



**YOUR
WATER**

Trust

March 2023

HUMAN8



Background

Research has shown that customers have grown more distrustful of big companies. The government's handling of the pandemic, as well as rising costs have made customers sceptical about who has their best interests at heart. Research is required to determine what makes an organisation trustworthy and how that extends across sectors and businesses.

Objectives

- What makes someone trustworthy in the eyes of customers?
- What companies do customers consider trustworthy and why?
- How much do customers trust the water industry?
- How much do customers trust Yorkshire Water?
- What are the most important factors that affect customer trust and perceptions of large companies?
- Are these perceptions likely to change in the future?

Methodology



We ran a survey on the Your Water community

DATE: 6th March – 13th March



335 members of the community took part in the survey

147 members of the community took part in the discussion

Key insights & recommendations



Key insights

Many consumers are struggling with the impact of societal challenges and are disillusioned with the way organisations have responded. They are sensitive to signs that companies may not be looking out for their best interests or acting with integrity, and the water industry is no exception.

There are many who trust YW on the basis that they have never experienced any issues with their billing or water supply. While they are predisposed to trust YW, this can be disrupted – for example, if they come across negative media stories. With over 55% having encountered negative media, this is a real barrier to building trust.

There are a number of trust attributes relating to organisational values that YW performs lower for – specifically: acting with integrity, putting customers before profits and having customers' interests at the heart of the business. Lower scores in these areas tend to be linked to negative perceptions around keeping waterways clean, dealing with leaks and supporting customers in need.



Recommendations

Companies need to work hard to convince consumers of their integrity. Being completely transparent about issues, underlying causes and actions being taken to address them is key. For YW, this particularly applies to issues around sewage release/river quality as well as leaks and the time taken to fix them.

It's important to be proactive in building on trusting relationships with customers. YW cannot assume that passive trust will remain in place, particularly in the face of a high level of media negativity. Anticipating challenges to trust and communicating proactively would be beneficial.

Proactively finding ways to support customers who may be struggling would be beneficial, as well as being transparent about prices and the reasons for any increases. Customers are open to YW offering more support and education around how they could manage their water usage better; this has the dual benefit of being good for customers and the environment.

Trust – the societal context

A series of societal events have converged to create an environment of low consumer trust



Cost of living crisis Customers believe companies are profiteering from consumers' misfortune and using it as an excuse to raise prices. It is felt that little is being done to support those in need.	73%	Government actions/policies Declining trust in government is linked to perceived lies and mismanagement during and after the pandemic. Many doubt whether they have the public's best interests at heart and feel they could do more to help.	73%
Supply shortages Some feel there has been dishonesty about the real reason for supply shortages, with poor planning or Brexit to blame. Additionally, some feel the media is partly to blame for spreading panic.	62%	Strikes Customers have lost faith in some organisations with striking workers, as they believe staff are being treated poorly and organisations are not doing enough to prevent the strikes.	59%
Brexit Perceived by some as a false promises vote that has led to more difficulties for people in the UK e.g., supply shortages, price rises, deregulation of some industries etc.	57%	Climate change Many consumers believe that companies care more for their own profits than the planet. They refer to 'Greenwashing' with companies trying to paint themselves as being environmentally sound.	56%
Covid Some feel that COVID is or has been used by companies as an excuse – e.g., for supply shortages, poor service and price increases.	47%	Ukraine There is a perception that the war is being used by companies as an excuse to inflate prices. Others believe there is not enough being done to support those who have been affected.	36%

Consumers have been hit hard and are feeling the financial effects

They are therefore sensitive towards signs that companies are not looking out for their best interests

- There is a perception that some companies have made large profits whilst everyday people are struggling to afford the basics.
- Consumers feel some companies are capitalising on this by using the situation as an excuse to inflate prices and ultimately boost their own profits.
- The UK Government is not seen to have done enough to help e.g., preventing price hikes, particularly around energy bills.
- Additionally, the many scandals over the last few years have contributed towards a sense of distrust and perceptions of a lack of leadership in the UK Government.
- The combined effect is that consumers feel no one is looking out for them, creating a level of wariness and cynicism that extends across sectors.

Key insight

Many consumers are struggling with the impact of societal challenges. They are disillusioned and disappointed with organisations, from the government down to the companies they deal with day-to-day; they are therefore even more sensitive to signs that companies may not be looking out for their best interests or acting with integrity.



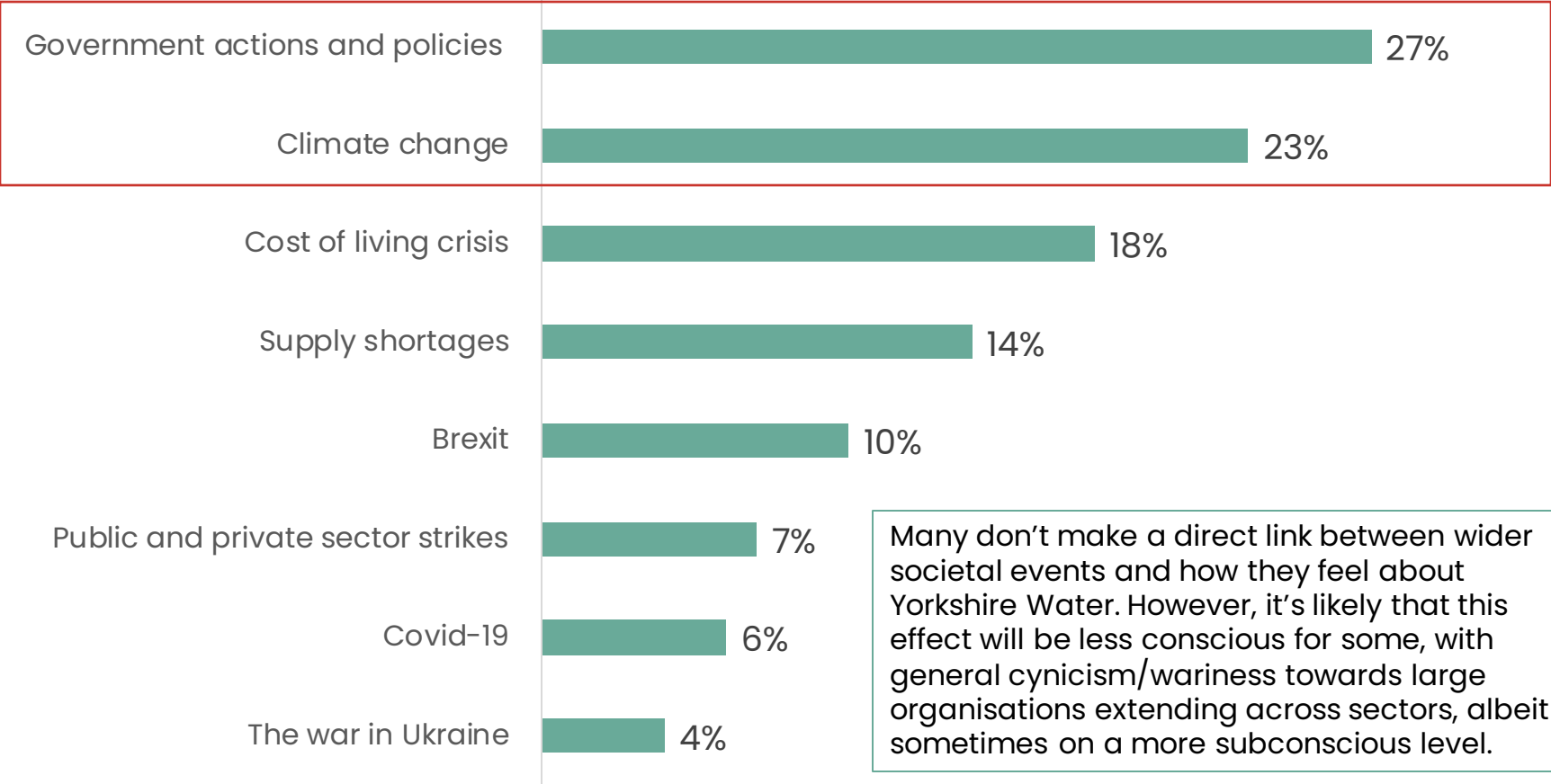
"As far as I can see, large organisations are rubbing their hands at the massive profits they are making at the expense of the everyday customers. They are using any excuse to increase prices and customer service is poor."

"No large organisation has done anything to help. Most say to contact them if in difficulty...but they still want their money. If you have none then they won't help with that."

Customers identify government actions and climate change as negative influences on trust in YW

Other factors, such as the cost-of-living crisis, play a slightly lesser role

➤ Which societal events have impacted trust in YW?



Those whose trust has been impacted tend to feel the government have allowed water companies to prioritise profits over other considerations

This is seen to have resulted in a negative impact on both customers and the environment

➤ Impact of government actions on YW trust:

- Some feel that the privatisation of water companies has led to a profit-first mentality, inevitably leading to a prioritisation of shareholders over other considerations.
- It is felt that the government should be taking firmer actions by ensuring that the industry is regulated more effectively.
- This is seen as being linked to two key areas in particular:
 - Maintaining fair prices/preventing price rises (which also links to the cost-of-living crisis)
 - Ensuring that water companies are taking care of the environment

"Government regulators should be taking a much harder line with water companies, and prevent them from pushing prices up while continuing not to tackle pollution."

➤ Impact of climate change on YW trust:

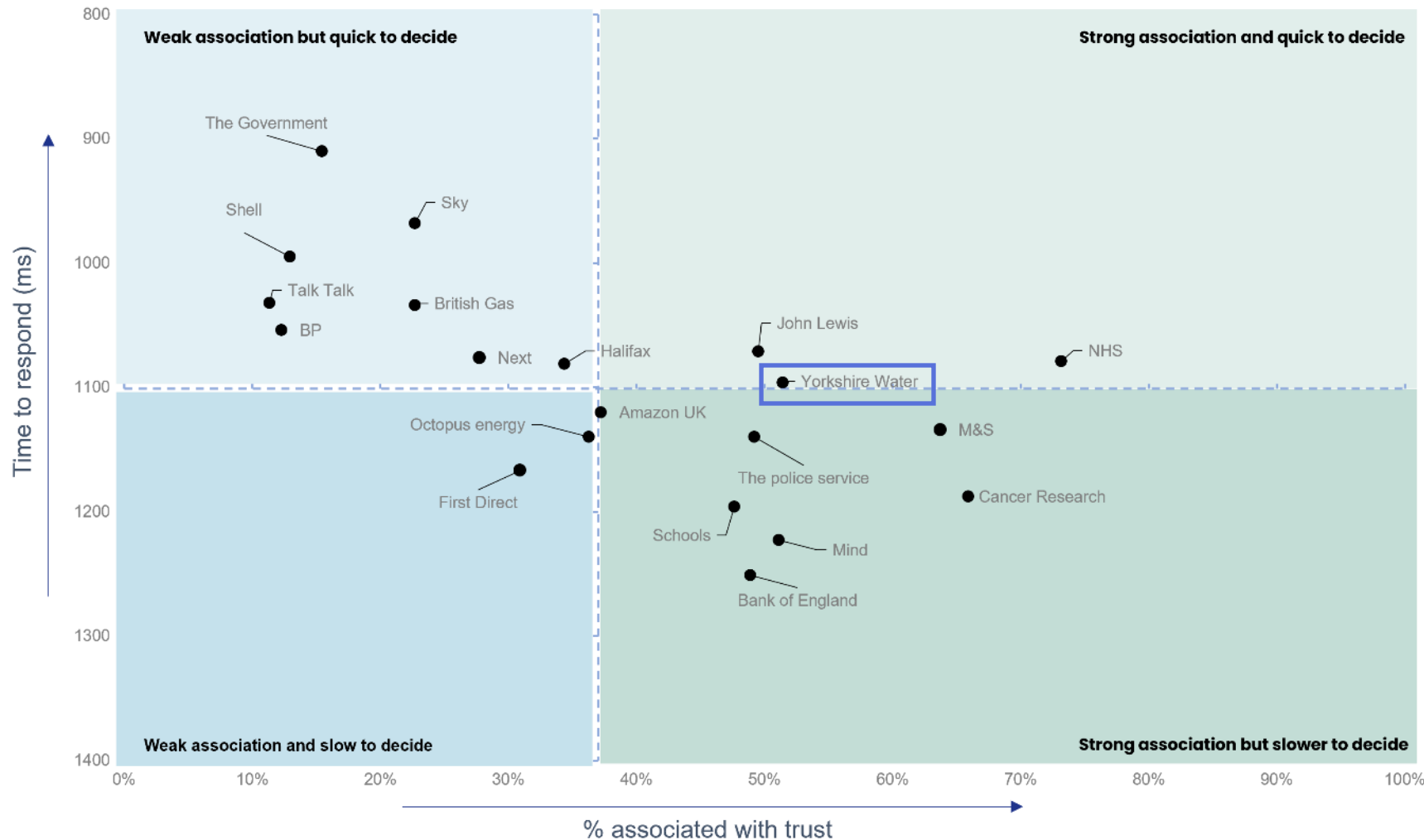
- Driving this sentiment is a feeling that YW don't appear to be doing enough to conserve water and improve the quality of rivers.
- This links to the point around government regulations with a feeling that YW are being allowed to get away with putting profits before the future of the planet.
- There is also some uncertainty around what is being done in this space. While some negative media stories are top of mind for people, there is less knowledge around what YW are actively doing to tackle the issues.

"More needs to be done to conserve water, fix leaks, encourage people to use water butts, plant more trees to stop run off, and stop putting the onus on customers to save water...more money needs to be put into conservation rather than shareholders dividends."

Trust in sectors and organisations

Trust levels are low for many organisations; of those tested the NHS performs most strongly

Though only 50% say they trust YW, this is a relatively strong performance compared to others



Trusted organisations:

- Positive perceptions of **the NHS** are often based on personal experiences or a belief in its purpose/the motives of those who work there.
- **M&S** is seen as a reputable organisation with an ethical approach and quality products/service.
- Where **charities** are trusted it tends to be because they are well-known and established and it's felt they can be trusted to use funds wisely.

"The NHS I trust because they are at the heart of our country. We all make mistakes but the NHS is more trustworthy than most. The staff at large work there because they want to."

The most distrusted organisations are those that are perceived to take advantage of consumer misfortune

Unreliable service and poor value combine to create distrust across some sectors, like energy and banks

Energy companies:

Customers referred to BP, British Gas and npower as examples. Along with rising energy prices they are seen to deliver a poor service and to be benefitting at the expense of those they are there to serve.

"Energy companies (e.g. BP and Centrica) which post huge profits at a time when personal energy bills are so high. They appear to be profit-motivated and not driven by customer needs."

UK Government:

Some believe that representatives of the UK Government are operating out of self-interest rather than for the public good, or just that they are not doing enough to help in these challenging times.

"I don't trust the current government as the whole lot of them are only in it for themselves."

Telecoms companies:

For telecoms companies such as BT and TalkTalk, poor service is a source of frustration and distrust, with a feeling they can't be relied on to keep their promises. This is exacerbated by perceived poor value for money/price increases.

"TalkTalk are extremely unreliable and never do what they say. I have changed supplier due to their incompetence."

Banks:

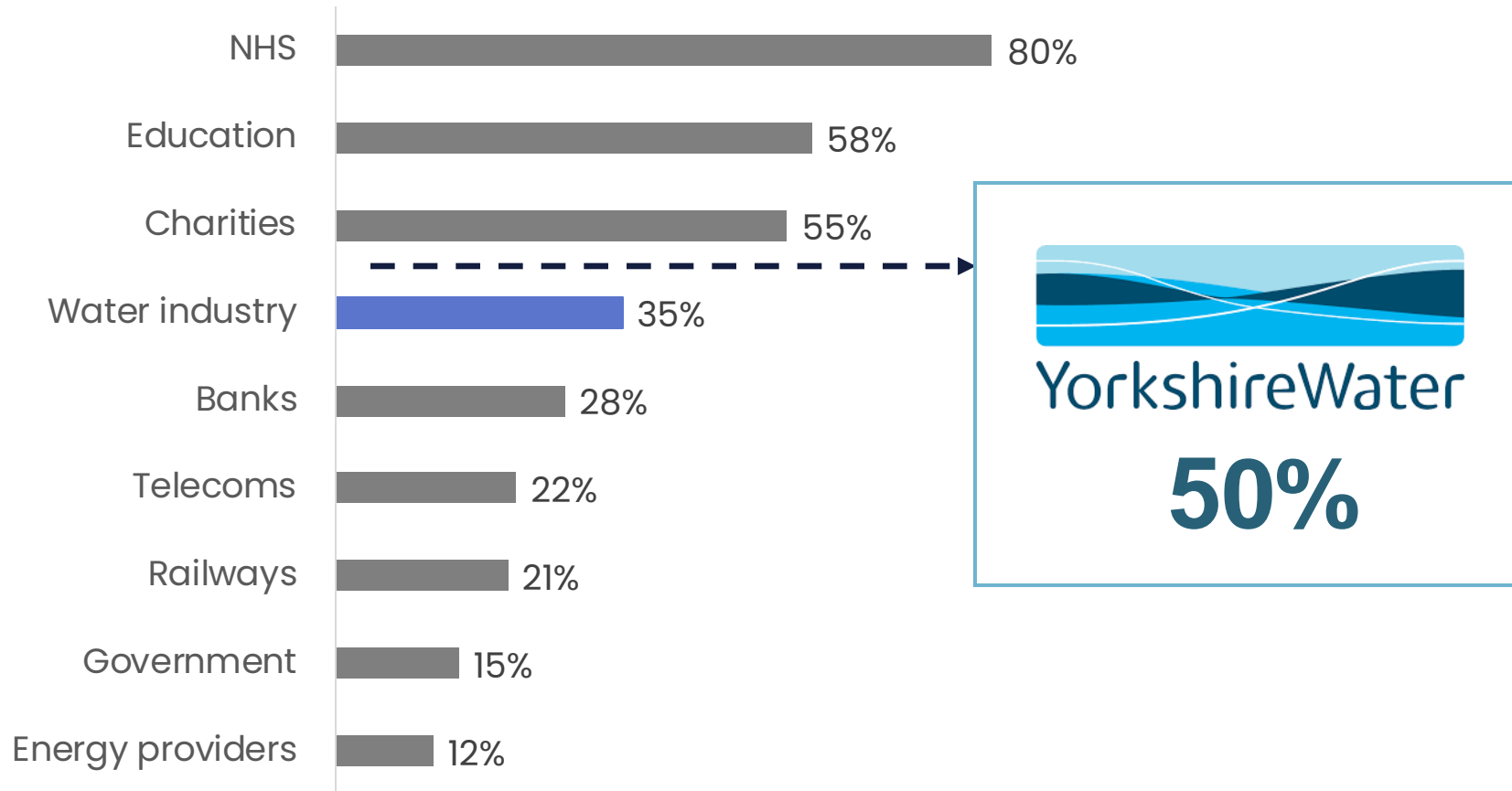
This is often due to poor customer service, but they are also seen as seeking to profit from increased interest rates while failing to support those in financial hardship.

"Banks - e.g. Nationwide, Santander. Increasing interest rates for loans but limiting the rise on interest rates for savings.."

Despite low trust at a sector level, water outperforms a number of other industries

Encouragingly, trust in Yorkshire Water is higher than the sector overall

➤ Levels of trust (top 2 box)



Providing a consistent and reliable service is key to driving trust

First and foremost, many consumers are looking for businesses to deliver on their day-to-day promises effectively




➤ Relative importance in driving organisational trust – Ranked

#1	Providing a consistent and reliable service
#2	Putting customers before profit
#3	Keeping customers at the heart of decision making
#4	Acting with integrity
#5	Keeping costs fair and transparent
#6	Responding to issues quickly and effectively
#7	Offers value for money
#8	Being open and transparent about decisions and plans
#9	Having a positive environmental impact
#10	Treating their employees well
#11	Has a positive impact on communities
#12	Keeping customers informed
#13	Having a positive societal impact
#14	Apologising when issues arise
#15	Well established/long standing

Many organisations deliver essential day-to-day services; as such customers need to know these will be delivered effectively, and that the service provided can be depended upon.

Customers want to know that their needs are being prioritised and the service they pay for provides value.

Factors ranked 8-15 are less likely to influence trust in a business. Whilst still important, these are more peripheral, often because they have a less immediate/direct impact on customers themselves.

 = Twice as important than average
 = More important than average
 = Less important than average

Trust-related attributes do not tend to be strongly associated with any sectors in particular

The water industry has the strongest associations, though strength of feeling is limited

➤ % indicating attributes apply to the industries shown

	The water industry	Energy providers	Banks	The railway sector	The retail industry	None of these
Putting customers before profit	13%	7%	8%	7%	5%	83%
Acting with integrity	27%	11%	20%	9%	12%	60%
Open and transparent about decisions and plans	30%	13%	14%	11%	9%	62%
Keeping costs fair and transparent	27%	10%	17%	10%	18%	59%
Providing a consistent and reliable service	51%	37%	33%	10%	30%	29%
Well-established/long-standing	58%	37%	64%	42%	44%	23%
Having a positive societal impact	28%	13%	13%	12%	15%	62%
Having a positive environmental impact	36%	13%	5%	10%	6%	57%
Treating their employees well	33%	18%	28%	13%	14%	56%
Keeping customers informed	45%	30%	29%	13%	14%	41%
Responding to issues quickly and effectively	36%	23%	20%	10%	17%	48%
Apologising when issues arise	35%	24%	19%	15%	20%	50%
Offers value for money	33%	9%	13%	8%	25%	51%
Has a positive impact on communities	35%	15%	14%	13%	18%	55%

Attributes associated with a sector by >50% of YW customers

Key insight

Trust tends to operate at an organisational rather than a sector level. While consumers may be cynical about a sector as a whole, this can be outweighed by the personal experiences they have with a company, as long as their personal needs are being met effectively.

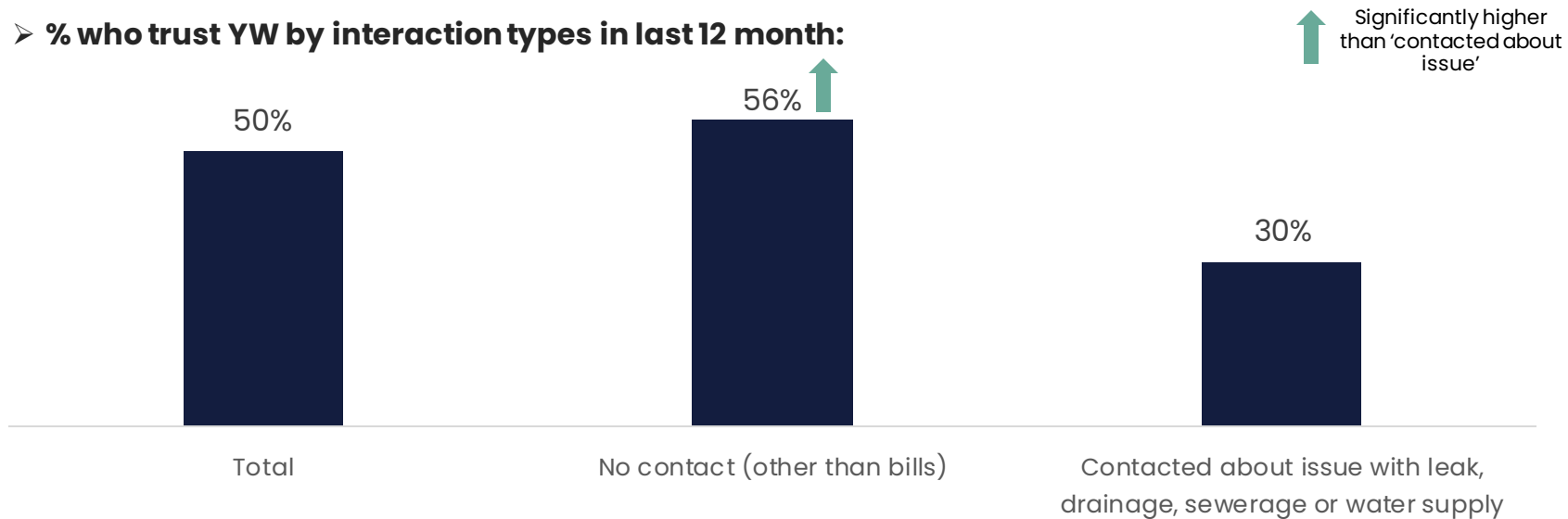


Trust in Yorkshire Water

Having no or limited contact with Yorkshire Water is associated with higher trust levels

Many trust YW passively rather than actively, reflecting the fact that a consistent and reliable service can in itself drive trust

➤ % who trust YW by interaction types in last 12 month:



Many of those who trust YW do so because they feel they have no reason not to, because...

- The service is functional
- No problems with billing
- Costs don't increase too much per year
- Can easily speak to a representative



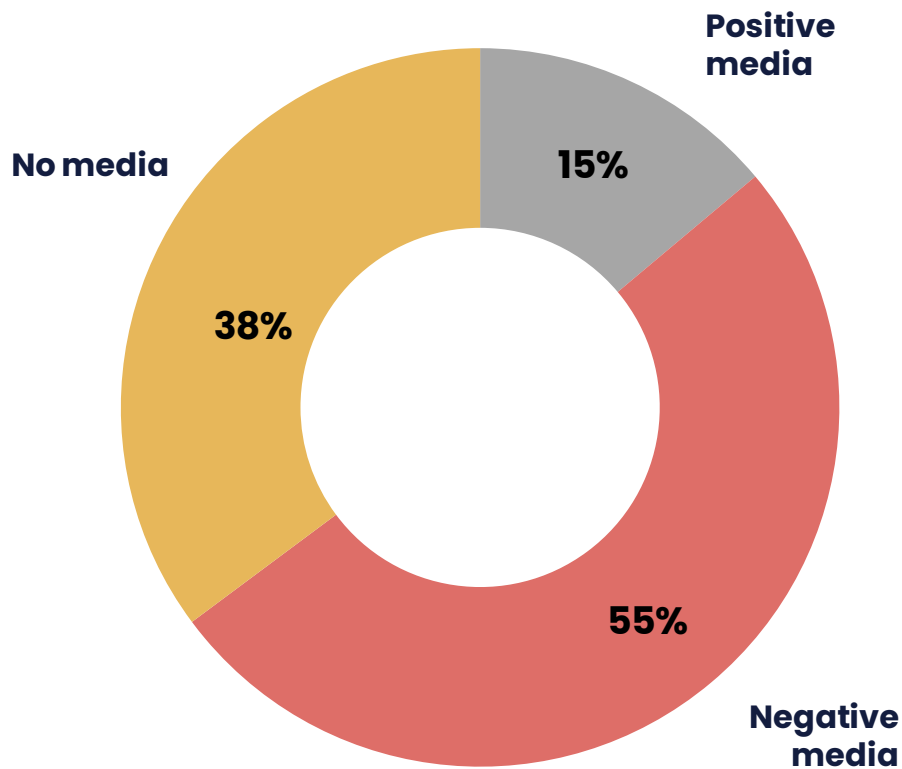
"I neither trust nor distrust Yorkshire Water. I have no choice over which water supplier I use, so it doesn't matter whether I trust them or not."

"I don't really think about it, I just turn on the tap and assume that clean water will come out."

Perhaps unsurprisingly, exposure to negative media coverage is associated with lower trust levels

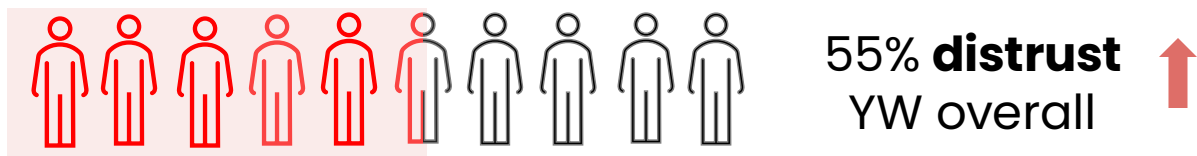
Over half have encountered negative media; trust levels are much lower for this group

➤ Yorkshire Water media exposure:

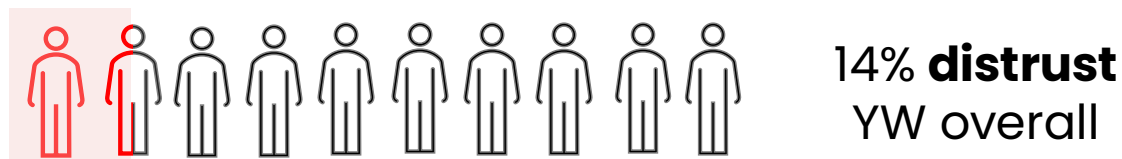


Those who have seen negative media coverage are far more likely to **distrust** Yorkshire Water overall.

Amongst those who have seen **negative YW media coverage**:



Amongst those who have seen **no/positive YW media coverage**:



Media coverage tends to focus on a number of key themes, with sewage discharge being top of the list

Unresolved leaks are also commonly mentioned

Negative themes

- Sewage discharge into rivers and waterways – Paul Whitehouse is mentioned repeatedly, while some have seen videos showing raw sewage discharge on social media.
- Reports in local news about customer issues with leaks not being resolved/resolved inefficiently.
- No investment in increasing reservoir capacity.
- Large profit amounts and increasing bills.

"After seeing the Paul Whitehouse programme on Sunday I am appalled with Yorkshire Water. To put untreated sewage into rivers (and bathing rivers at that) is indefensible. You should hang your heads with shame."

Positive themes

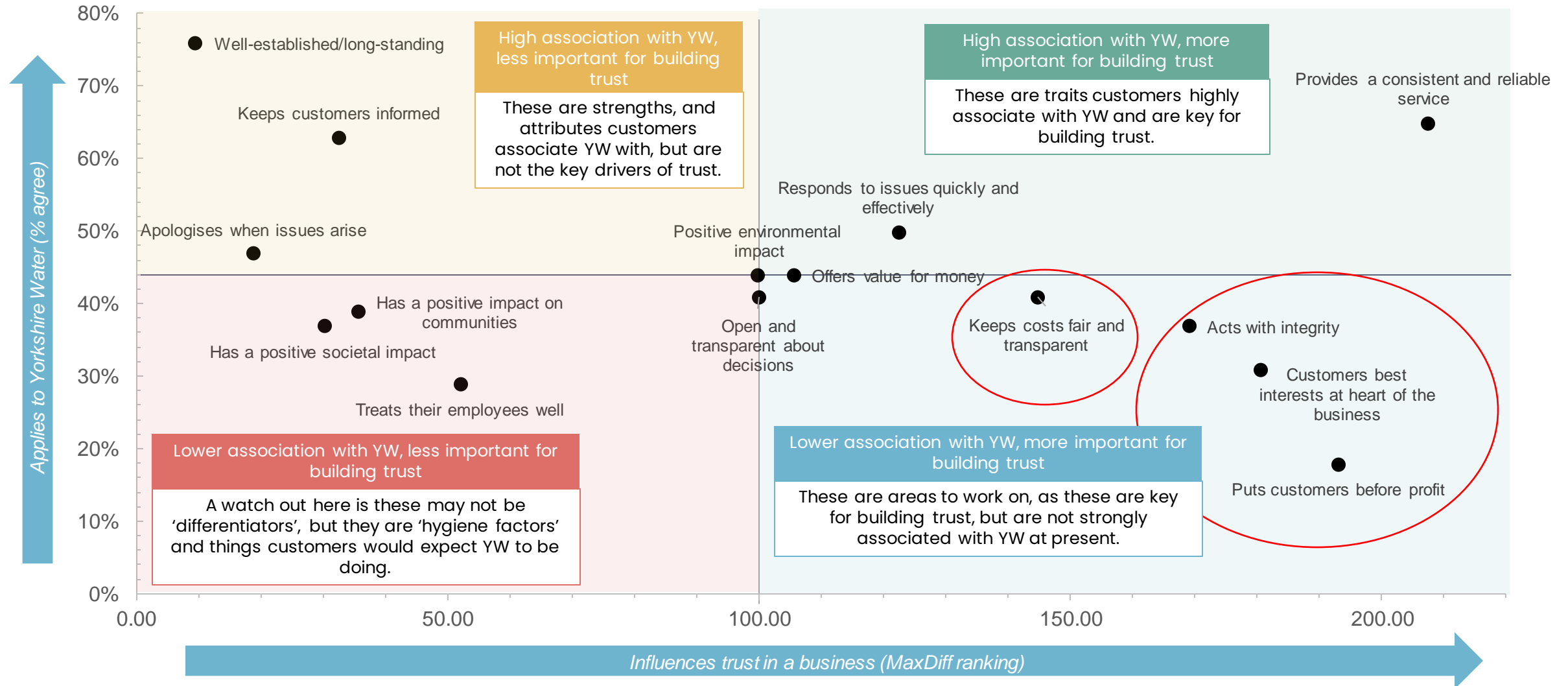
- Help and advice on bills.
- Removal of the hosepipe ban.
- Praise for YW staff.

"I follow Yorkshire Water on social media and see the good work they do in the environment, what they clean from the drains, how they support customers and celebrate employees work."



Providing a consistent and reliable service is both a key driver of trust and an area of strength for Yorkshire Water

Customers are less positive towards YW's intentions and integrity, also important drivers of overall trust

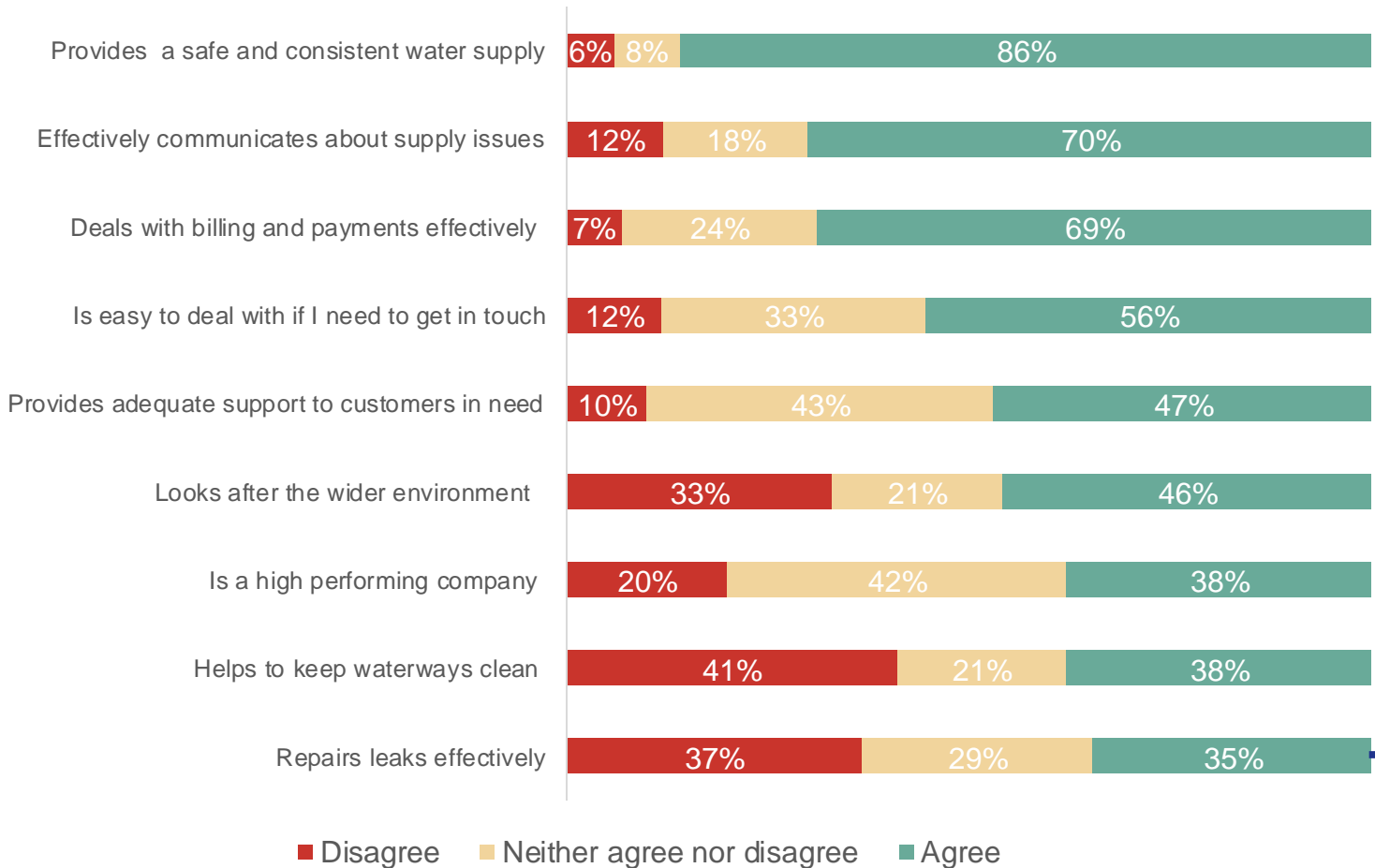


When looking at more specific service and water-related attributes, leaks and the environment are lower performing areas



Again, day-to-day service and communication is seen to work effectively

➤ Level of agreement that Yorkshire Water....



Key insight

There is a strong correlation between the areas that customers actively disagree YW does well and the main themes from negative media coverage. More communication/ information about what is being done in these areas could help to counteract this.

Customers who **disagree** that YW 'acts with integrity', 'puts customers before profit' and 'has customers' best interests at heart'* also have much lower agreement for some of these specific measures, as follows:

- Keeping waterways clean
- Repairing leaks effectively
- Looking after the environment
- Providing support to customers in need
- Is a high-performing company

This can be driven by personal experience/knowledge of leaks in their area as well as media coverage.

Customers want to see a greater focus on the environment alongside fair prices in order to increase levels of trust

Providing reassurance on these areas is key

➤ What should YW change to be considered trustworthy?



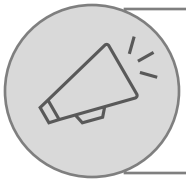
Water quality is top of the agenda for many customers along with the environment more generally, reflecting the renewed appreciation for the natural environment we have seen over the last few years. Counteracting negative media coverage with messages about what YW is doing in this area and providing reassurance that the right level of focus is being placed on this will be crucial.



Many are experiencing **financial hardship**, or are aware that others may be, and want to see large companies doing what they can to support them. For customers, this generally equates to limiting price rises or finding ways to help customers save money, which could include helping them to reduce their water usage.



Linked to the point about bills, many customers have experienced or heard about **inefficient responses to burst or leaking water pipes**. Customers become frustrated by this which they believe ultimately leads to customers paying more through no fault of their own. Counteracting poor perceptions in this area will be beneficial to overall levels of trust.



Underlying all of these concerns is cynicism about the governance of YW and its priorities. More **communication and absolute transparency** around some of the issues and their underlying causes, as well as the positive actions that are being taken to address them could help address this to some extent. Ultimately, they need to see and believe that customers and the environment are being put first.

“Continue to supply a clean safe supply, maintain the sewage system to a high standard, stop pollution of rivers and seas, put customers and the environment before profit.”

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Appendix



About your community

With over 2,000 members, Your Water is an online research resource giving you easy access to consumers.

The community offers a wide range of conventional and innovative research techniques and approaches.

Our aim is to approach every project with fresh thinking and apply methodologies that we truly believe will get you tangible, actionable results.

Any questions?

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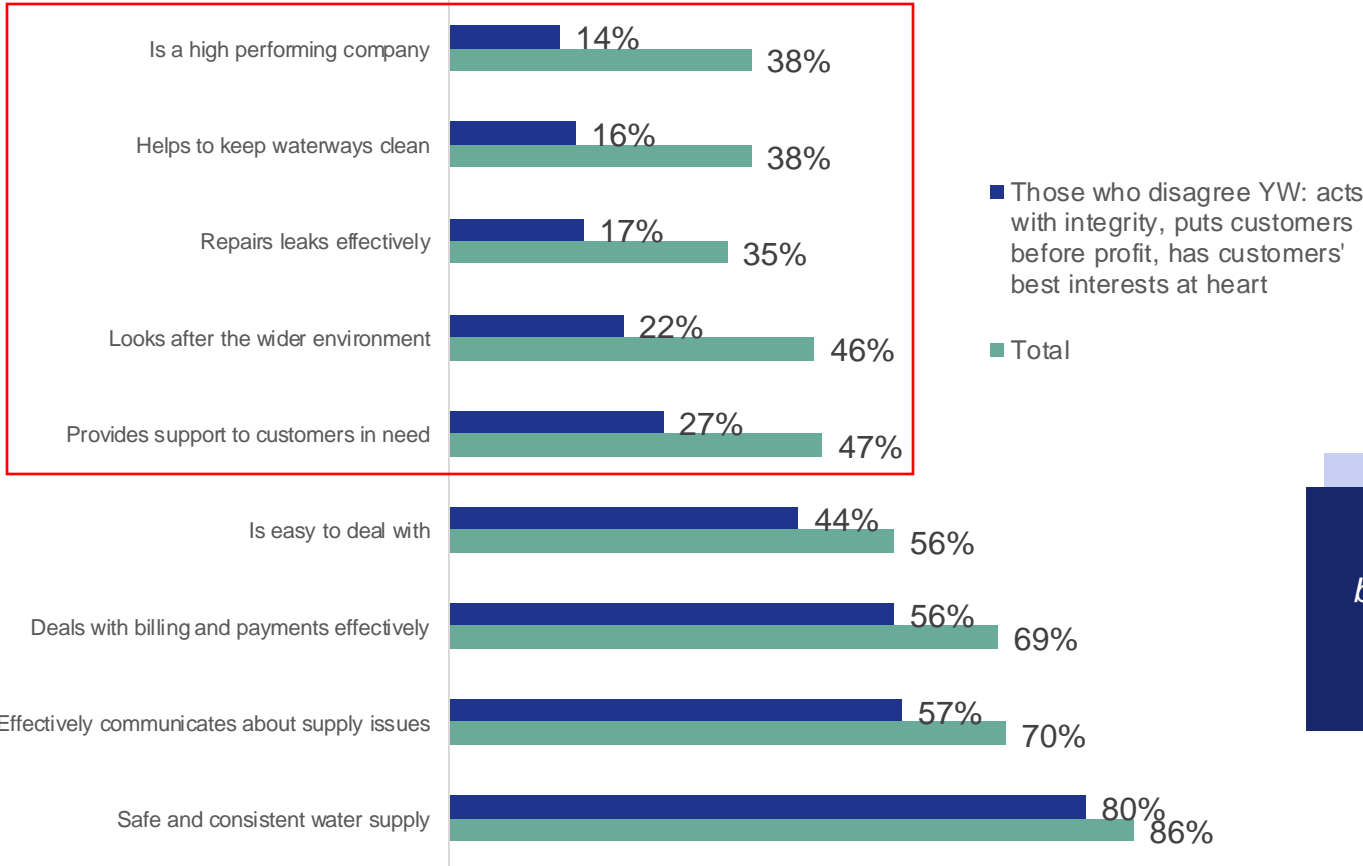
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Specific attribute scores



Total sample v those who disagree that YW acts with integrity, puts customers before profit or has customers' best interests at heart

➤ % agreeing with attributes for YW



Slide 20 identifies a number of broad attributes relating to YW’s integrity and intentions as being a key area of focus. These are ‘acting with integrity’, ‘puts customers before profit’ and ‘has customers’ best interests at the heart of the business’.

Comparing specific attribute scores for those who **disagree** with the above measures suggests they are linked to a number of key areas.

“Price of bills for people on low income...I struggle to pay bills - I phoned for help with my bill. I have a 1 bed flat. £250 is a lot of money when you have to pay more for gas and shopping”

↓ All measures shown above are significantly lower for those who disagree with any of the three statements, other than ‘provides a safe and consistent water supply’

Sample Profile (n=335)

GENDER



Male: **39%**



Female: **59%**

AGE



18-24 years: **0%**



25 - 34 years: **6%**



35 - 44 years: **9%**



45 - 54 years: **19%**



55 - 64 years: **31%**



Over 65: **34%**

SEG



ABC1: **68%**



C2DE: **32%**

HOUSEHOLD SIZE



1 person household: **30%**



2 person household: **47%**



3 person household: **14%**



4 person household: **6%**



5 or more person household: **3%**

Region

City centre **5%**

Rural hamlet and isolated dwellings **3%**

Rural town **15%**

Rural village **27%**

Suburbs of a city **26%**

Urban town **23%**

Don't know **1%**

AREA OF YORKSHIRE



South Yorkshire: **20%**



West Yorkshire: **49%**



East Riding of Yorkshire: **13%**



North Yorkshire: **18%**

VULNERABILITY



Vulnerable customer: **41%**



Non-vulnerable customer: **59%**

WATER METER



Have a water meter: **70%***



Don't have a water meter: **29%**