receive and for some this engenders trust in YW. However, over a third feel that shareholders hold more importance than customers for YW.

