



# Affordability Research Debrief

July 2023

## Yorkshire Water

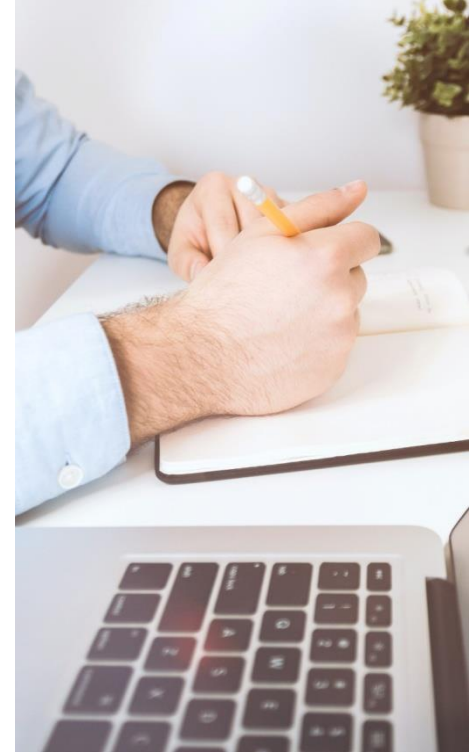
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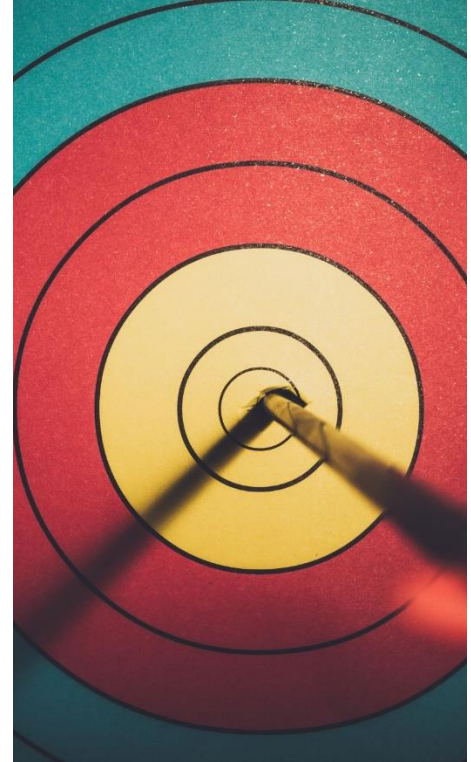


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# 1. Objectives & Methodology



## Project aims & objectives

### **Overall aim:**

*“To understand customer affordability and the vulnerabilities that exist in Yorkshire, and if the support offered is meeting the needs of customers today”*

### **Project objectives**

1. **Uncover the regional universe of vulnerability**  
categories within the Yorkshire Water region
2. **Identify the types of customers already struggling**  
(or who may soon struggle) with water bills
3. **Determine how well the support provided** by  
Yorkshire Water is working or could be improved
4. **Develop an economic impact assessment simulator**  
to help predict the proportion of customers that could  
end up in water poverty should key metrics change  
(e.g. bill levels or inflation)

# Methodology approach

## Quantitative: 3,822 participants

1



**Yorkshire  
Regional  
Customers**

2,222x customers

Surveys

Online Panel and  
Face to face  
interviews

2



**Financial  
Scheme  
Recipients**

873x customers

Surveys

Email Survey and  
Telephone top up  
(CAWI)

3



**Priority Service  
Register  
Customers**

727x customers

Surveys

Email Survey and  
Telephone top up  
(CAWI)

4



**'Struggling'  
Regional  
Customers**

30 customers

Interviews

In-home or Zoom

5



**Financial  
Scheme  
Recipients**

12 customers

Interviews

In-home or Zoom

6



**Priority Service  
Register  
Customers**

8 customers

Interviews

In-home or Zoom

# Quantitative Methodology



- In total, 3,822 surveys were completed across 3 separate groups of Yorkshire Water bill payers, with the following number of survey completions in each;
  - **Regional:** A representative sample of Yorkshire Water billpayers (2,222)
  - **Financial Scheme:** Customers registered on a Yorkshire Water financial support scheme (873)
  - **Priority Services Register (PSR):** Customers registered on the Yorkshire Water Priority Services Register (727)
- In the **Regional survey**, 1,979 surveys were completed online via a commercial access panel provider. An additional 243 were completed face-to-face amongst 'hard to reach' audiences
- Quotas were set on region, age, gender & SEG to ensure that the final sample was representative of the Yorkshire Water customer base & corrective weighting applied at analysis.
- Contacts for the **Financial Scheme Survey** were provided by Yorkshire Water and surveyed predominantly through email survey (847) with some telephone top up (26). No quotas were set on recruitment, but weighting was applied at analysis to ensure that the sample was broadly in line the distribution of schemes within the sample.
- Similarly to the survey above, contacts for the **Priority Service Register** were also provided by Yorkshire Water and surveyed predominantly through email survey (661) with some telephone top up (66). No quotas were set on recruitment, and no weighting applied.
- All surveying was carried out between 24<sup>th</sup> April and 31<sup>st</sup> May 2023.



## Qualitative methodology

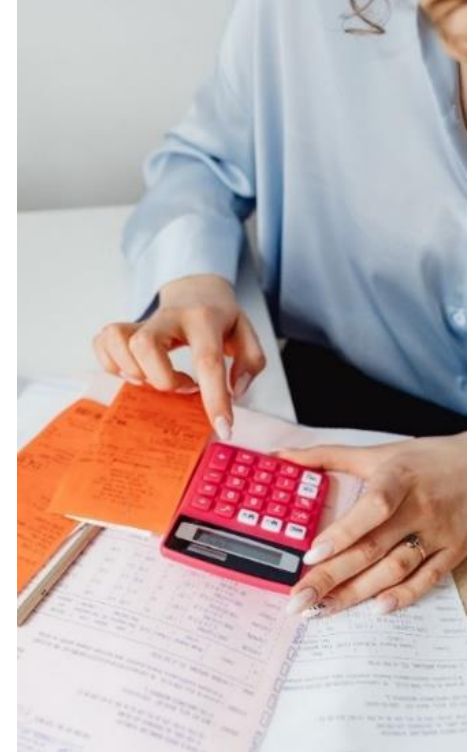


- In total, **50 customers took part in in-depth interviews** – some already on the Priority Services Register and Financial Schemes, others who were struggling with bills to varying degrees (but not on a scheme)
- Customers were recruited through a mixture of free-find by recruiters or from a database of customers who completed the survey and consented to be re-contacted (for those on schemes)
- 12 of the interviews took place face-to-face in customers' homes, the rest were remote
- Recruits were spread evenly over the Yorkshire Water region with a mix of demographic backgrounds

Audience	No. recruits	Recruitment method	Interview method
Priority Services Register	8	Survey re-contact	Telephone / Video
Financial schemes	12	Survey re-contact	Telephone / Video
'Always struggle' / severe debt	10	Free find	Telephone / Video / F2F
'Often struggle' / some debt	10	Free find	Telephone / Video / F2F
'Sometimes struggle' / no debt yet	10	Free find	Telephone / Video / F2F

## 2. Customer context:

What is the financial and vulnerability situation of Yorkshire Water customers?





# Customer profiles and circumstances differ by group, but 2023 is an uncertain time for all



## Customer Profile

	Regional	Financial Scheme	PSR
<b>Gender</b>			
Female	51%	74%	57%
Male	49%	25%	40%
Prefer not to say	0%	1%	3%
<b>Age</b>			
18-24	5%	1%	0%
25-34	13%	18%	3%
35-44	17%	32%	6%
45-54	20%	25%	12%
55-64	17%	16%	18%
65-74	19%	6%	32%
75+	9%	1%	27%
Prefer not to say	0%	1%	2%
<b>SEG</b>			
ABC1	47%	22%	31%
C2DE	51%	78%	69%
Prefer not to say	2%	0%	0%
<b>Region</b>			
North	16%	13%	18%
West	45%	50%	41%
South	27%	25%	28%
East	12%	12%	12%
<b>Base</b>	<b>2,222</b>	<b>873</b>	<b>727</b>

## External challenges facing Yorkshire Water customers in 2023

### COST OF LIVING CRISIS



### WAR IN UKRAINE



### COVID LEGACY



### INFLATION



## Majority of Financial Scheme and PSR customers have vulnerabilities in the household



Vulnerability in household	Regional	Fin Scheme	PSR
<b>Net - Any</b>	<b>54%</b>	<b>84%</b>	<b>89%</b>
Is disabled or suffer(s) from a long term illness	<b>24%</b>	<b>46%</b>	<b>65%</b>
Have/has mental health issues	<b>16%</b>	<b>44%</b>	<b>26%</b>
Have/has a learning difficulty	4%	17%	7%
Relies on water for medical reasons	5%	<b>30%</b>	<b>27%</b>
Is visually impaired (i.e. struggles to read even with glasses)	3%	4%	13%
Is receiving additional care (social care, nursing care, personal care)	2%	9%	16%
Am/is over the age of 75 years old	10%	2%	<b>28%</b>
Speaks English as a second language	5%	11%	1%
Is deaf or hard of hearing	7%	8%	<b>26%</b>
Is a new parent	3%	4%	2%
Is experiencing financial difficulties	18%	<b>45%</b>	15%
None of these apply to me	45%	11%	6%
Prefer not to say	1%	5%	5%
<b>Base</b>	<b>2,222</b>	<b>873</b>	<b>727</b>

In each category, most likely reason for vulnerability related to a **disability or long-term illness** in the household.

**Mental health** and financial difficulties notably high for those on Financial support.

Around a quarter of PSR respondents noted a vulnerability relating to mental health, reliance on water, over 75 and hearing.

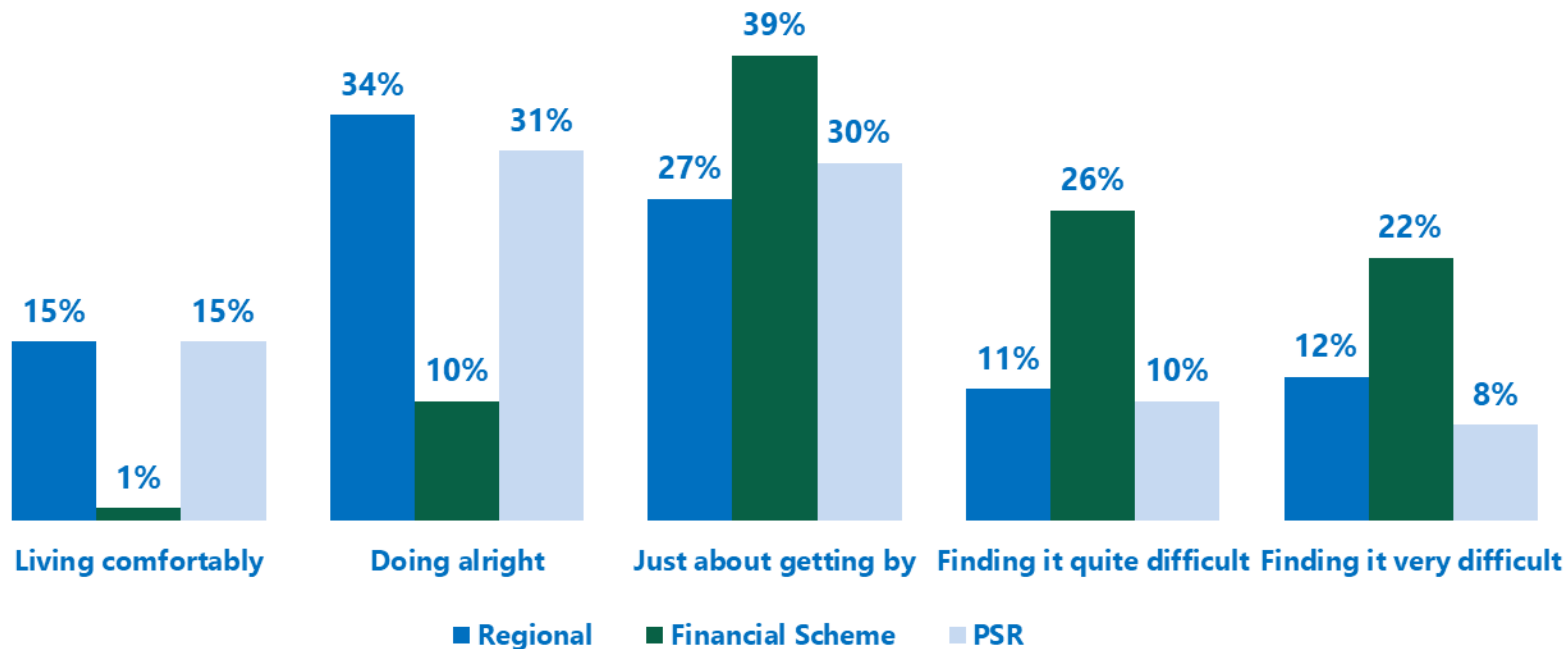
At a regional level,

- **Disability/long term illness** higher amongst 75+, and those in council rented homes, and C2DE customers.
- **Mental health issues and Financial difficulties** particularly high for 18-24s, those in council rented homes and those who are struggling with bills most/all of the time.

## Across the region, half of customers are struggling financially



Q1. Overall, how well would you say you are managing financially?

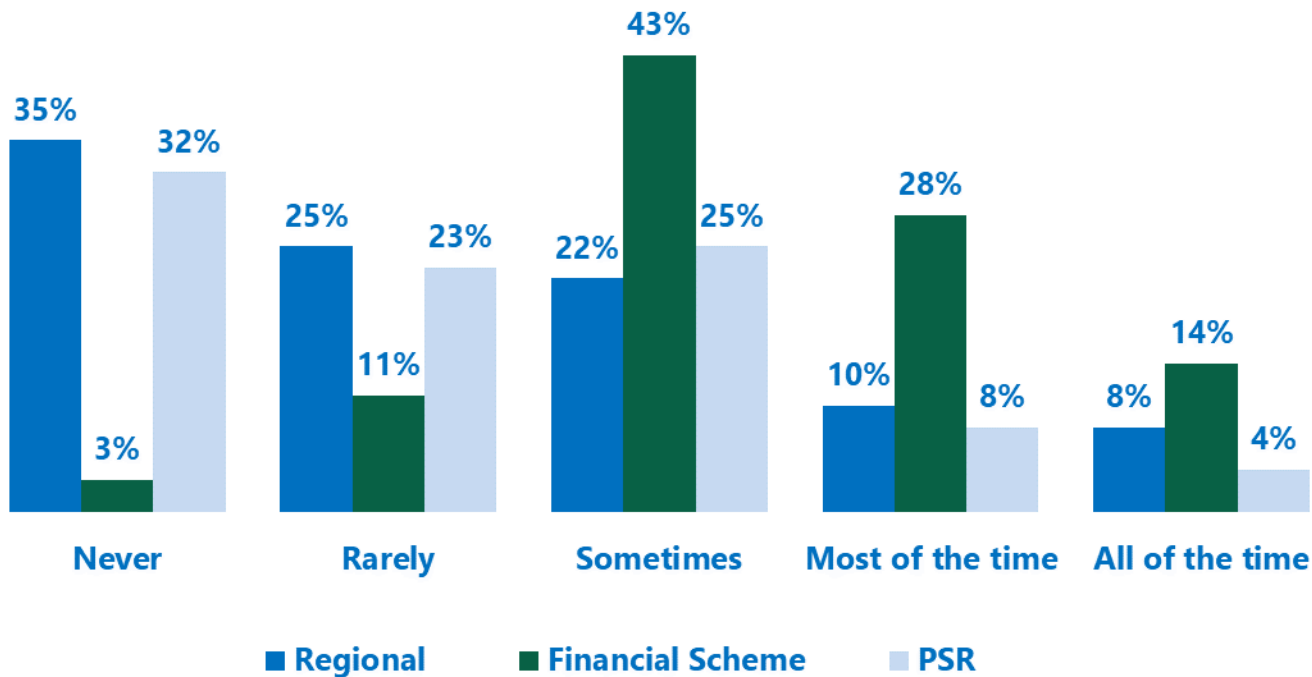


Source: Qa Research (2023) Base: Regional (2,222), Financial Scheme (873), PSR (727)

## Most financial scheme recipients struggling to pay all of their bills



Q2. How often, if at all, would you say you struggle to pay all your bills?

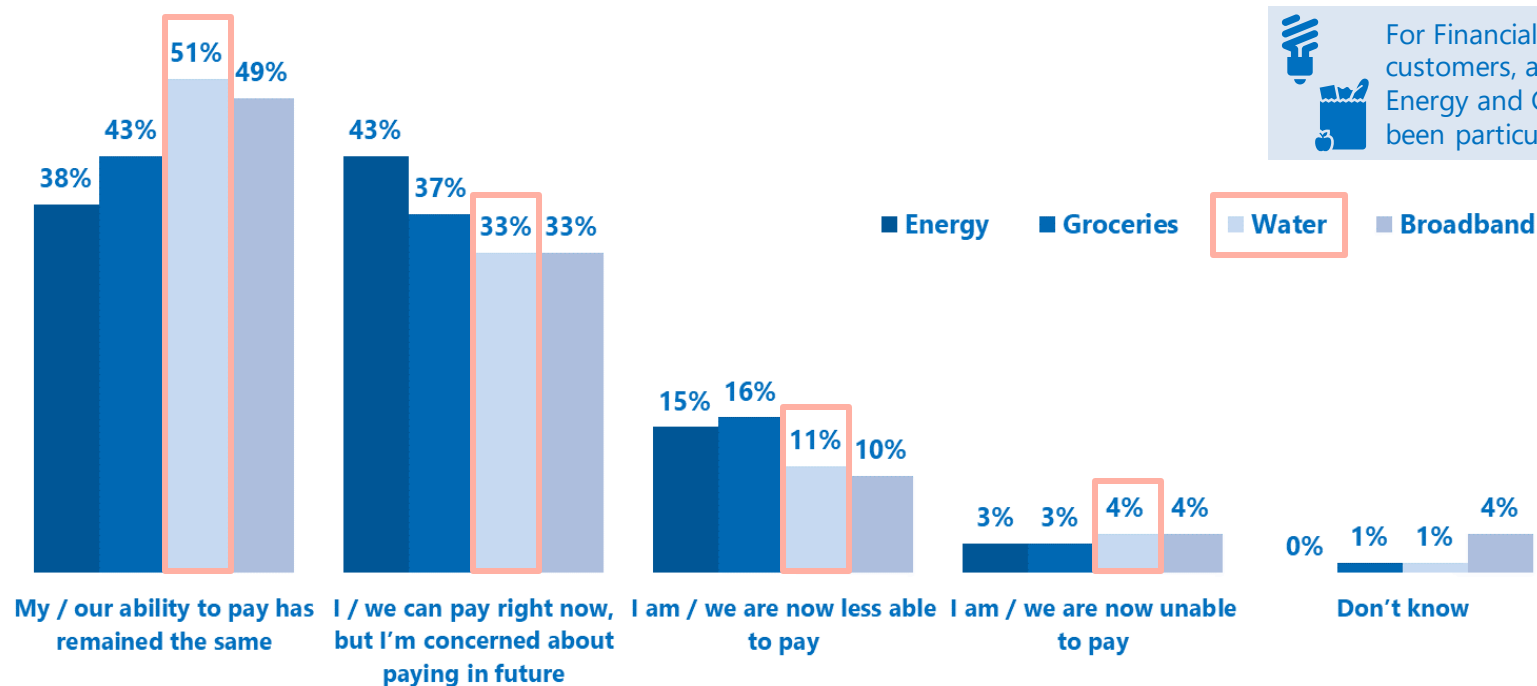


Source: Qa Research (2023) Base: Regional (2,222), Financial Scheme (873), PSR (727)

# Half still able to pay water bills, but a third are concerned about the future



Q4. To what extent has your household's ability to pay the following bills been affected by the cost-of-living crisis?

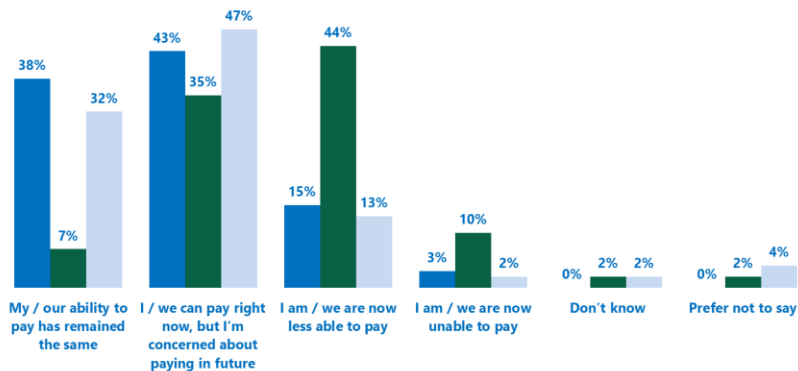


Source: Qa Research (2023) Base: Regional (2,222),

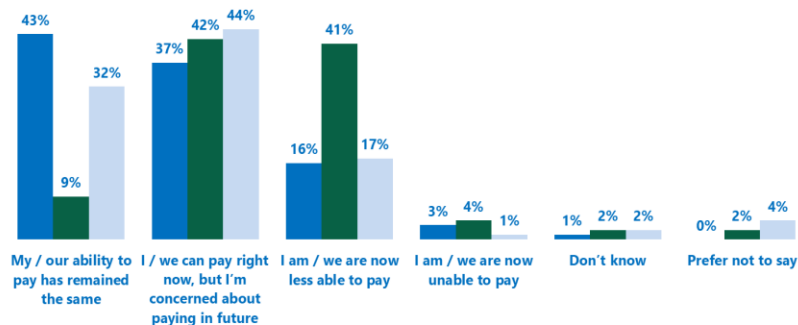
# Ability to pay by sample category



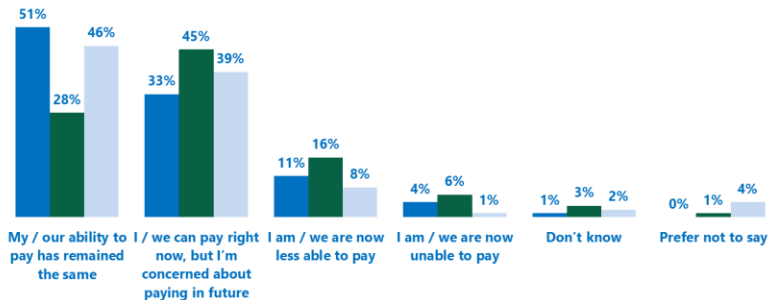
Q4. To what extent has your household's ability to pay the following bills been affected by the cost-of-living crisis? Energy (e.g. Electricity/Gas/Oil)



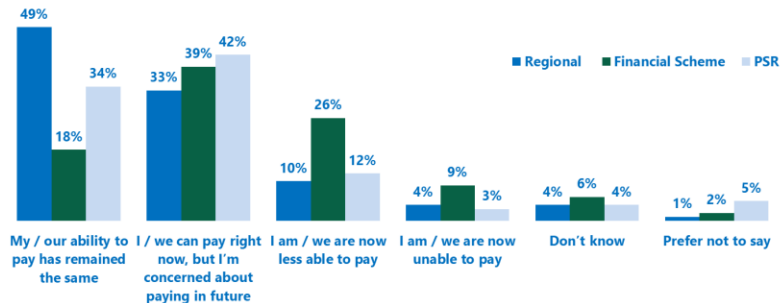
Q4. To what extent has your household's ability to pay the following bills been affected by the cost-of-living crisis? Groceries/Food shopping



Q4. To what extent has your household's ability to pay the following bills been affected by the cost-of-living crisis? Water bill



Q4. To what extent has your household's ability to pay the following bills been affected by the cost-of-living crisis? Broadband



# Housing, energy and groceries are most worrying and expensive bills



## Most expensive and essential



## Mid-range price but essential



## Cheaper or non-essential



- Some debate on which are 'essential'
- Some exempt e.g. from housing, council tax
- Water bill sits in middle – for some it is never thought about, for others it's a worry
- Method of payment also changes priorities – pre-payment meters need topping up, but direct debits are hard to cancel
- Water poverty doesn't always cover the experiences of struggling customers
- Water bill can't be viewed in isolation
- Any one of these bills could tip the overall package of bills into being unaffordable

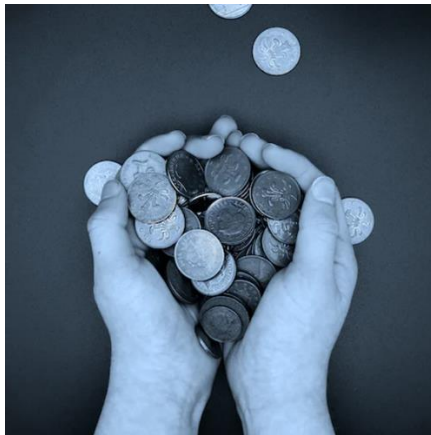
## Some customers finding it harder to manage financially than others



**23%** across Yorkshire region finding it 'quite/very difficult' to manage financially

### Finding it harder: **Regional survey**

- 18-24 (32%), 35-44(33%), 45-54 (31%)
- C2DE (33%)
- Children in the household (33%)
- Rented accommodation – council (47%), private (43%)
- Those with any vulnerabilities in the household (35%)
- Not on a water meter (32%)



### Finding it harder: **Qualitative**

- Single parent or single working parent
- Solo households esp. recent break ups
- Unemployed / on benefits / carers
- Private rented housing
- Physical and mental health conditions
- High unmetered bills
- Historic debt / financial issues
- 'Squeezed middle' – mid income, high outgoings



# Almost all customers are cutting back to deal with rising cost of living



Q5. Which of the following actions, if any, have you taken to deal with the cost-of-living crisis in general?	Regional	Financial Scheme	PSR
<b>Net - Taken any action to deal with cost of living crisis</b>	<b>88%</b>	<b>98%</b>	<b>92%</b>
Cut back on heating your home	66%	81%	71%
Cut back on treats and luxuries (e.g., take-aways, meals out, daytrips etc.)	61%	83%	69%
Cut back on buying food or bought cheaper food	58%	82%	63%
Reduced the amount of hot water you use (e.g. for baths, showers, laundry)	46%	59%	56%
Dipped into savings	32%	30%	45%
Cancelled subscriptions for household entertainment (e.g., Netflix, Sky, Spotify etc.)	26%	59%	34%
Reduced the amount of cold water you use	21%	24%	33%
Switched to cheaper or discounted tariffs for household bills (e.g. energy, broadband)	21%	39%	32%
Switched to cheaper TV or other entertainment packages or subscriptions	17%	37%	24%
Built up more debt (e.g., overdrafts, credit cards, loans, payday loans)	17%	39%	13%
Borrowed money from friends and family	14%	49%	8%
Paid household bills late	15%	49%	10%
Cut back on medications	6%	11%	4%
Net - Something else	2%	1%	3%
<b>Base</b>	<b>2,222</b>	<b>873</b>	<b>727</b>

# Impact of financial challenges and cutbacks can be severe for some customers



- 1) Luxuries** Cut back on luxuries/ treats/ holidays/ kids activities/ socialising
- 2) Usage**
  - Eat less and/or buy cheaper food (change shop/brands/bulk buy/food bank)
  - No heating on and keep electricity use to minimum
  - Water use – flushing toilet once daily after multi-users, reduced showers
- 3) Arrears**
  - Alternate paying for different bills – ‘rob Peter to pay Paul’
  - Prioritising bills and entering arrears – avoid the ‘scariest’ or least ‘essential’
  - Taking out loans / credit – controlled or uncontrolled ‘nosedive’ into debt
  - Borrowing from family or friends – as a last resort

**Impact of struggling financially = new vulnerabilities and/or existing ones worsen**

Debt or arrears  
Isolation & loneliness  
Insomnia  
Stress/anxiety/depression/terror  
Physical health/disability  
Guilt especially with children  
Diet  
Not keeping warm



## How does financial difficulty impact customers?



"[I feel] **terrified**. That may sound like an overreaction, but like yeah if I was actually to put a word to how I feel day to day, especially now, terrified. **It's a constant robbing Peter to pay Paul**, constantly having to say no to the kids... it makes me feel like the world's shittest parent."

"Sometimes I get a text do you want to come for Sunday dinner at my mum's, and I think **that'll be the only meal that I'm having this week**. And I don't tell them that, because again, you know there's that barrier that I've put in place because they're hardworking, Yorkshire folk."

# Range of life factors contribute to financial issues, made worse by cost of living



## Contributing factors

- Rising cost of living – food and energy especially
- Covid legacy – lost jobs, mental health worsened, physical health
- Employment and ability to work / disabilities
- Mental health – unable to work, unable to deal with debts
- Inconsistent income – try to keep wage below benefits threshold
- No safety net – those with family or savings can weather financial shocks better

## Triggers

- Change in circumstances – family breakdown, retirement, job loss
- Housing issues – cost to move or be evicted, bedroom tax, relationship breakdown
- Errors by utilities – mischarging can rack up major debts
- Struggles with the 'system' – benefits, dates of payments, fighting for support

Regional survey: most likely vulnerabilities to have become **worse post-pandemic** were:



Financial difficulties (69%)



Mental health issues (58%)



- Rising cost of living making these worse
- Mental health issues also affected by increased stress and worsening condition



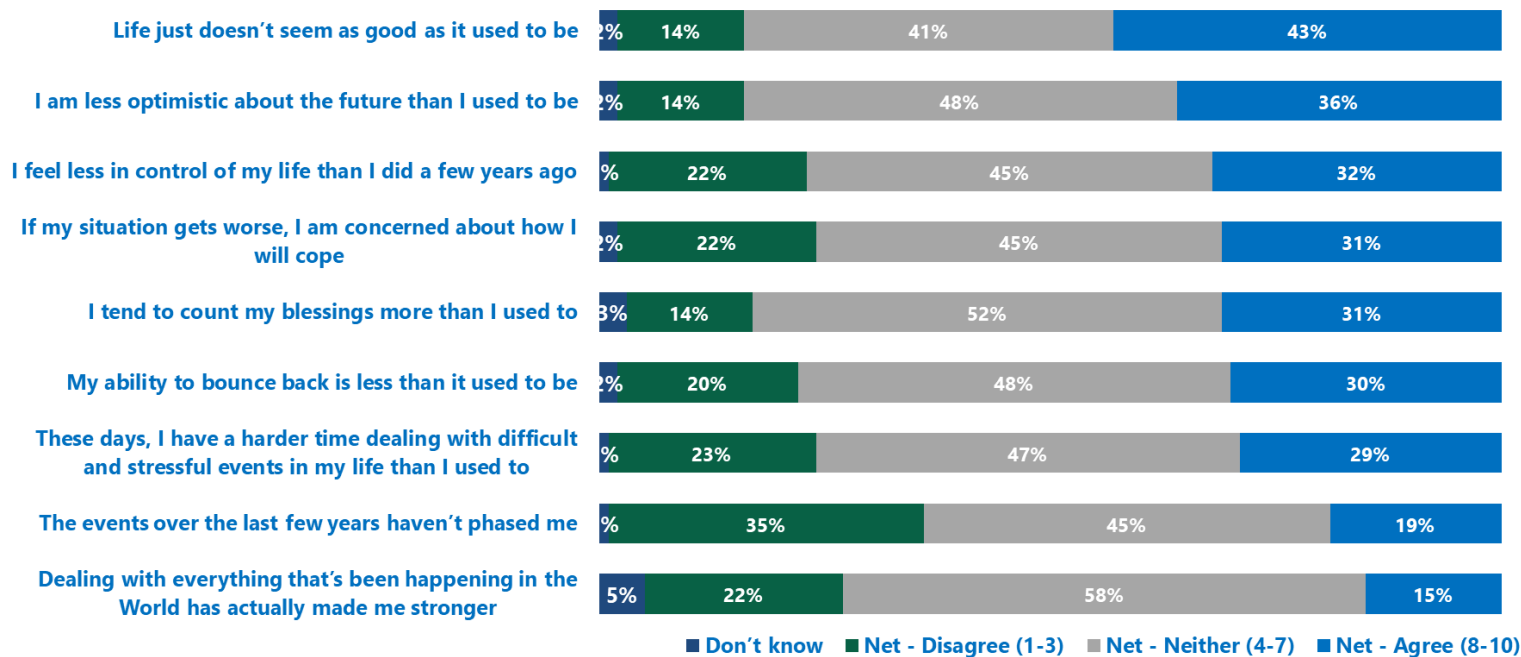




# General sense that life doesn't feel as positive or in control as it used to



## D3. How far do you agree or disagree with the following statements about your life?

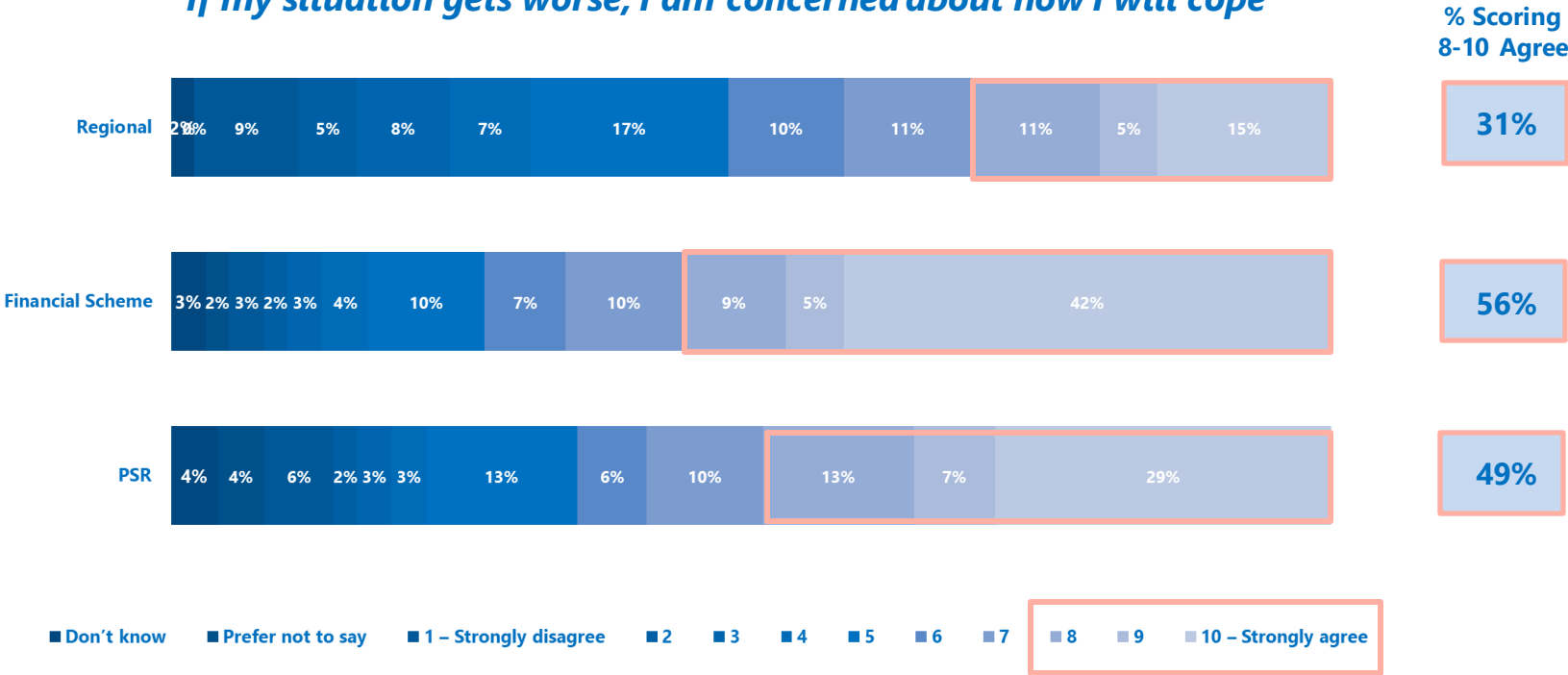


Source: Qa Research (2023) Base: Regional (2,121)

# Financial Scheme customers less likely to feel able to cope if things get worse



## D3. Agreement with statement *"If my situation gets worse, I am concerned about how I will cope"*

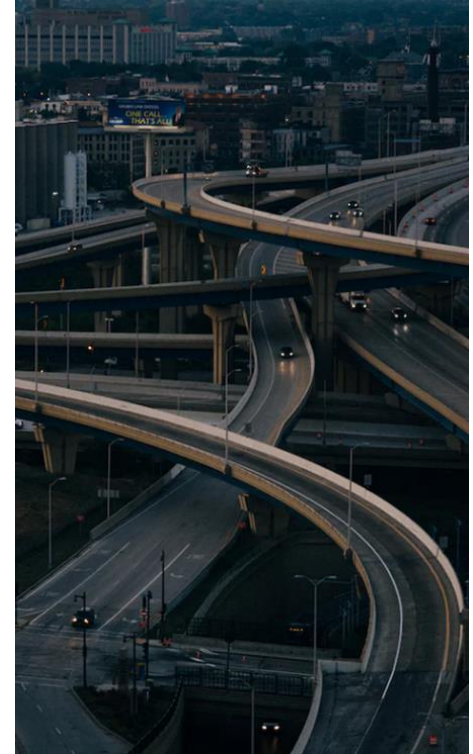


Source: Qa Research (2023) Base: Regional (2,222), Financial Scheme (873), PSR (727)

# Feelings towards the future generally negative in the short term



- **Feelings towards future finances were very personal** and varied person to person depending on the specifics of their situation
- Often more to do with attitude of optimism / pessimism than actual finances – but a general sense of **'it will get worse before it gets better'**
- **Shock factors** to look out for:
  - Retirement – positive or negative
  - Disability and changes to benefits
  - Mortgage / private rent increase
  - Children over 18 – end of benefits but still supporting
  - Economy in general – prospect of recession, job losses etc
- For those who are unemployed, there are **barriers to work and changing situation** – mental health, potential loss of benefits, going into the unknown
- **All amounts to feeling of being 'stuck'** and at mercy of much larger forces – the uncertainty is huge

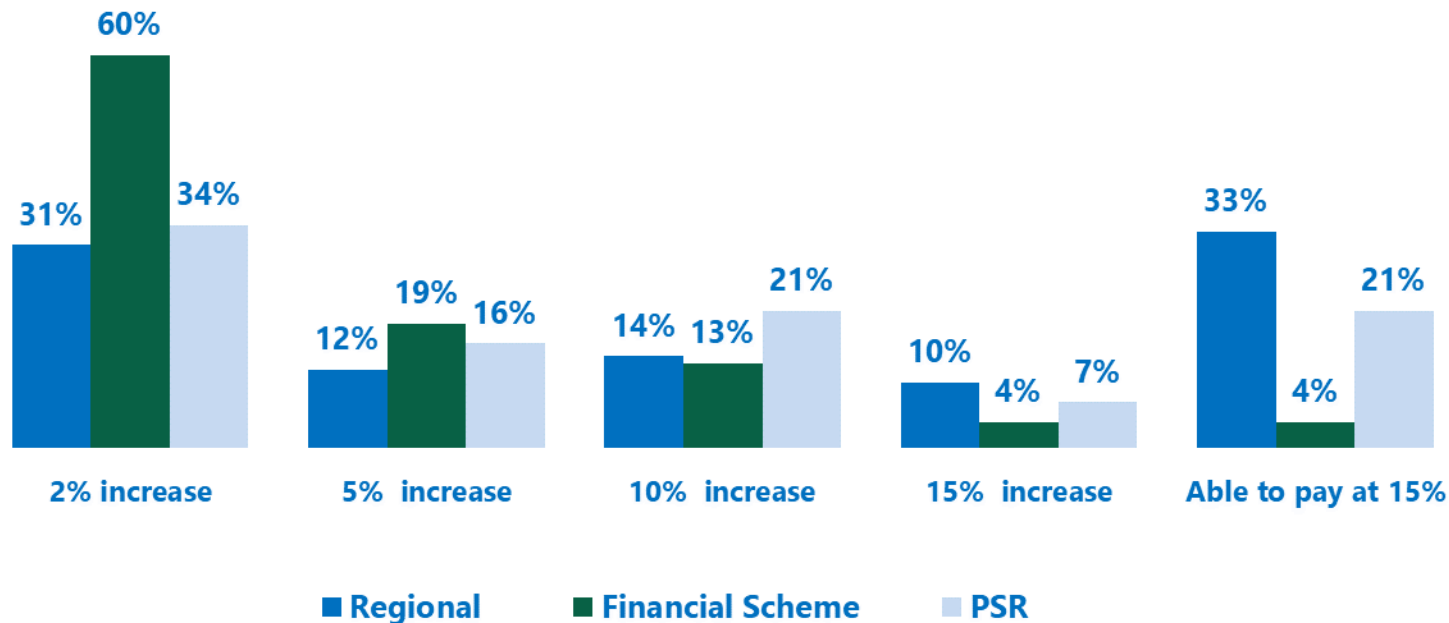




## Ability to pay the smallest increase would be challenging for those on Financial Schemes



Q13. What percent increase in water bill would mean you would struggle to pay?

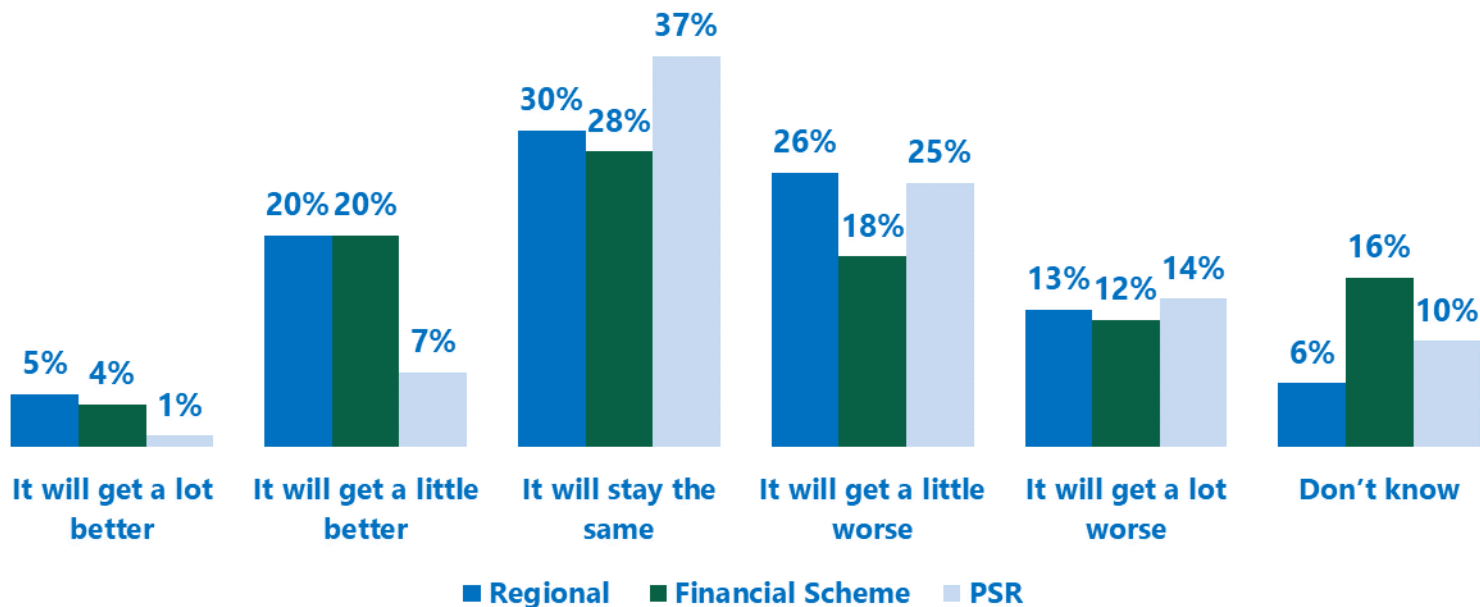


Source: Qa Research (2023) Base: Regional (2,222), Financial Scheme (873), PSR (727)

# Expectations for future financial situation varies across all groups



Q3. How do you expect the financial situation of your household to change over the next few years?

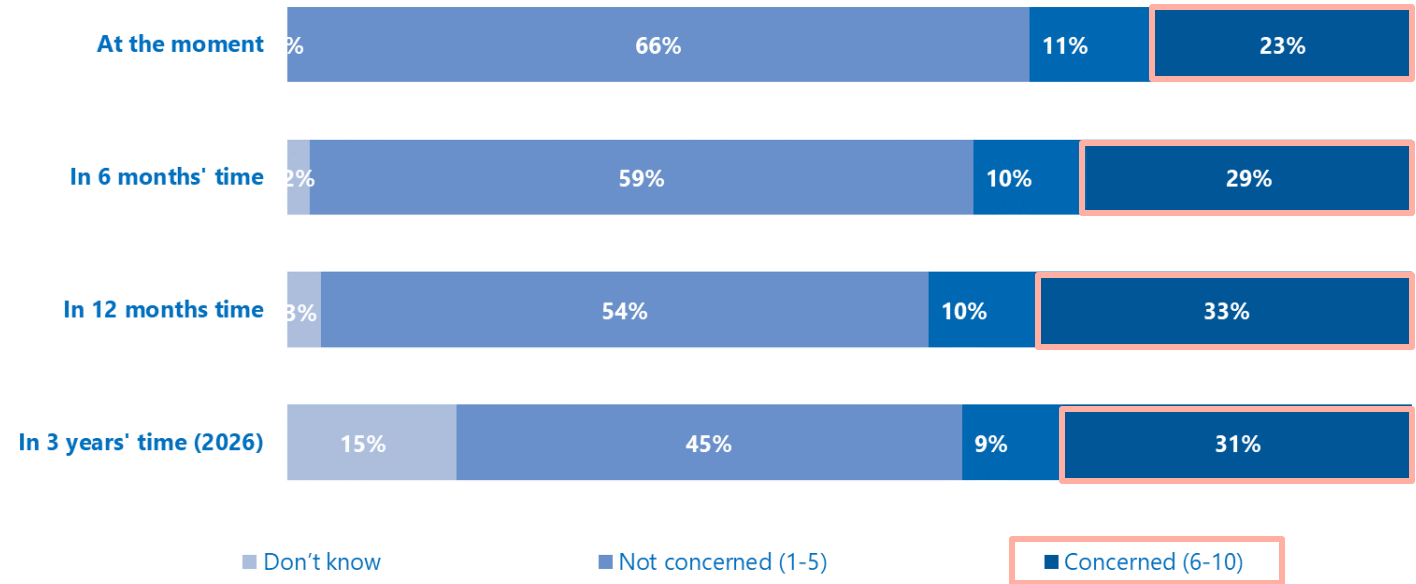


Source: Qa Research (2023) Base: Regional (2,222), Financial Scheme (873), PSR (727)

# Concern for paying water bill currently is notable but gets worse when looking ahead



Q11. How concerned are you about being able to pay your water bill [now and in the future]?



Source: Qa Research (2023) Base: Regional (2,222)

### 3. Seeking support:

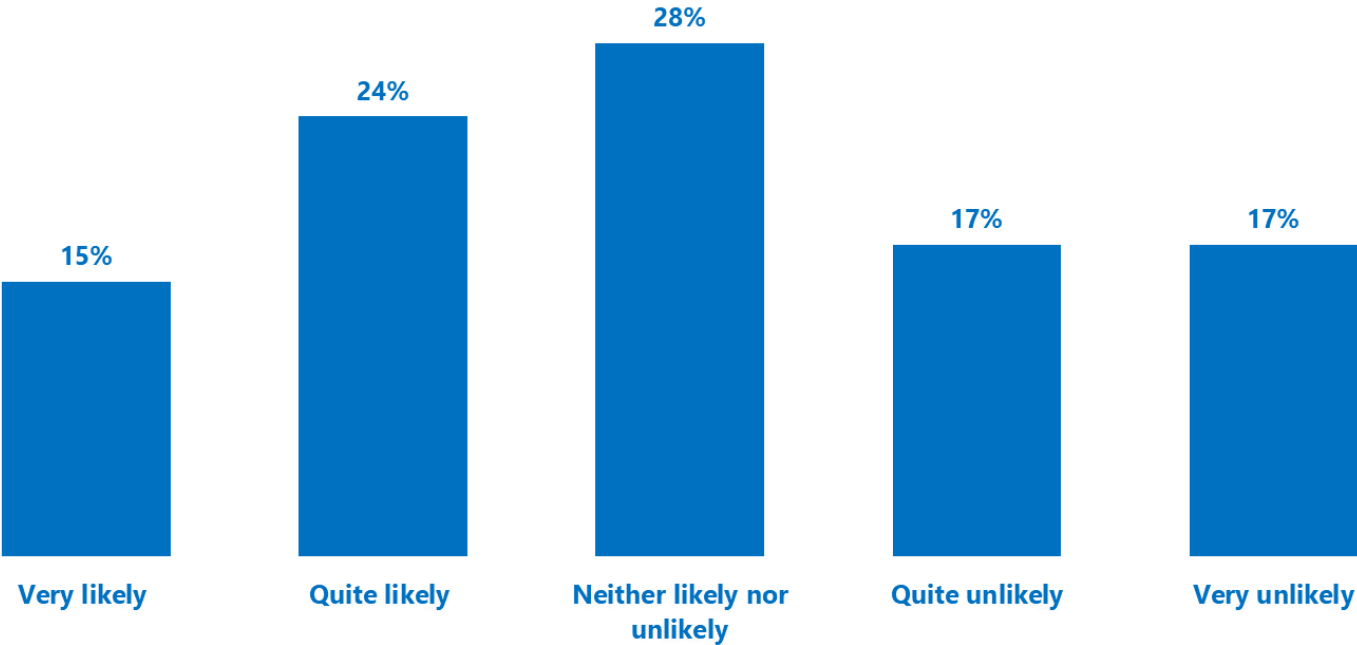
Access and attitudes to financial support



# 4 in 10 likely to ask Yorkshire Water for help with their water bill if they struggle



Q18. How likely would you be to ask for help from Yorkshire Water if you needed help with paying your water bill?

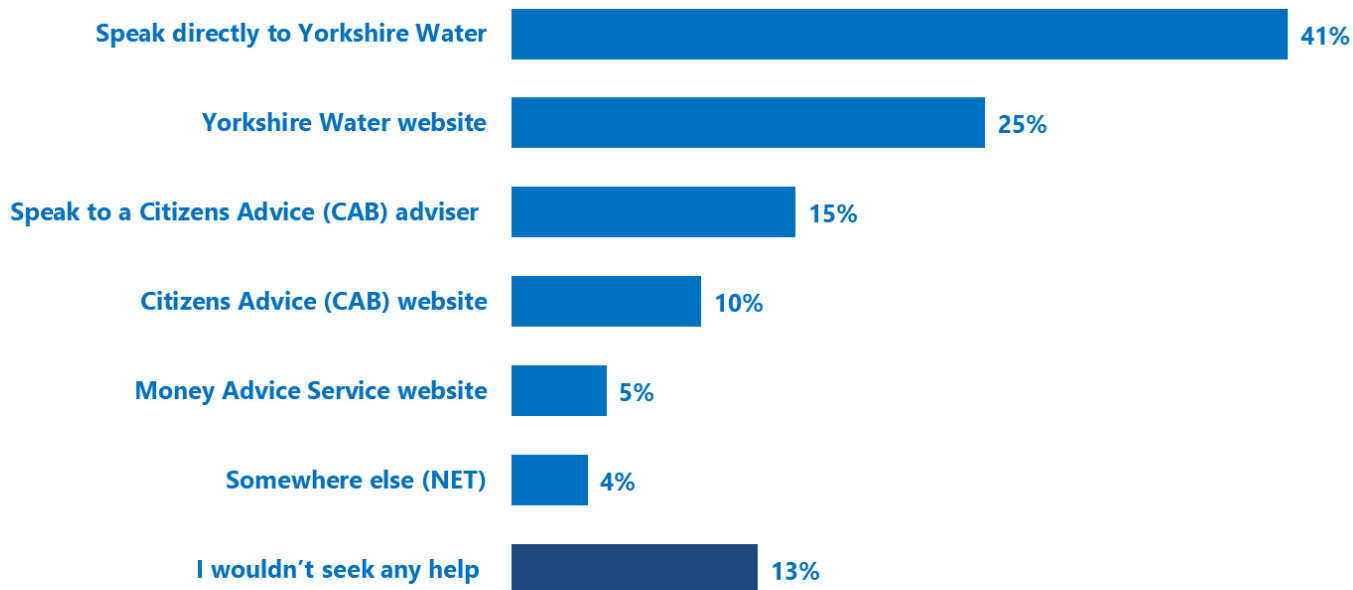


Source: Qa Research (2023) Base: Regional -all not currently receiving YW financial support (2,121)

## Most claim they would go to Yorkshire Water first for help paying the water bill



Q20. If you needed to, where would be the first place you would go if your household needed help with paying its water bill?



Source: Qa Research (2023) Base: Regional -all not currently receiving YW financial support (2,121)

## With general financial issues, family are go-to source of help, but carries stigma



- We know the **water bill is not isolated**, but part of a 'wider package' of bills
- Qual asked customers where they would go for financial help and support in more general terms:



**Family** – feel ashamed asking and accepting support. Family are often generous even if they don't have much themselves, but that only adds to guilt.



**Friends** – occasionally, try to avoid



**Direct to provider** e.g. internet, energy, water



**External debt support** agencies or support workers e.g. housing association, mental health charity, StepChange



**Citizens Advice** – strong brand recognition, some usage



# Reaction in the face of financial difficulty impacts how serious situation gets



Responses to financial difficulty and debt:

1 **Denial & overwhelm**

2 **Shame**

3 **Fatigue**

4 **Stoicism**

5 **Assume no help**

6 **Suspicion**

7 **Proactive**

Combinations of these produce three potential scenarios....

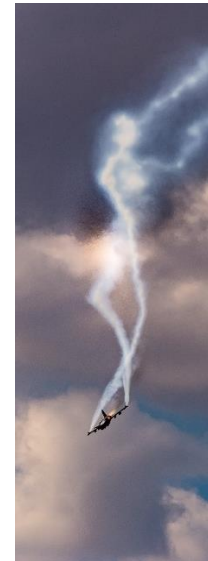
1

**Drowning / spiralling**



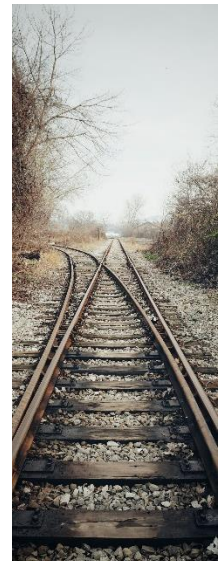
2

**Controlled nosedive**



3

**Change pathway**





# Barriers to asking for support are often complex & multiple, leading to paralysis



- Yorkshire pride and stoicism
- Actually contacting Yorkshire Water takes effort and loss of pride
- Not aware there is help available
- Not worth my while
- Lack of trust in the 'system'
- Fatigue & paralysis
- Worry about negative consequences
- Available schemes aren't useful or relevant
- Not a priority / water a low bill
- Wary of support, too good to be true

"It's just **sticking my head in the sand. If I ignore it, it'll go away**, has become my mindset recently. I know it won't in my heart of hearts, but trying to cope with everything else that's going on. I'll put that to one side and sort that down the line some time."

"I've never applied for anything because me and my wife would **never qualify because we don't qualify for any sort of means tested benefit** and things like that. And I know that they're usually the criteria that's used to assess people."

"Many reasons why people don't access support. Mental health, lack of services, lack of engagement, bad engagement, you know, **bad experiences**."

..... All add up to feeling like it's not worth trying unless totally desperate

# There is room for improvement in customer journey to Yorkshire Water support



1. Finding bills hard to pay – general squeeze or sudden incident
2. Identifies water as one to stop paying
3. Miss water payments or cancel direct debit
4. Follow up communication from Yorkshire Water
  - **OUTCOME 1** – Panic and pay (borrow/other arrears)
  - **OUTCOME 2** – Ignore
  - **OUTCOME 3** – Contact someone else for support
  - **OUTCOME 4** – Contact Yorkshire Water
5. Apply for Yorkshire Water support scheme

## Yorkshire Water Support Journey



- Arrears communication can feel threatening, not supportive or not clear help is available
- Too focused on chasing arrears, not on customer needs or why they can't pay



- When they do contact Yorkshire Water, some have a really positive experience
- Others don't get the same level of support, feels like 'luck of the draw' who they get



- Applications were generally simple and easy



### • **Suggested improvements:**

- Comms to focus on support options, not £
- Comms should be friendly & invite contact
- Contact with YW must be consistent in the journey and what is offered
- Keep applications simple & streamlined

## Some customers' feedback about Yorkshire Water arrears approach



"I think it's sending the wrong signal that, I felt like, just looked at that and thought '**you've got no chance if you're talking to me like that.**' I'll see you in court and explain the situation rather than come to a proper resolution and get the debt sorted"

"They go get high court writs and stuff they don't give a shit. Do you know what I mean, **they are taking you to court for the money and stuff instead of saying to me do you want any help?** They haven't rung me, they send me letters, but no one rung to say do you want any help with your bill?"

"This service has helped me and the staff dealing with it are **very understanding** and considerate and **listen to your personal situation**"

# Priority Services Register journey varied but straightforward



## Qualitative interviews:

### Reasons for joining PSR varied and were hard to remember for some

- Peace of mind – usually if water dependent
- On energy or other PSR and told about water PSR
- Mentioned disability to Yorkshire Water and offered it
- Can't remember

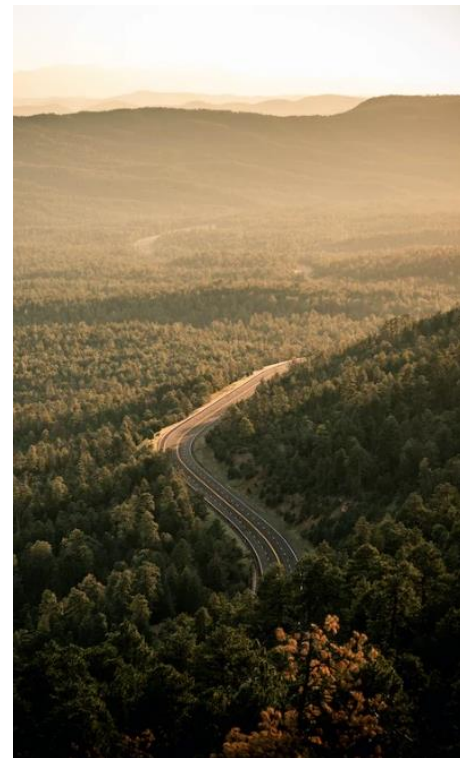
## PSR survey:

### Finding out about PSR was most likely to be directly with Yorkshire Water

- Letter from Yorkshire Water (31%),
- Phone call (21%)
- Visit to the website (17%)

### Common reasons for joining PSR related to water needs:

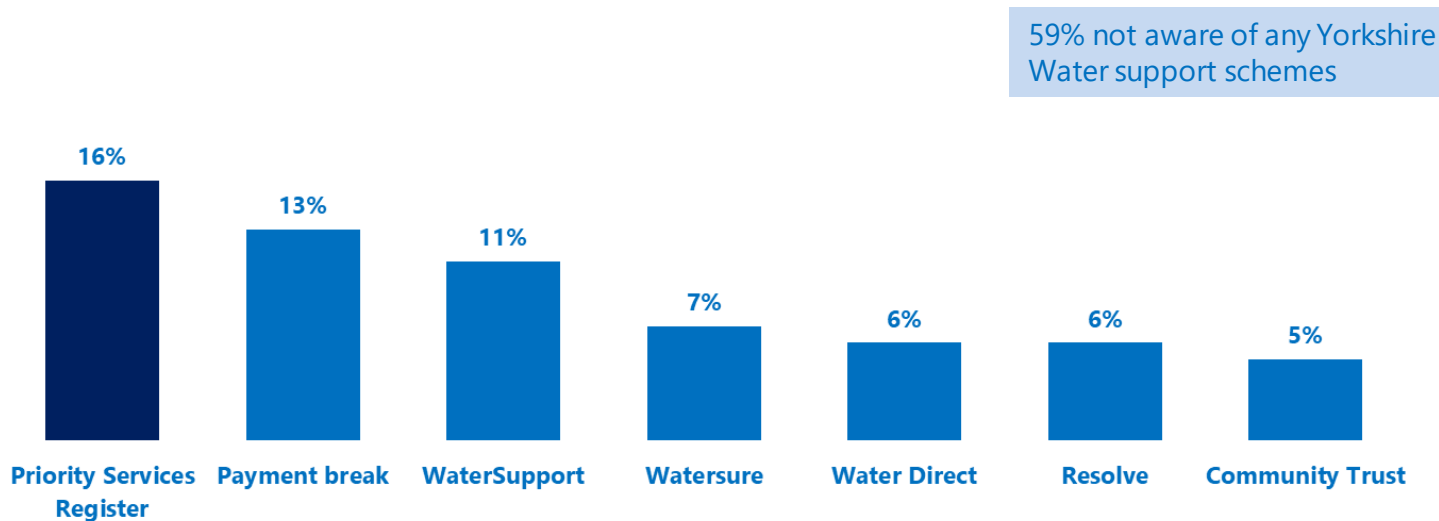
- To be informed of disruption to supply (48%),
- Limited mobility (47%),
- Serious illness (32%),
- Need a continuous supply of water (23%)



# Limited awareness of individual support schemes



Q15. Below is a list of ways that Yorkshire Water can support customers who are struggling to pay their water bill. Please select which, if any, you had heard of before today.



Source: Qa Research (2023) Base: Regional (2,222),

# Some suggestions on how to increase awareness of support from Yorkshire Water

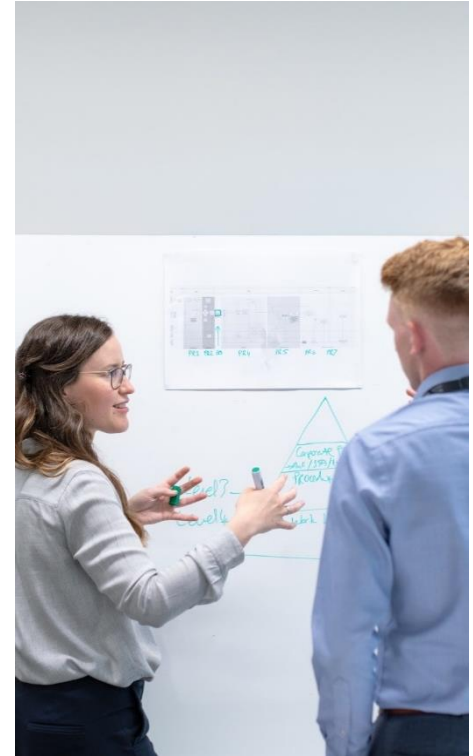


- Customers in the surveys suggest letters, leaflets, information with the bill, plus advertising to promote schemes
- **Channels of preferred communication vary**
  - Physical vs digital
  - Personal vs generic
  - Mixed views on texts in particular
- **Key contact points to increase awareness**
  - Bills – prominent, not hidden, reworded
  - Arrears reminders – welcoming, non-threatening
  - Talked through at point of contact – all options consistently explored
- **Information must be clear and upfront**
  - QR code leads to website where information is hard to find
  - No clear comparison of different offers – don't make them dig
  - Use real people success stories – to show that this help actually exists
- **Priority Services Register**
  - Idea to be promoted via agencies e.g. NHS, councils, disability charities, care workers
  - Cross-promotion with other PSR e.g. energy



## 4. Yorkshire Water support

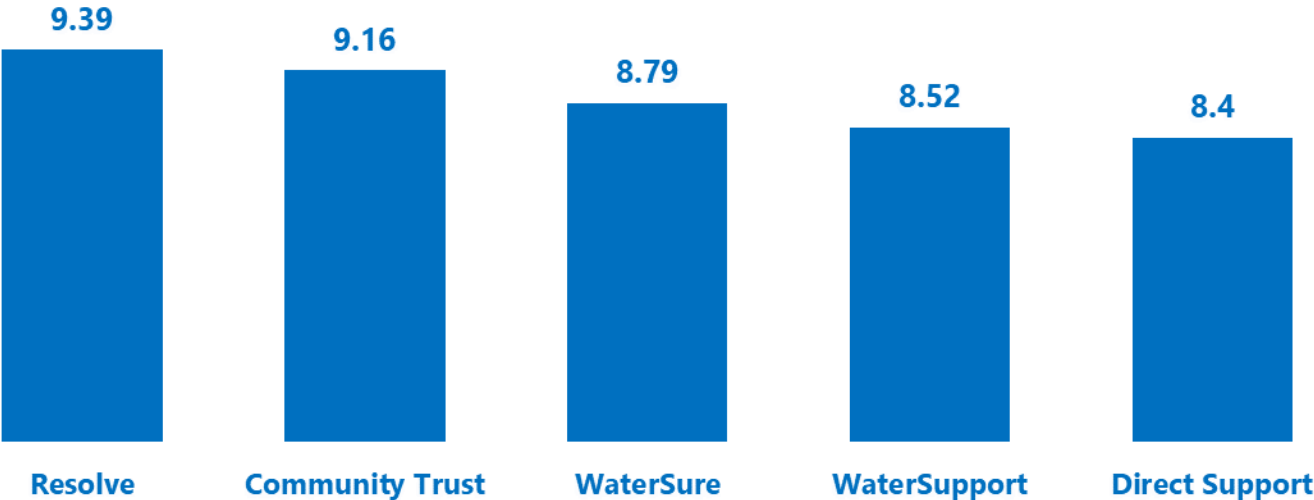
Views on present support and future ideas



# High satisfaction with Financial Schemes overall



Q23. Overall, how satisfied are you with your experience of this scheme?



■ Mean score (scale 0 Extremely dissatisfied -10 Extremely satisfied)

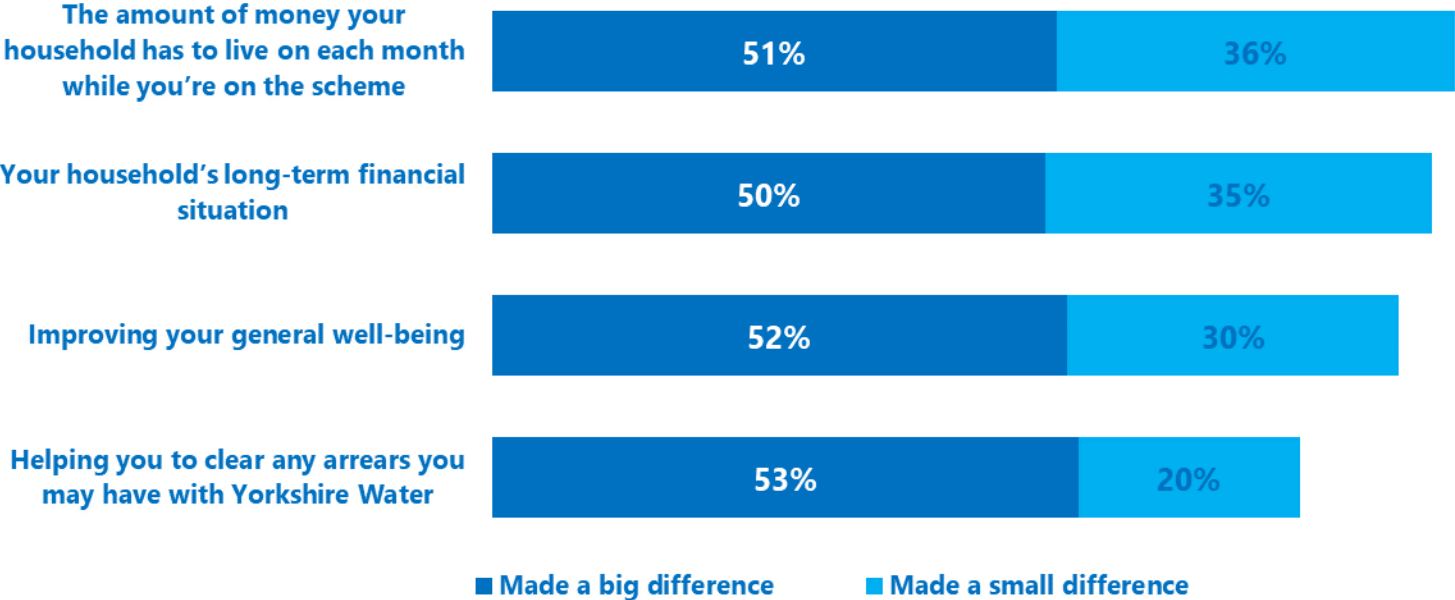
**Source:** Qa Research (2023) **Base:** All Financial Scheme respondents who know scheme registered to Watersure (178), WaterSupport (483), Community Trust (32), Resolve (24), Direct Support (20)



# Schemes are making a difference to financial situation and health



Q21. How far would you say that the help you receive from the scheme has made a difference to the following?



Source: Qa Research (2023) Base: All Financial Scheme respondents - not applicable responses removed (870)

# Financial support schemes can be a mental lifeline to struggling customers



- Top areas mentioned in the survey amongst those who are satisfied – made a difference to finances, saves money, easy to apply, good customer service, less stress or worry
- **Rare to get discount or real support**
  - No best practice from others to learn from
  - Generally other suppliers only offer payment plans
  - Some discounts from BT or grants / debt relief orders
- **Impact is mostly on mental state**
  - Relief is huge of it finally being tackled and someone finally being on their side
  - A mental step forward
- **The extent to which schemes impacted overall finances was limited and mixed**
  - The biggest impact was Community Trust, then Resolve
  - But, ongoing support afterwards not always provided, so can lead to dependency
  - Other schemes were only helpful for people with a very high bill. Plenty of customers are struggling to pay the average bill, or even a lower than average bill – there is nothing to help this group of people, so their only choice is to go into debt
- **But, it's 'something' and that saving can be used to pay another bill or spend on food**



## What do customers think of schemes?



"It is straightforward to re-apply each year and helps **enormously with the cost of water** as my disabled son has high usage due to his condition. We would struggle to pay the bill without the scheme"

*WaterSure*

"My bill has slightly reduced it means **I'm not panicking so much when the bill comes in**"

*WaterSupport*

"I prefer it because it's **one less thing I have to think about**"

*WaterDirect*

"If I paid the normal rate, which would be higher, that means something else would have to go somewhere else. Being on this tariff means **I can allocate that extra resource to some of the other debts**"

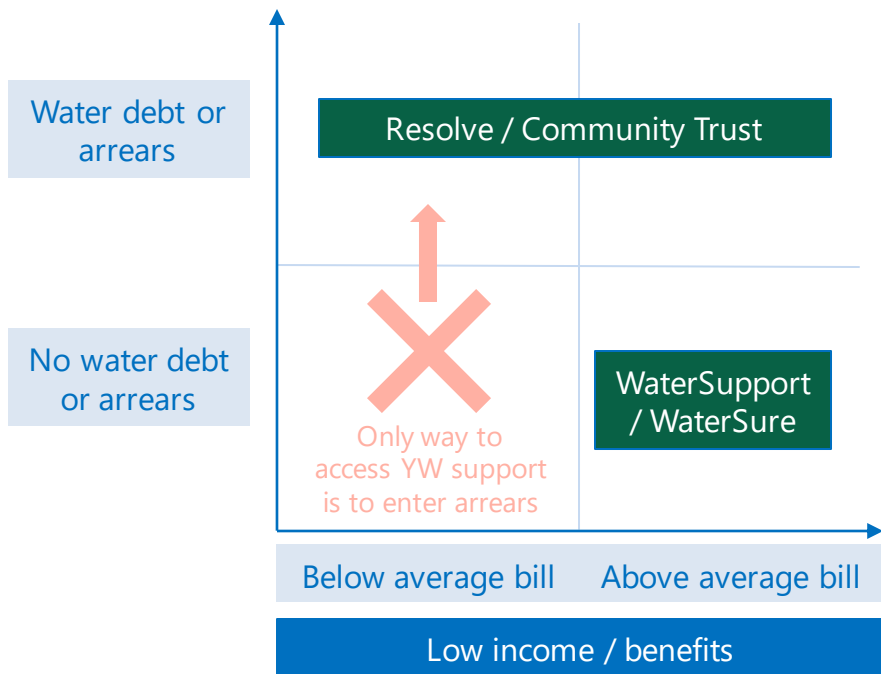
*WaterSure*

# Who is missing out on support with current Yorkshire Water schemes?



## Two main groups missing out on Yorkshire Water support

- Higher income, higher outgoings, no benefits – not eligible
- Average or below average water bill – no scheme (see below):



## ? Do Yorkshire Water schemes address water poverty?

- Bill cap schemes assume 'water poverty' means a high bill, not low income & low bill.
- Debt support is very powerful and impactful, but doesn't always account for root causes or offer a sustainable future for customers.
- Also, definition of water poverty doesn't take into account 'essential costs' other than housing, household may not technically be in water poverty but still struggling to pay.
- **What does this mean for Yorkshire Water?** Addressing water poverty is a worthy goal, but bill cap schemes and debt relief schemes alone won't be able to do this, and even addressing all water poverty will miss some struggling customers.

## Feedback on specific schemes – from all customers (on & off schemes)

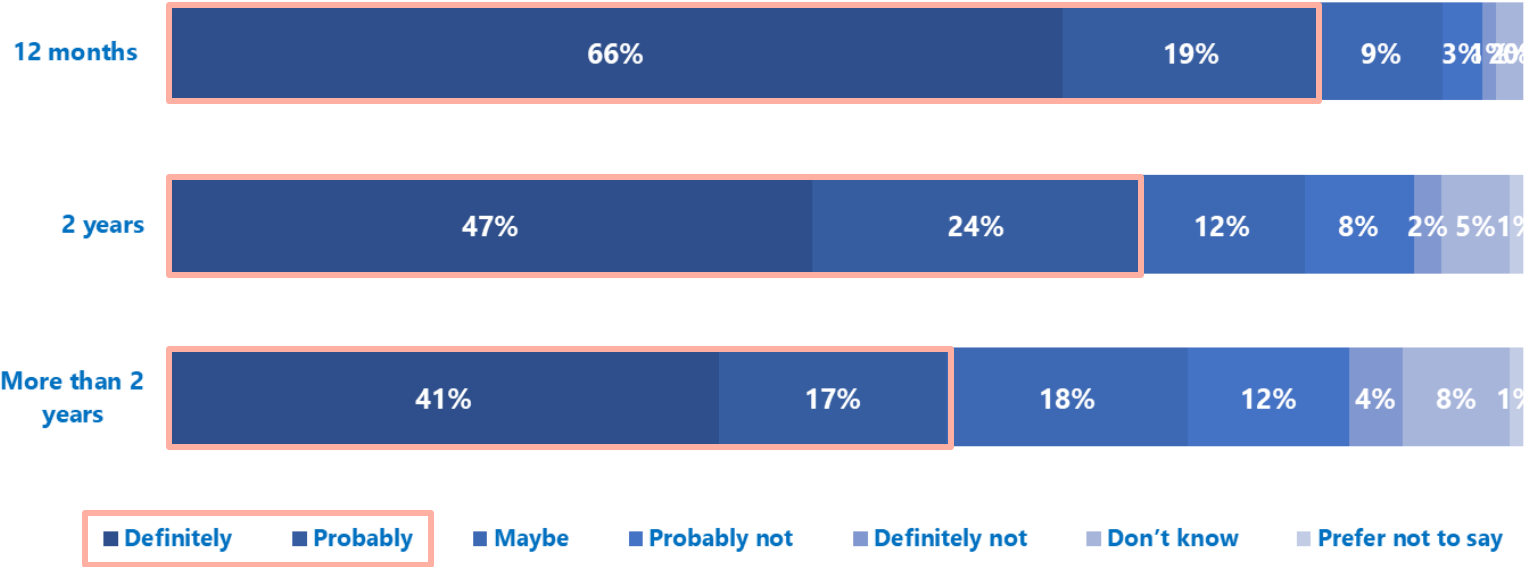



Scheme	Positives	Downsides	Improvements
<b>Payment plan / break</b>	<ul style="list-style-type: none"> <li>Flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Seems to be offered first but not always right for situation</li> <li>Unclear on repayment period</li> <li>Only helpful if short-term issue</li> </ul>	<ul style="list-style-type: none"> <li>Understand customer situation before offering break / plan</li> <li>Only offer if completely suitable</li> </ul>
<b>Community Trust</b>	<ul style="list-style-type: none"> <li>Can be life-changing to debts / finances</li> <li>Mentally impactful</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing / complementary support not offered</li> <li>Not tackling root cause – some end up back in debt</li> </ul>	<ul style="list-style-type: none"> <li>Offer package of support including combination schemes for when they come off and budgeting/ debt support</li> </ul>
<b>Resolve</b>	<ul style="list-style-type: none"> <li>Active, sense of agency &amp; pride - no 'handouts'</li> <li>Partnership with YW</li> </ul>	<ul style="list-style-type: none"> <li>Could push into arrears with another supplier, if they prioritise paying water bill</li> </ul>	<ul style="list-style-type: none"> <li>Budgeting and debt support to ensure paying for Resolve doesn't have negative knock-on</li> </ul>
<b>WaterSupport</b>	<ul style="list-style-type: none"> <li>Good for high unmetered bills</li> </ul>	<ul style="list-style-type: none"> <li>Gaps in who it supports</li> <li>Bill cap not hugely impactful</li> <li>Unclear what 'low income' is</li> <li>Assume for benefits claimants</li> </ul>	<ul style="list-style-type: none"> <li>Clearly define low income</li> <li>Consider a graduated discount offer rather than bill cap</li> </ul>
<b>WaterSure</b>	<ul style="list-style-type: none"> <li>Good for high metered bills, esp health related</li> </ul>	<ul style="list-style-type: none"> <li>Bill cap not hugely impactful</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>WaterDirect</b>	<ul style="list-style-type: none"> <li>Helps with overwhelm &amp; budgeting</li> </ul>	<ul style="list-style-type: none"> <li>Not offered widely</li> <li>Customer loses agency</li> <li>Not left with any wiggle room</li> </ul>	<ul style="list-style-type: none"> <li>Offer in combination with other schemes e.g. Resolve</li> </ul>

# Need for support likely to continue for those currently on a scheme



Q28. Looking ahead, do you think you will continue to need support from Yorkshire Water in...?



  
WaterSure and WaterSupport more likely to need support from Yorkshire Water for more than 2 years

## Service use limited, but PSR Scheme makes big difference with many satisfied users



### Services used

- **47% have used any services** with Constant water supply (12%), Water Delivery (12%), Longer notice period (11%) most used services.
- Fewer overall users of alternative bill formats but higher proportions who are registered had used these.
- From the qual, a few had positive experiences of continuous water supply, but most had not used PSR since signing up.

### Comparing to other schemes

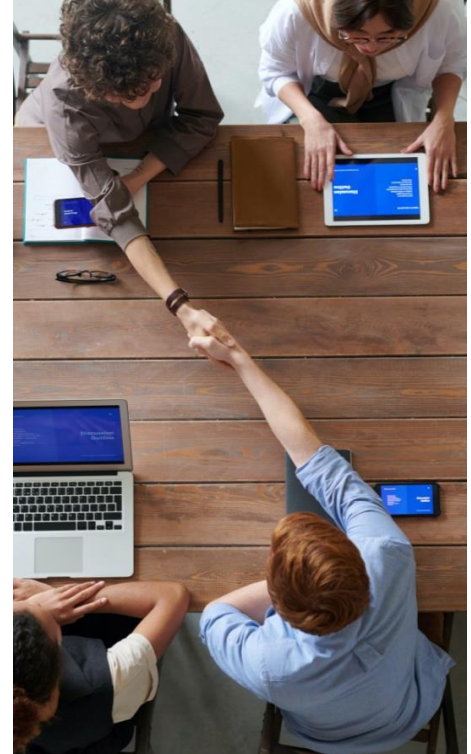
- 71% are on another PSR scheme, mainly with energy supplier
- Most felt the support offered was similar compared to other PSR schemes they were on
- Communication was seen as a reason for why the scheme was both better and worse than other similar schemes.

### Positive impact of PSR



- **74% felt PSR made a big difference in supporting their needs**
- **79% of those who had used a service were satisfied with 49% rating 10/10**
- Although many others hadn't needed to use a service, they were still positive about being on PSR with a mix of satisfied (54%), and neutral ratings (41%).
- From the qual, the main benefit was peace of mind and reassurance they would be looked after

# 5. Conclusions





## Key 'take outs' from the research

1

**The cost-of-living crisis is affecting almost all Yorkshire Water customers**, those with existing vulnerabilities are being hit the hardest

2

When customers face financial challenges, the **impact on their physical and mental wellbeing can be severe**, as well as causing spiraling debts and finances

3

**The future looks uncertain** due to macro forces at play – customers appear to be less positive about their future finances and expect to need support in the future

4

**Customers face barriers that prevent them from accessing financial support**, including pride, shame, mistrust and overwhelm

5

The way a customer is treated in their arrears journey can disengage them from Yorkshire Water – the **approach to arrears could be more supportive and consistent**

6

Customers on financial schemes have a positive experience but the scope **could be improved as some struggling customers miss out**, particularly those without arrears and a below average bill

7

The **Priority Services Register provides peace of mind** to customers and creates a positive experience for customers with non-financial vulnerabilities

# Conclusions: rising cost of living causing and exacerbating financial challenges

## Customer context conclusions:

- Half of Yorkshire Water customers are struggling to manage financially in the face of the rising cost of living.
- Throughout all aspects of the research, it is evident certain customer groups are struggling more than others – notably families, renters, those with vulnerabilities, unmetered customers, and those not in employment.
- Energy, housing and grocery bills are primary worries in relation to bills, with water bill a concern for some more than others. Crucially, it's the overall package of bills that means some customers are unable to pay.
- Almost all customers have made cut backs and are taking action to deal with the cost of living – some to more extreme levels than others. This can have profound impact on mental health, physical wellbeing, and taking on debts.
- Financial difficulty is driven by a range of factors e.g. disability, mental health, lack of a safety net, inconsistent income – all of which are exacerbated by the cost of living.
- Customers most at risk of having an issue in the future are the ones facing these factors, as well as being part of customer groups likely to struggle e.g. families, renters, not employed
- Overall, many customers do not feel overly positive about their life at the moment and struggle to see a future where they will not find finances challenging.

## Conclusions: customers have many barriers to overcome before receiving support

### Seeking support conclusions

- Customers would ask for help from a range of different places if they were struggling financially, and 4 in 10 said they would go to Yorkshire Water if they needed help with their water bill.
- However, there are many barriers that prevent customers from asking for help – including pride, stigma, stoicism, lack of awareness, lack of trust in the system.
- If a customer falls into arrears, there is a risk of disengaging rather than face the situation. There are actions Yorkshire Water can take to encourage them to take that first step and make contact, which often leads to a support scheme or other positive outcome.
- In terms of the Priority Services Register, the main reasons for seeking support was needs relating to water use, and most found out through a letter or phone call with Yorkshire Water
- Overall, awareness of Yorkshire Water's support schemes is very low, with very few of those who are struggling financially currently registered to a scheme. There is an opportunity to promote these further to customers who may need them. This may encourage customers to proactively contact Yorkshire Water in times of financial difficulty.

## Conclusions: current Yorkshire Water support is good, but could be improved on

### Yorkshire Water support conclusions

- Customers who were on a financial support scheme found the experience was very positive, they were grateful for the support and felt real benefits to their own wellbeing and financial situation, both short and long term. Very few had received similar support from other suppliers which made Yorkshire Water stand out.
- Having considerate staff who were understanding of their personal circumstances made a big difference to customers asking for financial help.
- However, the wider financial impact of some schemes was limited – partly due to the wider cost of living crisis and complex lives, and partly due to gaps in the support offer
- There are three areas to improve on
  - Support for higher income customers
  - Support for customers with below average bills
  - Holistic support for debt management schemes
- For PSR users, not many had needed to use the services, but most who were on it has a positive view and it offered peace of mind that they would be supported in an emergency situation

## Recommendations

1. **Raise awareness of financial support schemes.** Promote schemes through a range of mediums and channels, but most importantly the messaging should help overcome the psychological barriers to asking for support with finances.
2. **Create a simple and transparent comparison of schemes.** Customers would appreciate an easy comparison of scheme options without having to phone up, including who is eligible and what the schemes offer. This should be prominent on the website and not having to 'dig' to find the information. Use transparent language like 'reduced bill', not vague offer of 'help'.
3. **Continue to offer simple applications.** Simplicity always appreciated compared to the arduous process of other support. Prioritise making sure applications remain simple and streamline if possible; make sure to offer digital and non-digital versions.
4. **Review arrears communications.** The language and tone of arrears comms can feel threatening and actually disengage customers who could benefit from support. Need to be reassuring, not focused on £ and invite customers to contact you.
5. **Consider combining schemes.** Customers didn't know if they can go on more than one scheme at a time, combination approaches would really help some tackle the past and future e.g. WaterSure & WaterDirect, Community Trust & WaterSupport.

## Recommendations

6. **Offer ongoing aftercare for arrears.** What happens after the 'community grant'? There were examples of dependency and falling back into debt; needs to be support throughout and an ongoing plan of action e.g. other scheme, budgeting, signposting.
7. **Approach arrears more holistically.** Consistently try to understand the customer's situation to get a better sense of which scheme is most appropriate. Some feel stuck on a payment plan or break, despite circumstances being unlikely to change.
8. **Offer a consistent customer journey to support.** Ensure customers are talked through all the options available to them. Despite being generally positive about the help received in the call centre, experiences were not consistent.
9. **Reconsider structure of WaterSupport.** The bill cap of WaterSupport is not useful to customers struggling with below-average bills. Could WaterSupport instead be a graduated bill discount instead, to offer more inclusive and proportional help?

# Questions



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