

# PR24 Affordability & Vulnerability Research

## For Yorkshire Water



September  
2023



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## 1. Introduction

This report presents findings from Yorkshire Water's PR24 Affordability and Vulnerability Research, conducted by Qa Research in 2023.

To inform its PR24 business plan, Yorkshire Water needs to '*create an affordable plan centred around customers' needs and means*'. The aim of this research project was '*to understand customer affordability and the vulnerabilities that exist in Yorkshire, and if the support offered is meeting the needs of customers today*'.

Yorkshire Water currently offer a range of support to customers facing various vulnerabilities. The Priority Service Register (PSR) provides support for customers who face challenges when accessing Yorkshire Water services, those who would be most impacted by their water being cut off, or those who need to tailor their interactions with Yorkshire Water to ensure they have a positive experience. For example, this could be braille or large print bills for customer with sight problems.

Yorkshire Water also offer financial support schemes for customers struggling to pay their bill; these schemes either provide a bill cap (WaterSure and WaterSupport schemes), provide debt support (Resolve and Community Trust schemes) or offer assistance managing payments (Water Direct). However, Yorkshire Water were keen to understand any gaps in the support they offer and possible areas of improvement.

It was therefore imperative to understand the extent and type of vulnerabilities amongst all Yorkshire Water customers, and to review whether the support available to customers was still meeting their needs. For those receiving support from Yorkshire Water, the research explored satisfaction levels and the onboarding process to discover whether they are continuing to meet needs. Through exploring these factors, it became apparent that while both the PSR and Financial Schemes create a positive experience for those on them, there is definite scope for improvement. The significant impact of the cost of living on all customers was very clear in the findings, and the extent to which this affects both physical and mental wellbeing. The barriers that prevent customers from accessing support were explored, as well as the factors that disengage them from contacting Yorkshire Water.

A mixed method research design was adopted which allowed a comprehensive understanding of the perceptions of Yorkshire Water customers. The research approach comprised of three elements: quantitative surveys with 3,822 Yorkshire Water customers, qualitative in-depth interviews with 50 Yorkshire Water customers and the development of an economic impact assessment simulator.

The results of the study will help Yorkshire Water in creating a business plan focused towards customer needs, improving the type of support available, and helping predict the proportion of customers that could end up in/out of water poverty.

## **2. Aims & Objectives**

The aim of this project was *'to understand customer affordability and the vulnerabilities that exist in Yorkshire, and if the support offered is meeting the needs of customers today'*.

The specific objectives of the research were to:

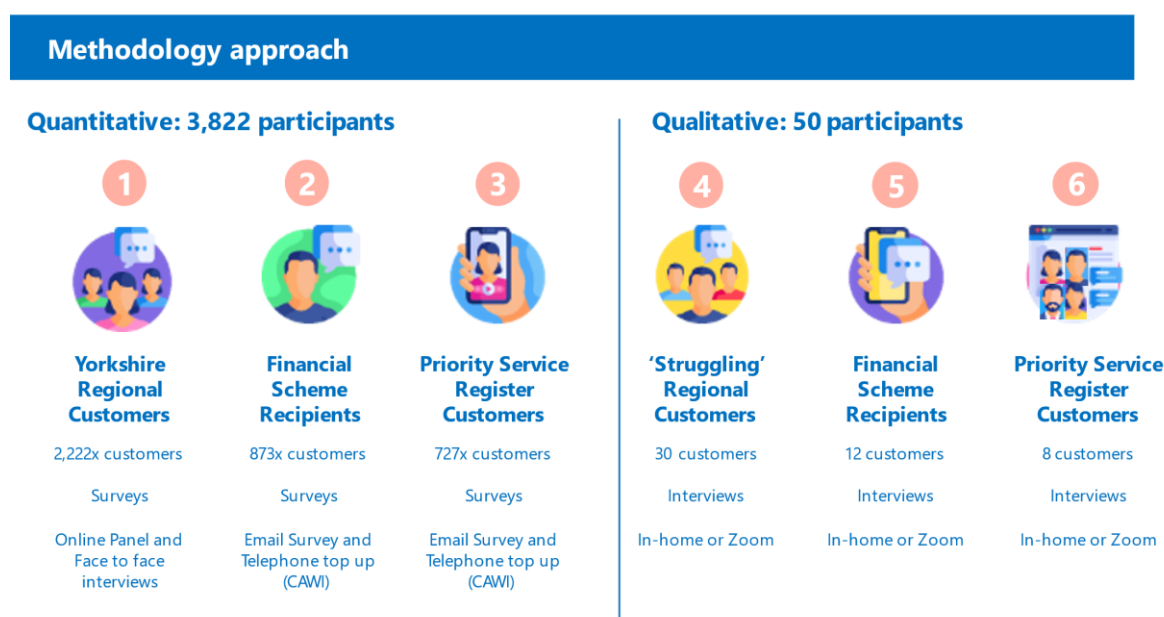
- Uncover the regional universe of vulnerability categories within the Yorkshire Water region.
- Identify the types of customers already struggling (or who may soon struggle) with water bills.
- Determine how well the support provided by Yorkshire Water is working (or could be improved).
- Develop an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



### 3. Methodology

The research comprised of three elements;

- Quantitative surveys with Yorkshire Water customers
- Qualitative depth interviews with Yorkshire Water customers
- Development of an economic impact assessment simulator



#### 3.1 Quantitative Stage

##### 3.1.1 Regional Survey

A mixed method approach was adopted for the Regional Survey to ensure a variety of customers across the Yorkshire region had an opportunity to participate in the survey.

The primary data collection method was through an online panel using panel provider Dynata. The survey was open from the 24<sup>th</sup> March to the 2<sup>nd</sup> May 2023 and 1,979 surveys were completed via this method.

The online survey was supplemented with face-to-face interviews amongst customers who are typically harder to reach through online methods. The face-to-face interviews took place over the same fieldwork period and 243 surveys were completed via this method.

All respondents were Yorkshire Water bill payers (either joint or sole) and to ensure a representative sample was recruited, quotas were set in recruitment of the online

survey based on age, gender, socio-economic grouping and the 4 Yorkshire Water regions.

Combining online panel and face-to-face completions; a final sample of 2,222 was achieved for the Regional Survey (against a target of 2,200 completions). Please note that base sizes may vary throughout the report where respondents have selected 'prefer not to say'.

Weighting was applied to ensure that the final profile of the sample matched that of the Yorkshire Water customer base. The table outlines the final unweighted and weighted sample profiles achieved and compares this to the profile of all bill paying household customers;

**Figure 1. Sample Profile**

	All HH billpayers %	Achieved sample (unweighted) n		Achieved sample (weighted) n	
<b>Gender</b>					
Female	51%	1285	58%	1129	51%
Male	49%	928	42%	1084	49%
Another way	0%	7	0%	7	0%
Prefer not to say	0%	2	0%	2	0%
<b>Age</b>					
18-34	18%	479	22%	399	18%
35-44	17%	296	13%	377	17%
45-54	20%	326	15%	444	20%
55-64	17%	415	19%	377	17%
65+	28%	703	32%	621	28%
Prefer not to say	0%	3	0%	3	0%
<b>SEG</b>					
ABC1	48%	1145	52%	1053	48%
C2DE	52%	1049	47%	1141	52%
Prefer not to say	0%	28	1%	28	0%
<b>Region</b>					
North	16%	363	16%	354	16%
West	45%	974	44%	995	45%
South	27%	604	27%	597	27%
East	12%	269	12%	265	12%
Don't know	0%	12	1%	12	0%
<b>Base</b>		<b>2,222</b>		<b>2,222</b>	

### 3.1.2 Priority Services Register (PSR) Survey

A database of customers currently registered on the Priority Services Register was provided to Qa Research by Yorkshire Water. This included email and/or telephone

numbers for some, but not all customers, and details about which PSR services the customers were registered to.

An email survey was the main data collection method for the PSR Survey. The email containing a link to the survey was sent to 6903 customers in the PSR database.

The survey was open from the 20<sup>th</sup> April to 15<sup>th</sup> May 2023 with 661 surveys completed via this method. A small number of top up telephone interviews (66 interviews) were conducted during the same period to boost responses amongst some of the less commonly used PSR services.

Combining online panel and telephone completions; a final sample of 727 completions was achieved for the PSR Survey (10% response rate), against a target of 400 completions.

### **3.1.3 Financial Schemes Survey**

A database of customers currently registered on one or more Financial Schemes was provided to Qa Research by Yorkshire Water. This included email and/or telephone numbers for some, but not all customers, and details about which Scheme/s the customers were registered to.

The Financial Scheme Survey followed the same approach as the PSR Survey with an email containing a link to the survey sent to customers in the database.

A low response rate was anticipated amongst this group due to the sensitive nature of the survey, therefore all customers with an email address were contacted (19,826 customers) and a prize draw totalling £1000 was included as an incentive to take part.

The survey was open from the 20<sup>th</sup> April to 31<sup>st</sup> May 2023 with 847 surveys completed via this method. A small number of top up telephone interviews (26) were conducted during the same period to boost responses amongst some of the smaller financial support schemes.

Combining online panel and telephone completions; a final sample of 873 completions (4% response rate) was achieved for the Financial Schemes Survey, against a target of 600 completions.

Weighting was applied to ensure that the final profile was in line with the sample database.

## **Confidence**

The Regional survey (assuming there are approx. 5 million Yorkshire Water customers) provides findings which in research terms means we can be 95% confident that the data at an overall level has a variance no more than +/-2.08% accuracy. The Financial Schemes survey provides findings with +/-3.29% accuracy and the Priority Services Register survey provides findings with +/-3.62% accuracy.

Therefore, all of these findings are based on sample sizes considerably within the +/-5% standard industry error rate required to provide statistically robust results at an overall level.<sup>1</sup>

### **Validation**

In order to validate responses, self-completion responses were checked by a Qa Researcher throughout the surveying period. Any erroneous responses or responses completed too quickly were removed and replaced. For the face-to-face interviews, quality check calls were completed with at least 10% of respondents to confirm they fit the criteria, and the information had been recorded correctly.

### **Questionnaire**

To allow for comparability between the surveys, all three surveys contained the following sections;

- Demographics
- Current Financial Situation
- Household Income and Water bill information
- Vulnerabilities and factors impacting on worsening situations

Additional topics specific to each survey were included in the individual surveys;

- Regional Survey – awareness and attitudes towards water bill support
- PSR survey – experience and satisfaction with the Priority Service Register
- Financial Scheme Survey – experience and satisfaction of individual Financial Support Schemes

The surveys took an average of 20 minutes to complete.

### **Response and Analysis**

In total 2,222 surveys are included in the 'Regional' sample analysis. It is not possible to calculate an exact response rate due to the open nature of the online survey. The

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<sup>1</sup> Confidence levels:

This indicates how representative findings are of the customer base as a whole. A 95% confidence level refers to the statistical likelihood (probability) that the true value of the population lies within a range (95% confidence interval) of the estimated percentage. The +/-2.1% accuracy (for the regional survey) refers to the 'standard error', which demonstrates how answers provided by the sample group potentially vary from the responses that would be obtained if all customers had been surveyed. This means, for example, that if the observed statistic for any question is 50%, then if the research was repeated, this percentage will be no less than 47.9% and no more than 52.1%. The standard error is calculated on the basis of the total number of possible respondents and the number that has been covered by the survey.



online and face-to-face surveys were merged, coded and analysed by Qa Research. Weighting was applied to the 'Regional' data.

### **A note on quantitative analysis and how the data is presented in the report**

The base (i.e. the number of respondents answering the question) is shown in each table or chart.

When interpreting results throughout this report, not all percentages will equal 100% due to rounding (with any figures of 0.5 or higher being rounded up). Where the figure is shown as 0%, at least one respondent gave this answer, but the total count makes up less than 0.5% of the overall total; a blank shows no-one gave this answer.

Some questions were multiple response questions: respondents had the option of giving more than one response. These percentages may be higher than 100%.

Open-ended verbatim questions have been coded, grouped together and shown as percentages.

The analysis was run using Askia software. The questions have been cross tabulated, with relevant statistically significant differences commented upon within the report.

## **3.2 Qualitative Stage**

### **Sample and recruitment**

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 receiving support from Yorkshire Water through a scheme).

All participants completed a recruitment where they self-identified as 'always', 'often' or 'sometimes' struggling to pay all their bills, as well as other demographic and quota questions.

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). See below for a breakdown of the sample:

<b>Audience</b>	<b>Recruits</b>	<b>Recruitment</b>	<b>Interview method</b>
<b>Priority Services Register</b>	8	Survey re-contact	Telephone / Video
<b>Financial Schemes</b>	12	Survey re-contact	Telephone / Video
<b>'Always struggle'</b>	10	Free-find	Telephone / Video / F2F

<b>'Often struggle'</b>	10	Free-find	Telephone / Video / F2F
<b>'Sometimes struggle'</b>	10	Free-find	Telephone / Video / F2F

Recruits were spread evenly over the Yorkshire Water region with a mix of demographic backgrounds. A full sample breakdown of demographics can be found in the Appendix.

### **Interview method**

All participants took part in a semi-structured interview, using a discussion guide to prompt conversation. Interviews lasted between 45-60 minutes, and participants were offered a £50 cash incentive for taking part.

12 of the 50 interviews took place face-to-face in customers' homes, the rest were conducted remotely using telephone or Zoom.

One-to-one interviewing was chosen as the most appropriate method due to the sensitivity of the topics being covered, such as personal finances, debt and mental health. The stigma surrounding financial challenges in particular means it is important to create a safe, private space to build rapport and ensure the participant feels confident to share their experiences.

### **Validation**

Participants were validated in two key ways. First, validation and confirmation calls were carried out ahead of the interviews where demographic information was checked. Second, interviewers confirmed participants' identity before the interview.

### **Discussion guide**

A semi-structured discussion guide was produced to lead the interviews. A full version of the discussion guide can be found in the Appendix. The guide covers:

- Understanding the customer and their world
- Customer perceptions about the water company
- Household finances and challenges
- Affordability of household bills and water bill
- Help with water bill affordability
- Priority Services Register
- Other ideas
- Final comments and vox-pop questions

Participants were invited to take part in 'vox-pop' videos where they were filmed answering two questions:

- How has the cost-of-living crisis affected you and your family – financially and emotionally?
- What one thing should Yorkshire Water be doing to support customers who are struggling to pay their bills?

### **Analysis**

The qualitative team undertook a thematic analysis approach to the data. First, all interview recordings were run through a transcription software, and interviewers listened back to their own transcripts, making notes. Next, the team hosted an extended analysis session where themes were discussed, debated and formed into a report narrative. The quantitative lead also attended this session to compare qualitative findings with the survey findings. This resulted in a clear, integrated narrative.

Please note that the results of qualitative research cannot be projected onto the overall population, due to the sample selection, interviewing methods and sample size. Instead, it gives depth and colour to the experiences of struggling customers.

## **3.3 Development of an Economic Impact Simulator**

### **Overview**

The modelling work and resulting simulator tool were developed primarily to estimate current levels of water poverty within Yorkshire. This was defined as the number of households who have a water bill at or above 5% of their disposable income. Whereby disposable income was the income remaining for a household after housing costs have been account for. A secondary requirement was to forecast water poverty in future years also.

There are two sections to the tool which are explained in more detail below:

### **Section 1: Dashboard Tool**

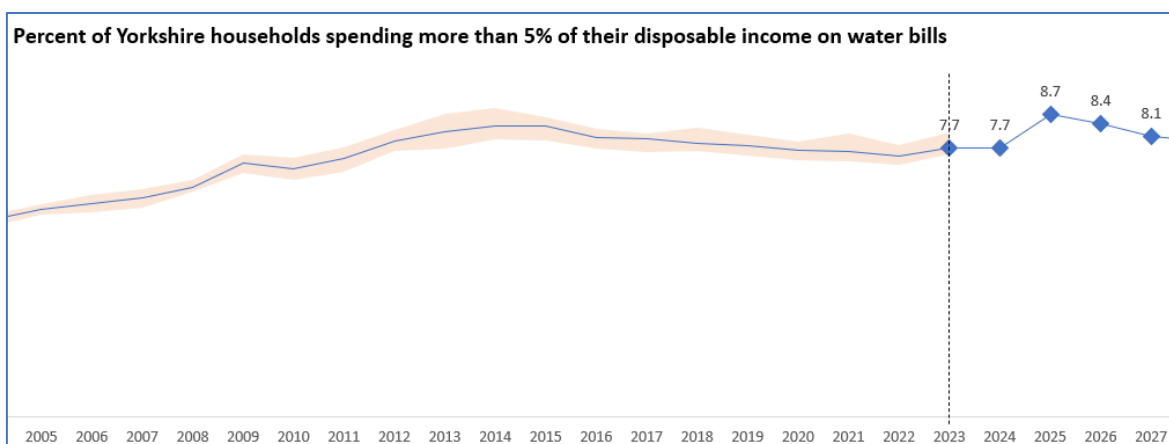
Water poverty rate can be analysed at total level i.e. all of Yorkshire and by various sub-groups in the tool such as by age, socio economic status, metered vs non-metered households for example. This provides insight into how different sub-groups in Yorkshire differ in terms of water poverty. Additionally, we have estimated those who are not officially in water poverty but are close to this classification, these households have between 3% and up to 5% water bill to income ratio (after housing costs) and represent cohorts that could be in water poverty in the future – if their circumstances change slightly for the worse.

Within the dashboard tool there is an interactive element that allows users to trial different scenarios by adjusting the three drivers of water poverty: water bill expenditure, household income and household spend (council tax, rent / mortgage).

The interplay between these variables can be adjusted and scenarios trialled that then impact water poverty. This analysis can be at total level i.e. all of Yorkshire or by particular cohorts or sub-groups as mentioned above (various demographic groups).

## Section 2: Forecasting Tool

The tool also has a forecasting section, which estimates water poverty in the future, this tool provides prediction estimates from 2024 up to 2030. The forecasting tool allows various scenarios to be trialled and tested on a yearly basis (from 2024 to 2030). This allows adjusting water bill expenditure, household income and household spend (council tax, rent / mortgage) for each calendar year in the tool and the impact per year on water poverty can be simulated. This is shown below, the section in orange is the historic level of water poverty in Yorkshire and the blue section is the future prediction of water poverty from our predictive modelling work.



As water poverty in Yorkshire has had no historically published data we have estimated this level from present day back to 1998 based on historical ONS data.

## Summary

The tool allows current and future water poverty rates to be estimated, simulations of water poverty can be played with by adjusting the three drivers of this metric and separately water poverty can be measured for sub-groups of the population also.

## Summary of the steps taken to calculate water poverty:

### The number of households in Yorkshire and the Humber

- We have included the total number of households for 2022 according to Statista (2,370,000): <https://www.statista.com/statistics/295297/households-in-uk-by-region/>

### **Income (Q7)**

- Respondents answered by selecting from a list of buckets (eg “Up to 10,399 a year”)
- We recoded this into a number, taking the midpoint of each bucket
- Some people didn’t answer the question. To get a value for these people we predicted their income using a regression model, with age, socio-economic grouping, and 3 questions about current financial situation (Q1, Q2 and Q5b) going into the prediction. The prediction wasn’t spot on, but good enough to fill in the blanks for those that didn’t answer the question.
- This gives us a median household income of £31,200 annually – broadly in line with the figure quoted to us by Yorkshire Water

### **Housing costs (Q8)**

- Respondents were given the option to type in their costs or select from a list of buckets
- We combined the results, treating the bucketed data in the same way as Q7, to put a numeric value on housing costs for all respondents
- Again, some people did not answer the question, so we used a regression model with age, SEG and household size (S9 & S10) to predict household costs and fill in the blanks
- This gives us median housing costs of £4,039.49 annually – there is no data available to sense check this figure

### **Calculating equivalised net household (HH) income**

- As per the Ofwat guidance, we have calculated equivalised net HH income as follows:

$$\frac{\text{Income (Q7)} - \text{housing costs (Q8)}}{1 + (0.5 * (\text{number of adults (S9)} - 1)) + (0.3 * \text{number of kids (s10)})}$$

- The formula calculates the disposable income left over for a household after housing costs are deducted from total household income and divides this by household size.
- Once calculated, we applied two data transformations to the equivalised HH income, in line with industry reports and secondary data sources, to get to the final figure for equivalised HH income. This allowed us to obtain the



correct distribution of equivalised household income across the region and align with the median value for the region for 2023.

### **Water bill (Q6)**

- Respondents answered by typing in their water bill
- This gave a median bill of £444, but included a very long tail of very high estimates
- We capped the data at the 90th percentile from the customer bill data you shared with us, varying this figure depending on whether someone was metered or unmetered (i.e. the value of someone's bill in our data cannot be higher than the top 10% for metered / unmetered customers as per your data)
- This gives us a median bill of £372 for metered customers, and £492 for unmetered customers – very close to the figures you shared with us

### **Bill to income ratio (BIR / water poverty score)**

- Dividing water bill by equivalised net HH income gives us a mean BIR of 2.6%, i.e. customers spend on average 2.6% of their income after housing costs on their water bill
- This gives us 7.7% of households who spend >5% (c.180k), and a further 21% (c.500k) who are 'at risk' because they spend between 3% and 5%

## 4. Sample Profile

### 4.1 Core demographics

The table below sets out the demographic profile of those responding to each of the surveys.

The customer profile in the Regional Survey was reflective of the profile of all Yorkshire Water billpayers, while the profiles of those on Financial Schemes and PSR differed from the Regional Sample in a number of ways. Most notably;

- The Regional Survey included a mix of females and males, while the Financial Scheme survey included a higher proportion of females (74%).
- A wide range of age bands were represented in the Regional Survey. By comparison, Financial Scheme respondents were more likely to be younger (50% aged 25-44), while PSR respondents were more likely to be older (59% aged 65+).
- There was a higher proportion of C2DE respondents in the Financial Scheme and PSR surveys (78% and 69% respectively).
- 22% of Financial Scheme respondents identified as BAME (Black and Minority Ethnic), a notably higher proportion than in the Regional and PSR surveys.

**Figure 2. 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%

Region			
North	16%	13%	18%
West	45%	50%	41%
South	27%	25%	28%
East	12%	12%	12%
Ethnic Origin			
White (NET)	90%	75%	92%
BAME (NET)	9%	22%	3%
<i>Asian</i>	4%	13%	1%
<i>Black</i>	2%	5%	1%
<i>Mixed ethnic group</i>	3%	3%	1%
<i>Other</i>	0%	1%	0%
Prefer not to say	1%	2%	5%
<b>Base</b>	<b>2,222</b>	<b>873</b>	<b>727</b>

The following table provides further information about households. It shows that:

- On average, household sizes were largest for Financial Scheme respondents (3.32 mean occupants), and more likely to contain children.
- PSR respondents were most likely to be on a water meter (72%), a much higher proportion than Financial Scheme respondents (35%).
- Financial Scheme respondents were more likely to be in rental accommodation, with 47% in rented council housing.

**Figure 3 Household Information**

	Regional	Financial Scheme	PSR
Household Size			
Total (mean)	2.45	3.32	1.85
Adults (mean)	1.95	1.85	1.60
Children (mean)	0.5	1.48	0.26
Water Meter			
Yes	56%	35%	72%
No	40%	56%	24%
Don't know	4%	9%	4%
Rent or own home			
Rent – Council	15%	47%	24%
Rent – Private Landlord	19%	24%	8%
Own Home	63%	26%	61%
Other	2%	1%	2%
Prefer not to say	0%	2%	4%
Receipt of benefits			
Any (NET)	30%	85%	47%
<b>Base</b>	<b>2,222</b>	<b>873</b>	<b>727</b>

## 4.2 Financial Schemes breakdown

The table below shows the breakdown of Financial Scheme responses by the scheme each respondent was registered to in the sample. This was weighted to be reflective of the sample database.

The table shows that WaterSupport and WaterSure customers accounted for the largest proportions of customers, with smaller proportions of Resolve, Direct Support and Community Trust customers.

**Figure 4 Financial Scheme Breakdown**

	Financial Schemes
WaterSupport	54%
WaterSure	19%
Resolve	12%
DWP Payment Matching /Direct Support	12%
Community Trust	4%
<b>Base</b>	<b>873</b>

In order to gauge whether Financial Scheme respondents were aware of which scheme they were registered to; respondents were asked at the start of the survey to select the scheme they thought they were on.

The majority of WaterSupport and WaterSure customers were able to correctly identify the scheme they were registered to (90% and 89% respectively), while much lower proportions of Resolve, Direct Support and Community Trust respondents (54%, 51% and 60% respectively) were able to correctly identify the scheme they were registered to.

Therefore, in this report where figures relate to an individual scheme, only the responses of those who could correctly identify the scheme they are registered to are included. Where responses are shown at the total level for all Financial Scheme responses, all respondents who answered the question are included.

Nearly all respondents were on the same scheme they had originally applied for; only 2% of respondents stated they had changed schemes.

## 4.3 Priority Service Register (PSR) – Service breakdown

The table overleaf shows the proportion of respondents registered to each of the services offered by the Priority Services Register. Customers can register to multiple

PSR services, so percentages add to more than 100%. The services have been grouped by Service Group need.

The most common services registered to were related to supply and welfare needs - those needing a delivery or constant supply in the event of supply issue (60% and 55% respectively), a longer notice period of works taking place (47%) and having a password on the account (42%).

Lower proportions were registered to communications services (23%) – these mainly related to those requiring alternative bill formats, such as a large print bill (13%).

**Figure 5. PSR Services Registered to**

	<b>% signed up to service</b>
<b>Communication needs</b>	<b>23%</b>
Braille Bill	3%
Braille Info	2%
CD Info	3%
Large Print Bill	13%
Large Print Info	13%
Talking Bill	2%
Text Telephone	5%
<b>Welfare needs</b>	<b>91%</b>
Password	42%
Visit in Person	33%
Nominee	21%
Read Meter	22%
Card Warning (longer notice period of works)	47%
<b>Supply needs</b>	<b>76%</b>
Dialysis	3%
Constant Supply	55%
Needs Delivery	60%
<b>Base</b>	<b>727</b>

8% of respondents completing the survey were a nominated representative for someone else in the household. Nominated representatives were asked to complete the survey on behalf of the person on the PSR.

The next section provides some further context on the financial and vulnerability situations for customers in Yorkshire.



## 5. Customer context: What is the financial and vulnerability situation of Yorkshire Water customers?

*This section details which Yorkshire Water customers are struggling financially and which customers have someone with vulnerabilities in the household. It also covers the different ways in which they are struggling and explores factors that explain why they are struggling. In addition, it looks at the impact of this struggle on customers and what the forecast for their future looks like.*

### 5.1 Customers with vulnerabilities in the Yorkshire Water region

#### 5.1.1 Quantitative findings

Respondents were asked to indicate from the list shown in the table below, which vulnerabilities applied to them or anyone else in their household. The table below shows the proportion of respondents in each survey who indicated someone in their household had any vulnerabilities.

**Figure 6. D2 Vulnerabilities in the household**

	Regional	Financial Scheme	PSR
<b>Net - Any Vulnerability in the household</b>	<b>54%</b>	<b>84%</b>	<b>89%</b>
Is disabled or suffer(s) from a long-term illness	24%	46%	65%
Have/has mental health issues	16%	44%	26%
Have/has a learning difficulty	4%	17%	7%
Relies on water for medical reasons	5%	30%	27%
Is visually impaired	3%	4%	13%
Is receiving additional care	2%	9%	16%
Am/is over the age of 75 years old	10%	2%	28%
Speaks English as a second language	5%	11%	1%
Is deaf or hard of hearing	7%	8%	26%
Is a new parent	3%	4%	2%
Is experiencing financial difficulties	18%	45%	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>

Overall, just over half (54%) of Regional respondents reported having any vulnerabilities in the household. Notably, the proportion of households with any vulnerabilities was much greater among both Financial Scheme (84%) and PSR respondents (89%).

- At the Regional level, respondents were most likely to mention that disability/long term illness (24%), financial difficulties (18%), and mental health issues (16%) were being experienced by someone in their household.
  - Disability/long-term illness was higher amongst those aged 75+, those in council rented homes, and C2DE customers. 32% of respondents with disabilities or long-term illness also stated they used more water as a result.
  - Mental health issues and financial difficulties were particularly high for 18-24s, those in council rented homes and those who were struggling with bills most/all of the time.
- Among Financial Scheme respondents, nearly half stated they had financial difficulties (45%) or mental health issues (44%); this was notably higher than Regional (18% and 16% respectively) and PSR respondents (15% and 26%).
- Amongst PSR respondents, there were higher proportions with a disability/long term illness (65%), aged 75+(28%), or hard of hearing (26%) amongst this group.

Respondents with vulnerabilities in the household were asked whether they felt their vulnerability had become better, worse, or stayed the same since before the Covid-19 pandemic. Those without vulnerabilities and those with only the following vulnerabilities: new parents, those aged 75+, and English as a second language – were asked the same question but in relation to their overall wellbeing.

The table below shows:

- Those with financial difficulties and mental health issues were most likely to indicate that their situation had become worse since before the pandemic.
- Among those asked about wellbeing, at the Regional level, 30% felt their wellbeing had become worse since before the pandemic.

**Figure 7. D2a Worsening of vulnerabilities and wellbeing compared to before Covid-19 pandemic**

% who feel their situation has become worse since before Covid	Regional	Financial Scheme	PSR
Is disabled or suffer(s) from a long-term illness	37%	51%	54%
<b>Have/has mental health issues</b>	<b>58%</b>	<b>64%</b>	<b>65%</b>
Have/has a learning difficulty	20%	31%	12%
Relies on water for medical reasons	20%	28%	30%
Is visually impaired	34%	40%	38%
Is receiving additional care	35%	47%	49%
Is deaf or hard of hearing	22%	34%	37%
<b>Is experiencing financial difficulties</b>	<b>69%</b>	<b>75%</b>	<b>83%</b>
Overall wellbeing <sup>1</sup>	30%	45%	49%

Base	2,222	873	727
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<sup>1</sup> Respondents without vulnerabilities, or those with only the following vulnerabilities -new parents, those aged 75+, English as a second language- were asked about overall wellbeing

Respondents who had experienced a decline in their situation were asked why they felt their vulnerability had become worse. As shown in the table, for Regional respondents with financial difficulties or mental health issues, the rising cost of living was a key factor in contributing to their situation worsening. For those with mental health issues, increased stress or anxiety was also a prominent factor.

The key factors contributing to the worsening financial and mental health situations among respondents in the Financial Scheme group were similar but more pronounced. A higher proportion of participants identified debt and loss of income as significant driving force to their deteriorating circumstances.

**Figure 8. D2c Factors contributing to worsening situation**

	Contributing factors	
	Worsening financial difficulties	Worsening mental health
Impact of Covid-19	33%	34%
Rising cost of living	82%	72%
Escalating war in Ukraine	18%	11%
Loss of income	25%	26%
Debt	37%	25%
Job loss/redundancy/reduced hours	16%	14%
Decline in physical health	20%	45%
Decline in mental health	27%	80%
Increase in stress or anxiety	38%	86%
Impact of aging	5%	14%
Specific personal event (bereavement, divorce)	10%	26%
Net - Something else	4%	1%
<b>Regional base</b>	<b>257</b>	<b>205</b>

Not all respondents felt their vulnerability had become worse since before the pandemic, but few felt it had improved (less than 7% of respondents across all surveys). The majority of others stated their vulnerability had stayed the same.

### 5.1.2 Qualitative findings

The qualitative research spoke with three audiences, all of whom are more likely to be experiencing vulnerability than the average Yorkshire Water customer. In terms of the specific vulnerabilities they are facing, these mirror the quantitative findings.

Financial Scheme customers, as expected, described financial vulnerabilities more than anything else, but also combined this with various factors that contribute to their financial challenges. For example, physical and mental health challenges and various disabilities impacted on their ability to work and bring in income. This often led to a 'vicious cycle'; the disability may cause financial issues, which then made it harder to give themselves the best care and as a result health issues got worse.

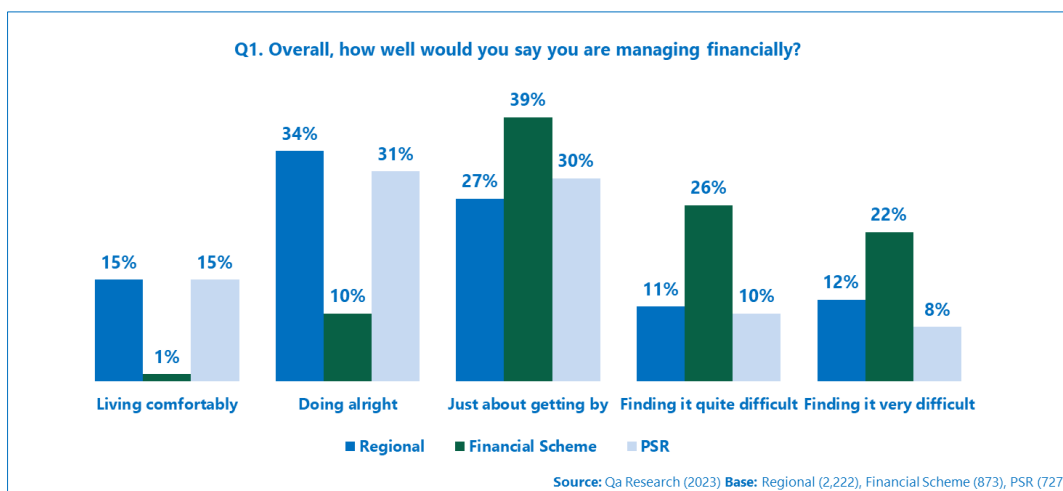
The picture was very similar among customers who are struggling to pay bills but not on any schemes. However, not all of these participants were facing wider vulnerabilities and there were many customers who were employed, didn't have disabilities or mental health problems, and yet still experienced financial vulnerability. They attributed this mainly to the rising cost of living and stagnant wages.

Priority Services Register customers reflected the more mixed picture found by the survey. Their vulnerabilities generally related to the reasons they joined the PSR, many of which don't necessarily link to financial difficulty. Those whose health-related challenges meant they were unable to work described more financial difficulty than those who could work or were retired on a comfortable pension.

## **5.2 Customers with financial challenges in the Yorkshire Water region**

### **5.2.1 Quantitative findings**

Respondents were asked how well they were managing financially. Across the region, half of customers stated they were struggling financially with 27% 'just about getting by' and 23% 'finding things quite or very difficult'. While similar proportions were reflected amongst PSR respondents, a much higher proportion of Financial Scheme respondents were struggling to manage financially (87% were 'just about getting by' or 'finding things difficult').

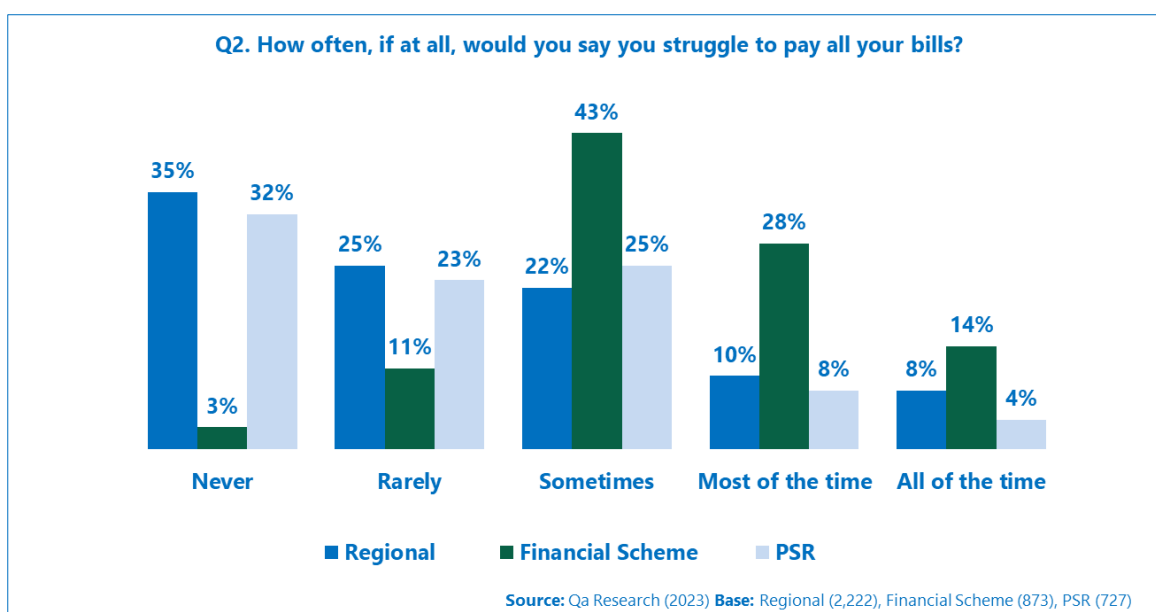
**Figure 9. Q1. Financial situation**

Certain groups were finding it more difficult ('very' or 'quite' difficult) to manage financially, namely:

- Unmetered households (32%),
- Younger respondents 18-34 (29%) and 35-44 (28%),
- Those in C2DE socio-economic grades (33%) and those with dependent children in the household (33%),
- Those in council rented (47%) or private rented accommodation (43%),
- Respondents with a vulnerability in the household (35%).

Respondents were asked how often they struggled to pay their bills. As shown in the table below, across the region, 40% struggle to pay bills to some degree (either sometimes, most or all of the time), this figure was much higher for Financial Scheme recipients (85%) with 42% struggling to pay all of the time or most of the time.



**Figure 10. Q2 Frequency of struggling to pay bills**

### 5.2.2 Qualitative findings

The qualitative interviews dealt almost exclusively with customers who were struggling to pay their bills to some degree, and some situations and backgrounds came up far more frequently in this 'struggling' category than others. The findings mirror the survey results fairly closely.

The following situations were more likely to appear in struggling households:

- **Household makeup** – single parents, larger families and single income households were all more likely to struggle financially. Households with dependent children naturally had higher outgoings and the lower their income (i.e., if a single parent or only one parent worked), the more financial challenges they faced. Solo households also struggled, especially recent breakups who were now shouldering costs of the entire household on one income where previously it had been split.
- **Ability to work and benefits** – most of the struggling customers we spoke to were on some form of benefits. Some were income-related, others health-related and some such as carers' allowance were down to family situation. What they all had in common, though, was that their benefits income was rarely enough to comfortably live on.
- **Physical and mental health** – often linked to their ability to work, many customers who struggled financially were also facing challenges with their physical and mental health. As noted earlier, this was often a vicious cycle as the financial issues exacerbated conditions, which in turn caused more mental health problems.

- **Rented accommodation** – customers who rented were struggling more than those who owned their homes, despite recent mortgage rate increases. Private renters in particular were feeling knock-on effects of landlords getting hit by mortgage rates, and were also more cautious of withholding rent for fear of being evicted. This meant they struggled with other bills as rent always had to be paid even if it was unaffordable.
- **Unmetered bills** – customers with high unmetered water bills appeared to be struggling, with some customers sharing that their bills were up to £80 a month not on a meter. Still, many of these customers were reluctant to go on a meter, expressing the viewpoint that a high, stable bill is better than risk it going up even further with an unpredictable metered bill.
- **Social background** – many of the struggling customers involved in the research were born into financial challenges, and therefore struggled to escape the 'poverty trap'. This relates to their access to safe housing, education and employment from a young age, but also the fact that they rarely have a safety net due to family being in a similar situation. This means that one 'bump in the road' can cause major issues rather than something that can easily be smoothed over by borrowing from family.
- **High outgoings** – a final group which is new to this cycle of research is those with medium income but high outgoings. This is known as a 'squeezed middle' category which is essentially households who have never struggled before and were previously on a comfortable income, but their outgoings are now unmanageable due to the cost-of-living crisis. They may not yet be in debt, but they are certainly struggling to make ends meet and cutting back on luxuries / non-essentials for the first time.

## 5.3 Contributing factors and triggers for debt and financial issues

### 5.3.1 Qualitative findings

#### Factors contributing to financial difficulty

In the qualitative interviews, struggling customers described a range of factors that contributed to their financial situation. The more of these factors that combine, the more complex and challenging the situation became, and the harder they found it to weather financial shocks e.g., a sudden payment, eviction or the rising cost of living. These factors paint the picture of customers on the precipice, who might fall into arrears or debt at any time.

- **Rising cost of living** – the main story of all interviews was how customers are dealing with the cost-of-living crisis which has dominated the media and household finances for the past year. In particular, grocery shopping and energy bills are rising at a worrying rate for households, and inflation was a

major concern at the time of interviewing, while wages or benefits remained static.

***"Bills are absolutely doing me over at the minute, everything from gas, electric to water. It's understandable prices going up everywhere but then, like, state help doesn't go up."***

- **Covid and lockdown legacy** – the inability to work during lockdown was the most substantial factor contributing to financial difficulty for several customers, including job loss and a denial of financial support for those who prior to Covid had zero-hour contracts. Covid was frequently the start of a downwards spiral, triggering financial instability, and in turn, a decline to mental health, and in some cases physical health.

***"Covid put a massive strain on things, and I've been trying to recover since then..., I ended up in 2000 pounds of debt, that was a combined total of gas and electric and just general living expenses because I wasn't working at the time due to covid... I had to go on benefits, it just covered the rent, my outgoings were bigger than my incomings."***

***"Before COVID I use to run bars, and then I went into a bit of temporary work and then when restrictions eased bar trades just seemed to die down... when you're applying for jobs, you're just constantly applying, but there's probably another 300 people applying for the same job... Before COVID, I was in a full-time job, I've never been out of work for as long as I have now."***

- **Employment and ability to work / disabilities** – The desire to work and earn a higher income/ not depend upon receiving benefits each month for some coincided with an inability to work or work full-time hours due to disability, or physical or mental illness. Household finances were constricted by customers' ability to work, and this led to them feeling trapped in a vicious cycle and unable to be optimistic about their future, exacerbating the problem.

***"Losing your job and then your health goes and then you're just trying to get back on top. There just seem to be a lot of setbacks, recently. So yeah, and then that affects your mental health, and you try and do more and get knocked back, and you think, Why do I bother? You know?"***

- **Mental health** – Mental health and money were extremely interconnected. Feeling stressed, depressed or anxious often resulted in lack of motivation or capacity to manage finances, triggering additional problems and leading to debt. For many, this initial feeling of stress and depression was instigated by

their financial circumstances, which in turn produced further financial problems, intensifying the initial mental health issues. Stress from work and negative life events also prompted mental health problems, leading them to disengage from work and finances.

*"My job can be quite stressful at times. I'm not actually going through a great period at the moment in my job, and I'm actually sort of **temporarily signed off work**. And I've had to go speak to my doctor about how I'm feeling."*

- **Inconsistent income** – Keeping income below the benefits threshold in order to be eligible to claim meant that it was impossible for financial situations to improve. A higher paid job or working more hours results in an inability to claim benefits, and consequently puts many in a worsened financial situation where they are unable to pay bills - stuck in a trap of wanting to better themselves financially, but not being able to afford to.

*"I went to get a better job and it was about 25 grand. It was a lot of money, but I lost all my benefits, and I couldn't live on it. It seems silly, **I had more money coming in, but I lost everything**. So, I had to go back to my old job and I'm always struggling for money... I know if I do try to better myself and get a new job, I couldn't get my tax credits. I wouldn't get any of the £250 housing benefits I get now."*

- **No safety net** – Most households have insufficient savings to cope with financial shocks or income losses. One financial shock, even if this was minor, would result in debt and have lasting impacts. Some were hugely reliant on friends and family to cope with unexpected expenses, but even those who had support networks would have the trouble of struggling to payback.

*"The **second I see light at the end of the tunnel, something happens**. It just would be nice to do more things to be able to save money, to be able to you know, put like 100-200 pounds a month aside in a savings account. So, when the cars due its MOT, I'm not like worrying, oh I've got to do the MOT... If the cooker was to break or the washing machine or to take the kids away for the weekend and not have it break the bank and be like that's the only thing we can do this month."*

### Triggers of financial difficulty

The life circumstances described above all contribute to a sense of precarity, of being financially vulnerable to shocks, with limited resources to support themselves through a rough patch. As noted earlier, the more complex the life situation, the more the customer is on a tightrope and one shock may push them into real trouble.

Customers told us about what triggered their financial difficulties:

- **Change in circumstances** – a sudden change in life circumstances is often what leads to debt and can start a customer off on a downward spiral financially. Examples include family breakdown, retirement, job loss, or sudden caring responsibilities.

*"My little boy was removed from his mother's care by the police, and **I had to become a full-time dad, stop work and do everything**. So, you know, financially that has a massive impact, and she has no involvement, she has no contributions... Before I was working on my own, only me to pay for a very well-paid job, so yeah before I was definitely comfortable."*

*"I used to work as a teaching assistant, but **I had to pack that in because mum needed me, I'm a full-time carer for my mum now**, so my mum's got dementia, so Mum's not able to do anything for herself. So, I have to do everything for her... You know, managing, it's not easy, you know, sometimes it's a struggle. It can be really, really hard sometimes."*

- **Housing issues** – having a safe, stable and affordable roof over their head is the primary thing customers need. Any sudden changes to housing can have severe knock-on effects. Examples of housing costs include the additional cost to move out of unsuitable housing or be evicted, paying for the bedroom tax if a family member moves out or passes away, or shouldering all housing costs after a relationship breakdown.

*"With COVID, like I was in a relationship and stuff like that and **when I became single and became unemployed, that's when it started to really spiral**. With the cost of stuff going up, like, to get a bottle of milk for my daughter to have a bottle, that's almost doubled in price and stuff like that. But, everything else has stayed the same, like your wages haven't really gone up and all your bills are going up. It's just difficult."*

- **Errors by utilities** – some customers reported falling into debt after an incident with being mischarged by utilities or even the Council. Often customers try to pay their bills but are mischarged, or there are errors like meter readings not being taken or direct debits not being set up, or simply not being charged at all. Often, they are then charged their arrears in a lump sum which is unmanageable for a low-income household, and even on a repayment plan the amount can plunge them into debt.

*"I had problems at my old address prior to everything and this is part of the problem with the [Yorkshire Water] debt that I got. I was switching bank accounts, updating the details, phoning them up to say these are the new bank details, so then the direct debit wouldn't get taken but then they said oh you owe X amount and I'd say it's been paid and they say no it hasn't and then it's the wrong bank account and then **they put a penalty charge on top.**"*

*"We do struggle massively, because we have got quite a bit of debt. So, it is massive, we've got debt to the electricity company, purely because they messed up. The energy company, they didn't set the direct debit up correctly and then they charged us just under £5000... I've been trying to set up my direct debit with them now for nearly six months and it just keeps stacking up and stacking up."*

- **Struggles with the 'system'** – some customers also reported struggling with the benefits system and the dates of payments. These bureaucratic issues seemed simple to solve but customers got nowhere when trying to raise these. For example, the dates of Universal Credit assessment not aligning with income from employment, meaning the household's total income varied month by month. Another example is losing benefits if working a few hours of overtime, which can put a family very quickly into debt.

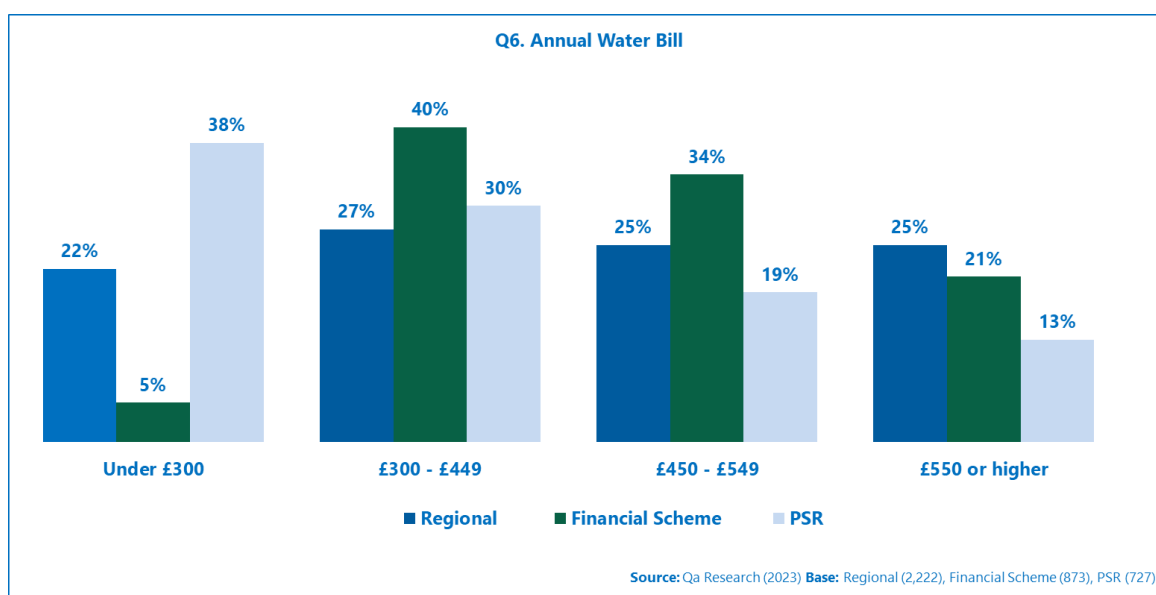
*"Morrisons pay [partner] four-weekly, which means he gets paid 13 times a year, right? Universal Credit, don't acknowledge that. So, **they stop your benefits one month, and when that's almost half your household income gone**, I spend six months stressed in getting to that point. And then I spend four months catching up"*

## 5.4 The water bill in context

### 5.4.1 Quantitative findings

For Regional respondents, annual water bill amounts varied widely. For PSR respondents, there was a higher proportion with water bills of under £300 (38%), while for financial support customers, bill amounts were more likely to be between £300 and £549, possibly reflecting the larger average household sizes for this group.

**Figure 11. Q6. Annual water bill amount**

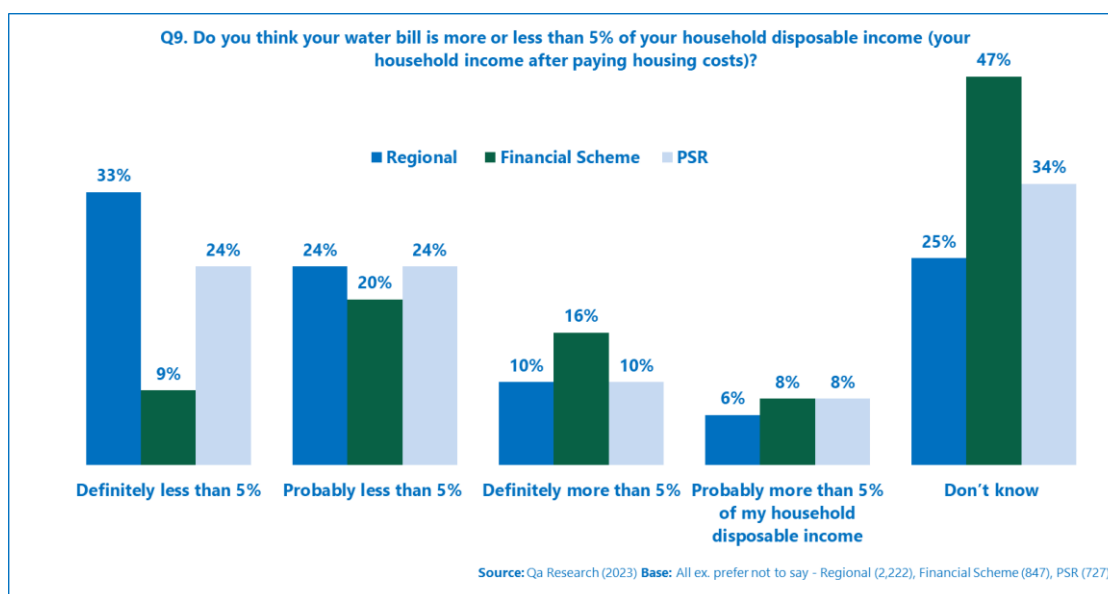


Respondents were asked whether they thought their water bill was more or less than 5% of their household disposable income (income after paying housing costs)<sup>2</sup>. As detailed in the chart on the next page, at the regional level 16% of respondents thought their water bill was definitely or probably more than 5% of their household disposable income. Some respondents were unsure, with almost half of Financial Scheme respondents (47%) selected 'don't know'.

<sup>2</sup> Definition of water poverty by CCW



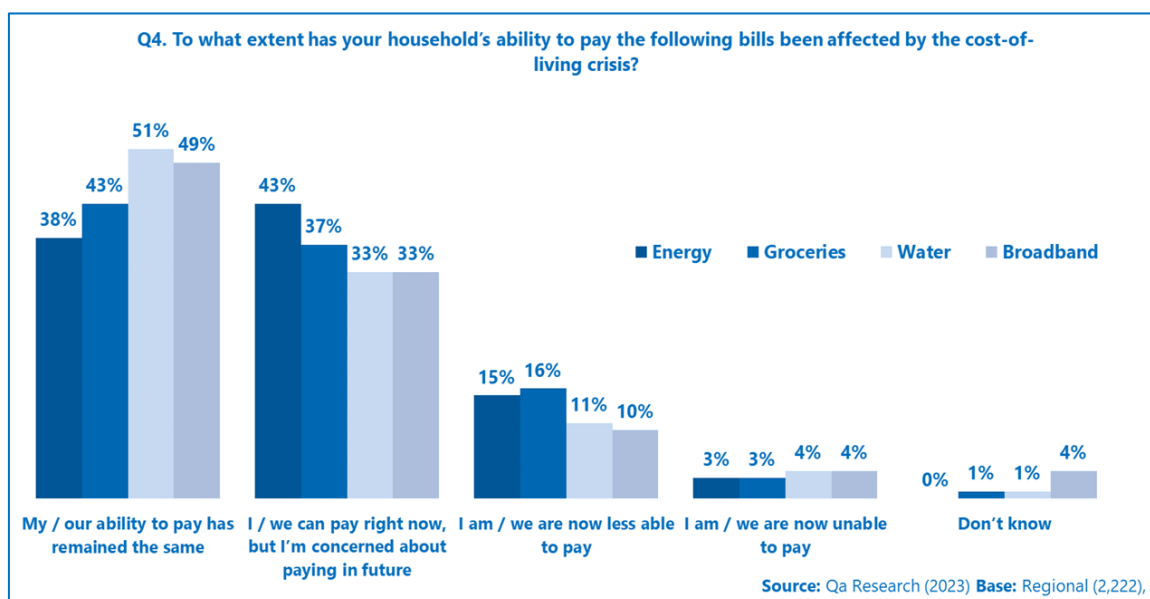
**Figure 12. Q9. Water bill more or less than 5% of household disposable income**



### Impact of the cost-of-living crisis on bill paying

To put the water bill into context, respondents were asked to what degree their ability to pay specific household bills (energy, groceries, water, and broadband) had been impacted by the cost-of-living crisis. As shown in the chart below, at the Regional level, 51% felt their ability to pay water bills had remained the same, while a further third were able to pay now, but were concerned about the future. Lower proportions felt their ability to pay energy and grocery bills had stayed the same.

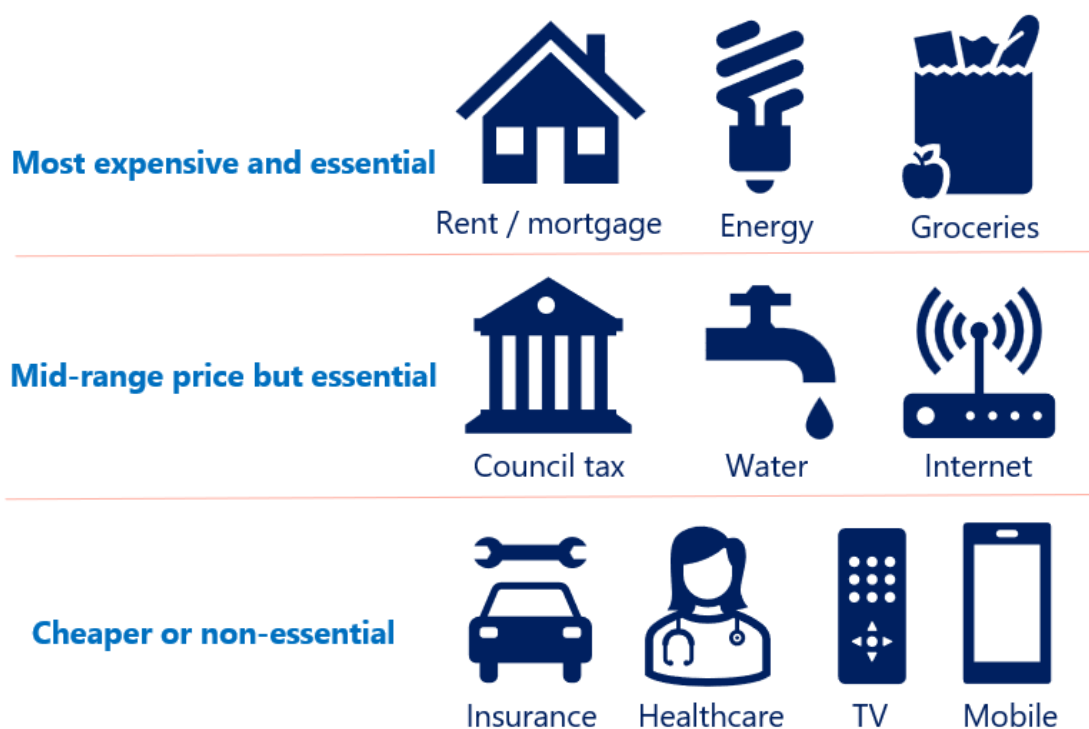
Financial Scheme customers were much more likely to suggest they were less able to pay energy bills (44%) and grocery bills (41%), while water bills were considered possible to pay now, but a concern for the future (45%).

**Figure 13. Q4 Impact of cost-of-living crisis on ability to pay bills**

## 5.4.2 Qualitative findings

### Ranking bills

Qualitative interviews discussed the wider picture of bills. Participants were asked to loosely rank their bills in order of expense and difficulty to pay, as well as which ones they deemed most 'essential' to pay. The diagram below shows a general summary of findings coming out of these discussions.



Customers quite consistently ranked their bills in order of cost, from higher costs like rent, energy and groceries, followed by medium costs like water and internet, to cheaper bills such as TV, mobile and insurance lower down. Some costs were not applicable to all customers (e.g. Council Tax), so not everyone could comment. Generally speaking, the water bill was not so much of a worry to customers compared to the much larger bills at the top of the grid.

In terms of how essential bills were deemed, customers came to a general consensus but there was some debate. All agreed that housing costs were the most essential cost. However, depending on circumstances, energy and groceries were not always seen as essential; a customer may go without one to pay for the other.

*"We wouldn't be sitting in a warm house feeling hungry. We'd **rather be sitting in about a cold house feeling full.**"*

Customers with children were less likely to restrict food and energy if they could help it. Internet and mobile costs were also seen as essential to remain connected, for safety, to work and to entertain children. Even insurances and healthcare were rarely deemed 'optional'.

### **Prioritising which bills to pay**

In terms of which bills they would prioritise paying, customers claimed they would either pay the most 'essential' bills (i.e., that they wouldn't want to get cut off or evicted) or the ones that pursued debts most aggressively and therefore would want to avoid. Others said it was more about the method of payment, for example they would rather hold back paying a bill that needed actively paying rather than make the effort to cancel a direct debit.

### **The package of bills and relevance to water poverty**

What was clear from these discussions is that no single bill is responsible for tipping a customer into an 'unaffordable' situation. Rather, it is the overall package of bills that is important, so if all of them increase incrementally they can push a customer into a very difficult financial position. The water bill therefore has to be considered in the wider context of rising bills.

This has particular relevance to discussions around water poverty. Water poverty as a measure is defined as "spending more than 5 per cent of their income on the water bill (after housing costs)". However, as we have described above, the water bill and housing costs are not the only essential bills, and this package of essential bills could easily grow unaffordable despite customers not falling into the water poverty category. Certainly, there were interviewees who talked about how they were struggling to pay their water bill despite not being in 'water poverty'.

This is echoed by the Regional survey findings – 6% of Regional customers who thought they were not in water poverty were still 'greatly concerned' (ranking 8-10 on a sliding scale of concern) about paying their water bill at the moment. 18% were 'mildly concerned' (ranking 4-7). This shows there are customers outside that water poverty bracket who are struggling.

These findings also suggest customers are likely to be struggling with multiple bills if they are struggling with their water bill so the support offered by Yorkshire Water should be viewed as one piece of a larger puzzle. These key issues will be revisited when we consider the solutions Yorkshire Water offer and how to improve them.

## 5.5 Impact of financial difficulty on customers

### 5.5.1 Quantitative findings

#### Impact on lifestyle and finances

Respondents were asked about the impact of the cost-of-living crisis on their lifestyles and finances. As shown in the table below, nearly all respondents indicated they had taken some action to deal with the cost-of-living-crisis. At the Regional level, younger respondents were more likely to have taken any action (95%) compared to those aged 65+ (79%). Actions most likely to have been taken were cutting back on heating the home (66%), cutting back on treats and luxuries (61%), and buying less food or cheaper food (58%).

**Figure 14. Q5 Actions taken to deal with the cost-of-living crisis**

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>

Those on Financial Schemes were more likely to have taken a wider number of actions. Notably, a much higher proportion of these respondents (49%) mentioned they had borrowed money or paid household bills late compared to the Regional respondents.

#### Impact on outlook on life

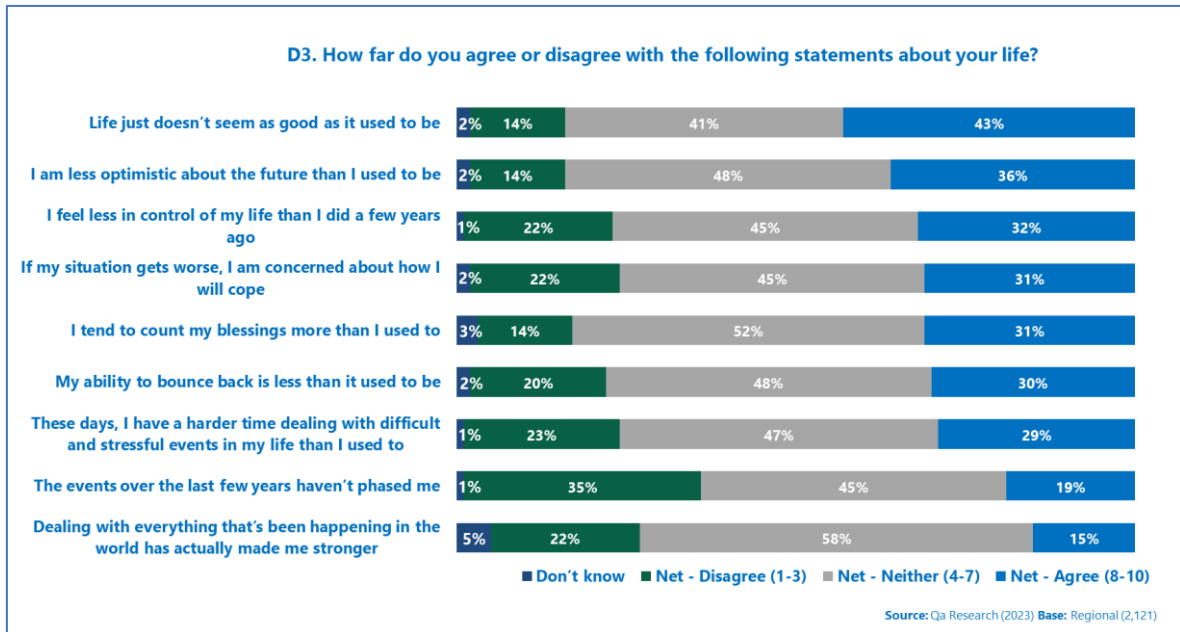
To further uncover how respondents felt about their current situation, and the impact of the past few years, a number of statements about life were shown. Respondents indicated their level of agreement with each statement on a scale of 1 (Strongly disagree) to 10 (Strongly agree).

The chart overleaf shows the findings at the Regional level

- The highest proportion (43%) agreed (scoring 8-10) with the statement 'Life just doesn't seem as good as it used to'

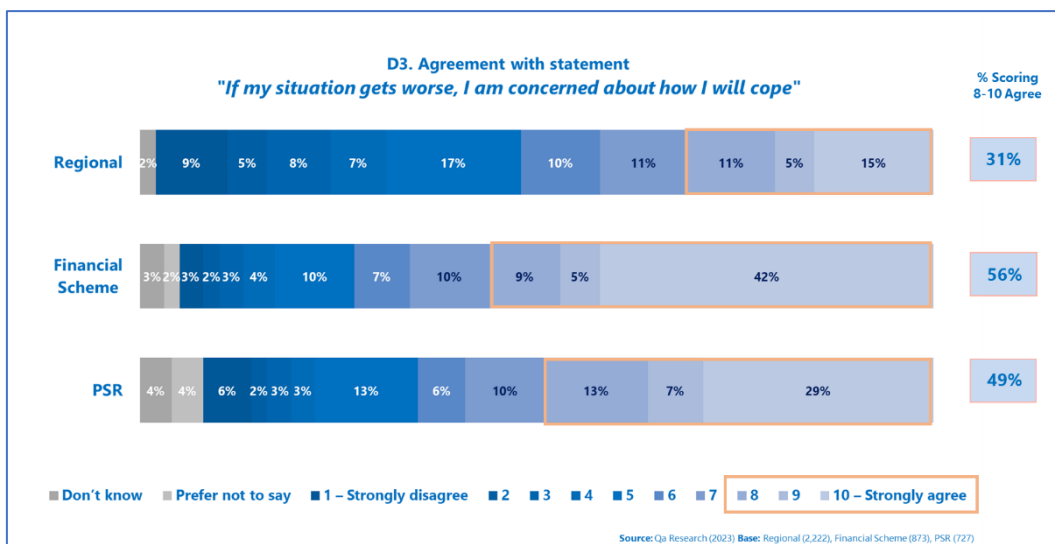
- Around a third of respondents agreed they felt less optimistic about the future (36%), and less in control of life than a few years ago (32%)
- Lower proportions agreed that events over the past few years hadn't phased them (19%) or that dealing with everything had made them stronger (15%)
- Financial Scheme, PSR respondents, and those with a vulnerability in the household were more likely to agree with the statements which suggested a negative or worsening situation.

**Figure 15. D3. Agreement with statements about life**



As shown in the chart below, Financial Scheme and PSR respondents were more likely to be concerned about how they would cope if their situation became worse. Indeed, 56% of them agreed with that statement.

**Figure 16. Agreement with coping statement**



### 5.5.2 Qualitative findings

Financial difficulty impacted customers in two ways. Firstly, experiences of lifestyle changes and cutbacks almost exactly mirror the survey findings. Certainly, cutbacks were extremely common, and some took this to a more extreme level than others.

In terms of the other impacts on customers, this related to their overall finances, taking on debt, as well as mental and physical knock-on effects. Guilt, shame and stigma around money problems played a huge role here, as financial difficulty can be very isolating.

#### Cutbacks

Customers cut back on their lifestyle, consumption and usage in the following ways, some of which could be detrimental to their wellbeing:

- **Luxuries** - as the cost of living rises, customers increasingly cut back on non-essential spending and solely focus on ensuring they've paid priority bills. Examples of these cutbacks include socialising, kids' activities, holidays and treats. Interestingly, the guilt of cutting back was too much for those with children, and parents tended to cut back on their personal luxuries and prioritise their children, even if these weren't essential purchases and caused long-term problems.

*"I've **cut my social life, I use to go out, I've had to cut swimming, I can't afford to do that. I've had to cut a lot of things to be honest just so I can get the necessities covered.**"*

*"His trainers were £170 and I couldn't afford it...but **you just feel like you have to.**"*

*"I've had to prioritise the kids over something that a friend wants to do with me... I was going to be a bridesmaid I was really looking forward to it, the hen party was being planned and then after being told one price I worked it all out and I was like this is going to be about £400... I can't even afford to take the kids away this year **how can I justify spending that sort of money** on two nights away for one party? I would rather spend that on my kids...I was this awful, horrible, evil person for daring to put my family first."*

- **Usage** - while some resorted to switching supermarkets, buying supermarket branded items over big brands and bulk buying, others couldn't even afford these 'cheaper' alternatives. Food insecurity was a big problem, with some forced to skip meals, go days without a proper meal, and be left with their only option being to go to a food bank.



*"I've had to **reduce my food intake**, just make sure I've got enough meals to last me throughout the month."*

*"Regarding the benefit struggle, it certainly is because unfortunately, I sometimes have to **rely on food banks**. I don't do it because I want to, it's a need."*

*"We have to **make it stretch**... then she's [daughter] like can we get sweets? Can we get ice creams? It's like, we can't."*

*"I used to go to Aldi and spent 60 pounds a week on shopping to get five or six bags of shopping. Nowadays, I'm spending 50 pound a week at Aldi and I'm getting three bags of shopping. Just general cost of living, which is **making things 10 times worse**."*

- **Heating** – cutbacks reached the extremity whereby some weren't financially able to heat their homes. While some bought alternative heating devices, for example, wood burners, others had no choice but to sit in the cold and were reliant on blankets. Many expressed that keeping electricity usage to an absolute minimum was essential.

*"We try not to put the heating on and we **use the wood burner**. But then you've got the cost of logs that have gone up. So logs have gone up from when we first got the wood burner from 50 pound a tonne to about 90 pounds tonne."*

*"We haven't been putting the heating on, or if we had it on it's just been low... we wrap ourselves in blankets and all that kind of thing because we really, you know, being on **pensions**, we don't want to have to fork out and we were, like everybody else **we were frightened**."*

- **Water use** – many households employed water-saving techniques as a means to cutback. Examples were, storing up wees all day to prevent wasting water through flushing, reduced showers, limiting shower time to a couple of minutes, and families sharing bath water to limit usage.

*"I used to shower religiously every morning, but I don't do it anymore. I feel it's unnecessary and I keep it very simple. I just like you know the sink, I'll just **use a flannel, and I'll clean myself down** rather than actually put shower on where I'm actually running water constantly. I'm more careful with the boys, **they all bath at the same time**, all in the same bath if necessary."*

*"I have taught the boys that you know, **number ones is fine**, you allow it to stay, **number two you flush away**."*

*"She's a pensioner [talking about mum] she's got her own struggles... maybe it's just age, she does wee a lot... **she'll not flush it every time** because she'll wait until she's been back and had another one, she knows that the toilet does take a lot of water to flush it."*

### **Arrears and debts**

Many customers had no choice but to end up in arrears and debt due to struggling with their finances. Attitudes and approaches to dealing with arrears and debt was highly dependent on the customer's mindset and situation:

- **Alternate paying for different bills** – the phrase 'rob Peter to pay Paul' was utilised repeatedly as a technique to deal with finances. This often solved one problem but created a worse problem elsewhere, and led to a continuous cycle of debt. This method often led to intense feelings of guilt and shame.

*"It's a constant **robbing Peter to pay Paul**, constantly having to say no to the kids, you know, if they want to go do something well we can't this month."*

*"Rent is due on Monday, and that's 800 and I've only got 200 in my bank. So I'm having to borrow money or friends. Then I'm **constantly paying that back** anyway."*

- **Prioritising bills and entering arrears** – an inability to pay every bill led to customers prioritising more 'essential' bills, resulting in debt with suppliers they regarded less important. In some cases customers had to prioritise something going on in their personal life which led them to enter arrears. Avoiding the 'scariest' bills when in arrears was also an occurrence, where the lowest and least intimidating bill of water was approached first before larger debts.

*"You have to prioritise and I had to prioritise and you know, to make sure and I was focused so much on getting in, moving in, and getting food on the table, making sure the kids were okay, and stuff like that, rather than anything else. And **I took my eye off the ball**, and it was unnecessary, but I took my eye off the ball. And, you know, that's where, you know, **I got myself into that debt**, and I wasn't paying the water bill."*

*"I cancelled everything, I've never done this, I cancelled my council tax, my water, my gas and my electrics. I just couldn't afford to pay anything. And I've*

*just got back in touch with Yorkshire water now. And I'm on a payment plan, I think for £76.95 a month. That's what I'm paying now, which is more than what I was paying before. But I didn't, I'd not paid for like four months, **I'm paying it because they weren't really horrible to me...** I'm still doing it now [with other bills] I'm still reinstating the direct debit, then I'm cancelling it, because I still can't, I still can't manage to do it."*

- **Taking out loans / credit** – customers who resorted to taking out a loan / credit card either had a controlled or uncontrolled 'nosedive' into debt. In some cases debt spiralled, it became so uncontrollable and customers would fall further and further into debt. In other cases, customers had a clear means of paying back the loan and felt it was under control. Both scenarios had an impact on people's lives beyond financial strain.

*"I'm with Creditfix now, and I pay 55 a month, I even had to stop that in February... I'm **paying that for another four years** I think, I don't know."*

*"I've got credit cards, but I sort of like **wouldn't want to go down that route again** because I did get quite bad credit card debt at one point... I think at one point, I had like 25 grand on credit cards. And I was wandering around like just transferring it from one card to the other."*

- **Borrowing from family or friends** – shame, embarrassment and not wanting to burden friends and family was a typical feeling amongst customers. Borrowing money was fraught with difficulty and was deemed as a last resort by many. Some would rather struggle than be faced with the awkwardness, while others accepted help, but this was done with difficulty.

*"I wouldn't borrow from friends. I would **never ever, ever borrow from friends**. I struggle to be honest, I would struggle to ask my parents as well."*

*"Occasionally I get a message like I'll give you 20 quid just get yourself to the pub, and I'm sat there and it's like, I'm trying to spend only a tenner of that so I've got a tenner to put towards stuff at home... I think **it's different taking like social money** than it is [taking money for bills], everyone has bills at home we're all in the same boat."*

*"Bank of mum and dad helped a lot... they were putting money in the bank every month... they were fine doing it, but I just, **I felt terrible**. You know, my dad's just retired, my mum was wanting to retire and spend the money that they should be enjoying."*

## Impact of struggling financially on customers

The impact of facing challenges with money can be detrimental to customers' wellbeing and finances. Customers told us how they had been affected:

- **Accumulating debts** – one of the main impacts of the above behaviours is of course rising debts and taking on unmanageable debt in the face of the rising cost of living. Some customers were taking on credit card debt or short-term credit to pay for necessities or things for their children. Others were accumulating debt by not meeting payments. Ultimately, this was not helping the customer solve their financial challenges.

*"I've even **turned to things like ClearPay and Klarna** and where you can pay for things not now for my son, I'm paying like 45 and then another 45 I'm thinking why have I done that? But you just feel like you have to do something for him."*

*"The **car breaks and you got to put down the credit card because you don't got the cash to do it...** you then transfer that to a credit card to do a balance transfer offer and then eventually that builds up and you've then got to transfer that again to another credit card before you know you've got like too much. I think **at one point, I had like 25 grand on credit cards**"*

- **Stress, anxiety and mental health** – the link between financial challenges and mental health is well-documented and came through very strongly in this research. Worrying about money can both cause and exacerbate stress and mental health issues. Some customers were fearful of identifying themselves as struggling with money or with mental health, for fear of repercussions. It is not an exaggeration for some customers to say they feel terrified when thinking about money. This contributes to some ignoring the situation because it feels too much to handle.

*"It causes **arguments between my husband and myself**, there's tensions that can come up, I have **sleepless nights worrying** about how and when our bills [will] increase in the future - which they will - and I worry as to how we're going to be able to manage that."*

*"[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 s\*\*\*\*est parent."*

*"I also **don't want to go to the doctors and say that I'm anxious** and I'm worried and I'm depressed because the children live with me... if anything*

*happened, and I've gone to the doctor's and I'm on [anti-]depressants or anything like that... It's just not worth the risk. It's not worth doing it."*

*"Every time I go to shop it's like you use your credit card, it's like a scratch card, is there any money on it? So yeah that has definitely impacted on my anxiety. **My anxiety is like through the roof when I go shopping.**"*

- **Isolation and loneliness** – many customers told us how they kept their money worries to themselves. In families, often one person tried to shield their children and/or partner from the stress by taking it all on themselves. Others tried to hide their financial issues from friends by lying about it or withdrawing socially, which can be extremely isolating.

*"Since **I lost my job, my car ended up being knackered and obviously I had to get rid of it.** So it's like now sometimes I feel a bit more isolated over being, you know, being away from people."*

*"It's quite isolating, I mean I'm a very insecure person anyway with being autistic. But yeah, I've stopped doing loads of things. So I'm either at work or at home. **I don't have the extra money for fuel or whatever the activity is.**"*

*"I don't really know how much my partner knows because **I just sort of keep it to myself like I'm the one dealing with it.** But it is stressful. I hate it. I hate being in debt."*

- **Guilt** – especially where children are concerned, customers described feelings of guilt not being able to buy their children things or give them a good quality of life. Some parents told us they were going into debt to assuage this guilt, while another used their children's birthday money to pay for bills.

*"When I finally left him, I carried on [using credit card] because they [kids] weren't seeing their dad, I would **buy things to make up for that fact.**"*

*"They [kids] get **birthday money, I have to write them a 'IOU' so I can use it, that just makes me feel like the world's worst parent** because I shouldn't be doing that. It's their money, not mine, and I have to do that to be able to put food on the table."*

- **Shame** – there was a clear theme of stigma surrounding money and financial issues. The media profile of the cost-of-living crisis had made it somewhat easier to talk about, but there was still a real sense of shame around debt and not being able to afford things. Customers described feeling ashamed of not

being able to socialise, having to claim benefits, buying reduced or own brand items, visiting food banks or having to borrow money.

*"It's **kind of embarrassing**. And also, you **don't always want to sound whiny** and 'poor me'. And I don't want them [friends] to feel that they can't do something because I can't afford it."*

*"It's embarrassing that you're **having to tell people that you are living off benefits** not because I wish to, unfortunately it's a need at the moment."*

*"I go to the **self-checkout since so I don't have to see a cashier** but I don't know why they make them [yellow stickers] urm, do they make them that way so people think oh, poverty stricken. So it's a little bit of an **embarrassment on certain elements of like buying things**."*

- **Insomnia** – a knock-on effect of stress and anxiety around money, some customers reacted to financial issues by not being able to sleep, waking up in the night panicked. Over time, insomnia could really affect their wellbeing.

*"I do get **panicky about things and it can affect my sleep**. [In the sense that] I'll go [to] sleep fine but then **I'll wake up in the middle of the night and [my] head will just be like, turning things over** and thinking about different things that we can do"*

- **Not keeping warm** – cutting back on energy and particularly heating was a common reaction to financial difficulty, and many customers told us they took this to an extreme level, for example not heating their homes at all. The result is not keeping warm which can impact their physical health and the safety of their home environment.

*"During the winter, I unfortunately, even **go to the library. Because I can't afford to run the things in here by myself**. That's scary. Or I go to go to bed early. And I put myself in a couple, instead of just one duvet, I have a blanket on the bottom of the blanket at the top. And I know **I shouldn't be having to do this in 2023**."*

*"**I didn't have any heating over the winter**. I live by myself so I just put more clothes on, then I've got a bit of extra money."*

*"I am quite **panicky about the next year I've bought like blankets** and throws and duvets which you know, it's that, go put another jumper on... it's hard for teenagers when it comes down right really cold"*



- **Poor diet** – not only were customers buying cheaper food, which tends to have less nutritional value, but were buying less of it and eating less overall. Some parents would go without food to feed their children. Others would visit food banks but questioned the quality, quantity and healthiness of the food available. Poor diet then impacted their physical health.

*"My diet's extremely poor to be quite honest. It's the cheaper things that are worse... so **to eat healthy is very expensive** in my experience."*

*"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."*

- **Physical health and disability worsening** – those who had physical disabilities or health problems sometimes noted that the quality of life they could afford (notably warmth and food) could worsen their health problems. One customer with stage 3 cancer could not afford enough food to maintain a healthy weight. Others reported diabetes and autoimmune conditions deteriorating after not getting the right nutrition or staying warm.

*"I'm **lucky if I can eat once a day** sometimes, you know, and that's not because I choose to it's purely because I don't have the stuff in to eat.... [it affects] **my weight, obviously I know that the cancer is eating into me**. But obviously at the same time that the doctors keep saying to me, Well, how much weight loss, **you shouldn't be losing six kilos in a month**."*

## 5.6 Customer views towards the future

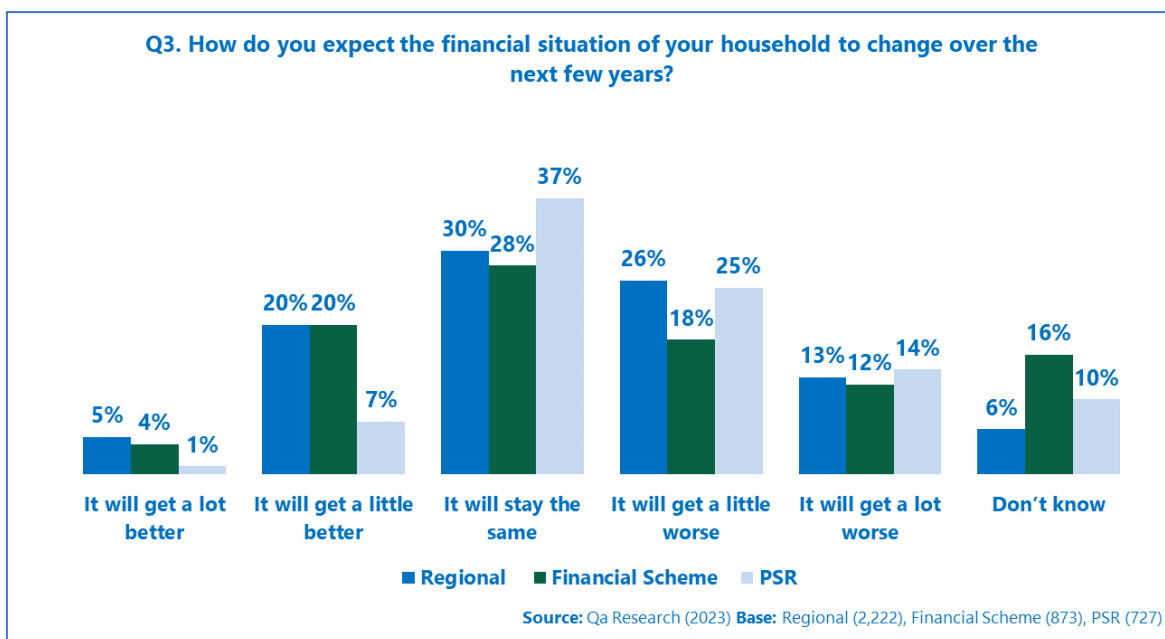
### 5.6.1 Quantitative findings

In the next section, respondents were asked to indicate whether their financial situation was likely to get better or worse over the next few years. Overall, 25% of Regional respondents felt their situation would get better and 39% felt it would get worse, with the latter higher compared to Financial Scheme respondents (30%).

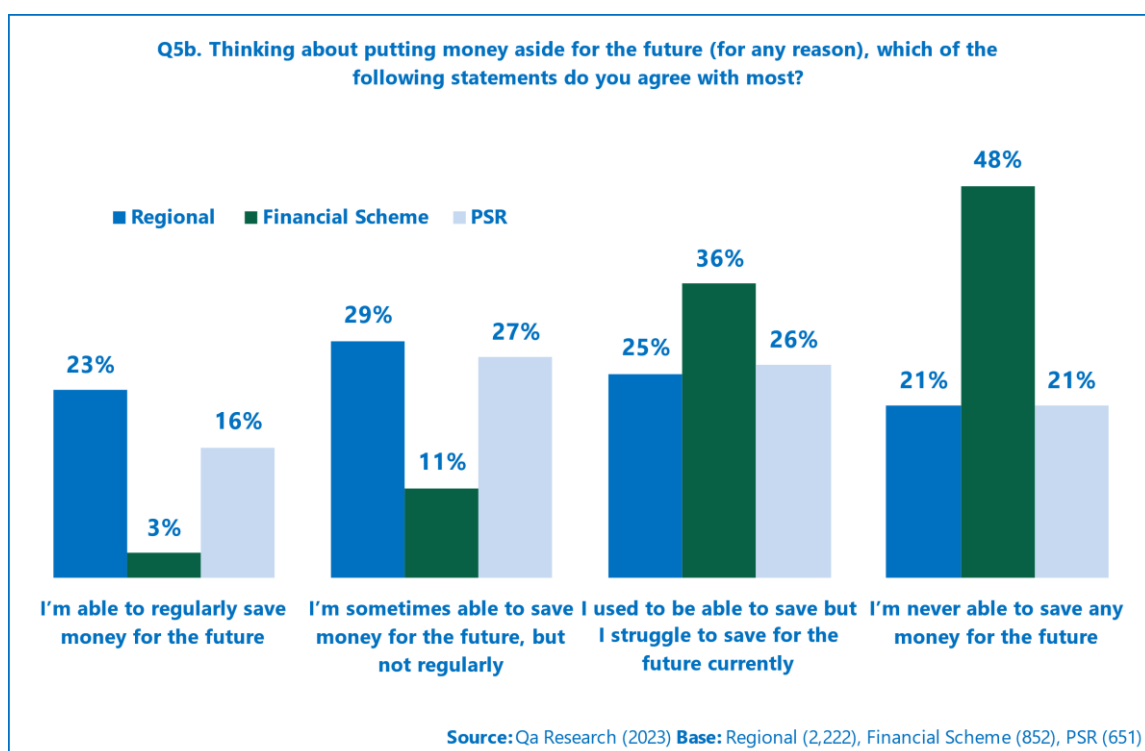
At a Regional level,

- Younger respondents (aged 18-34) are much more optimistic about the future – 41% think their situation will get better
- Respondents with vulnerabilities in the household (44%), those in C2DE socio-economic grouping (42%), and those struggling to pay bills most/all of the time (57%) are more likely to feel that their financial situation would get worse. See chart overleaf.



**Figure 17. Q3. Expectation of change in financial situation over next few years**

Furthermore, the ability to save money for a rainy day is varied across respondents and subgroups. Approximately equal numbers put money aside (23%) and have no money saved at all (21%) among Regional respondents. The figures are similar for PSR respondents. As for those on Financial Schemes, the situation is even worse: marginal 3% regularly save money for the future and almost half (48%) are never able to.

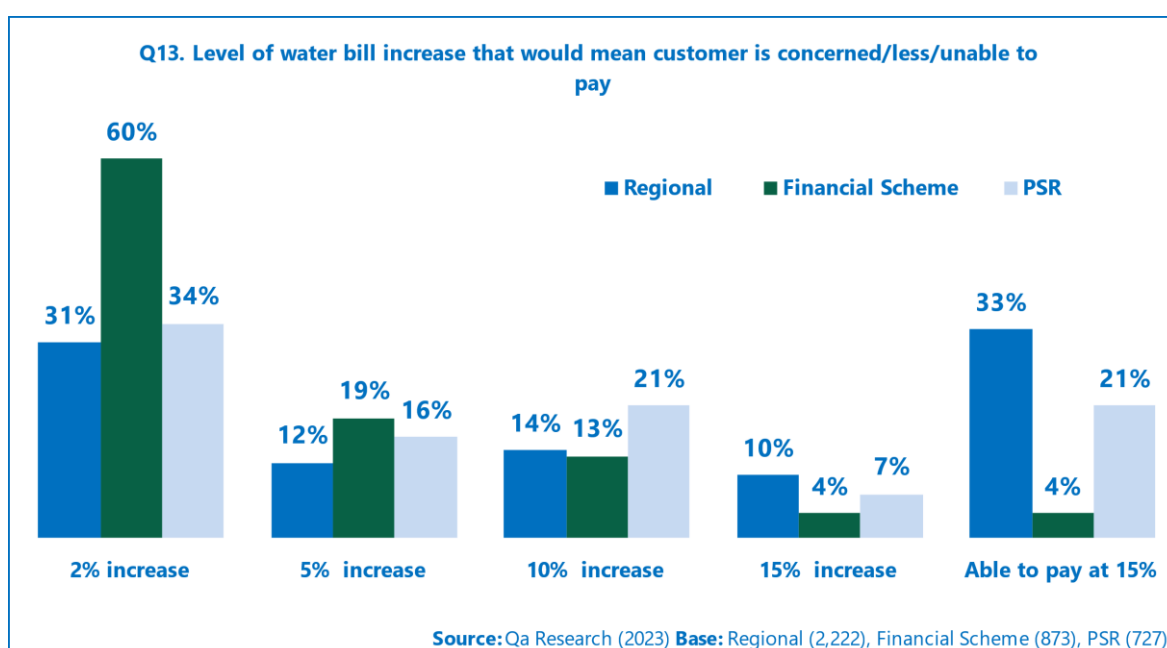
**Figure 18. Q5b. Ability to save money**

### Ability to pay a bill increase

To understand how respondents felt about their ability to cope with a water bill increase, respondents were first asked to state whether they would be able to afford a 5% increase to their bill. If they suggested their ability to pay was the same, they would be asked about a 10% increase. If the ability to pay remained the same at 10%, respondents would then be asked about a 15% increase.

If, on the other hand, a respondent suggested they would be unable to pay a 5% increase or could pay in the short term but were concerned about the future, we would ask them about their ability to pay a 2% increase.

**Figure 19. Q13. Ability to cope with bill increase**



The chart above shows that the proportion concerned with their ability to pay the water bill increases when looking further ahead (from 23% concerned now to 31% concerned in 3 years). Levels of concern are much higher for respondents on the Financial Schemes.

It also shows that:

- Ability to pay is polarised among Regional respondents with a third suggesting they would struggle with a 2% increase and a further third who would still be able to pay with a 15% increase.
- Ability to pay the smallest increase of 2% would be of most concern for Financial Scheme respondents.
- At the Regional level, those most likely to struggle to pay a 2% increase are similar to the individuals previously identified as being financially strained:

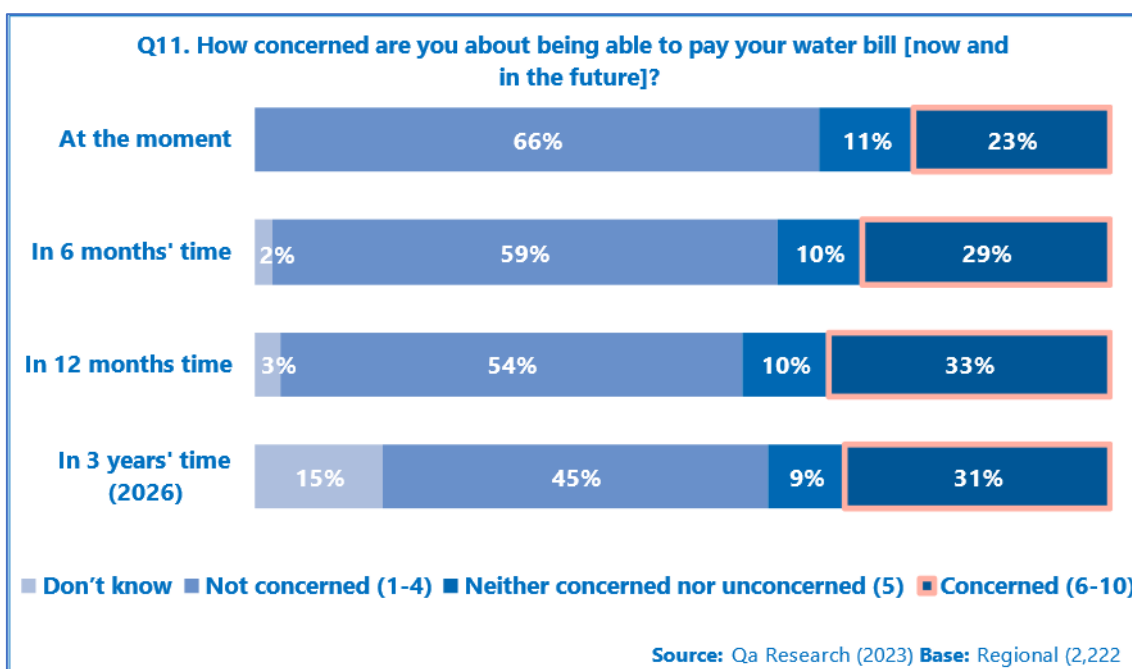
- Those in council rented (48%), or private rented accommodation (44%), with a vulnerability in their household (40%), with bills above £450 (39%), unmetered respondents (39%), younger respondents aged 18-34 (41%), C2DE grade (39%), and those with dependent children (39%).

### Feelings towards a bill increase

When asked about feelings towards a water bill increase, reactions amongst regional respondents were most likely to relate to feelings of worry or concern (18%) – this was similar for Financial and PSR respondents. Regional respondents also mentioned feelings of anger (15%), and annoyance (12%). Some Financial Scheme respondents indicated they may struggle to pay (18%).

Despite this, 71% of Regional respondents stated that if their energy bill was to increase by the same proportion, this would be more of a concern than the water bill.

**Figure 20. Q11. Concern for ability to pay water bill now and in the future**



### Factors that impact on the future

When considering factors that had most impact on their situation, respondents were asked whether they expected these situations to become better or worse. Based on the table below, individuals who have vulnerabilities in their households and have experienced declines in physical health, mental health, and increased stress are significantly more likely to expect these conditions to worsen significantly ('a lot worse') compared to those without vulnerabilities in their households.

By comparison, both respondents with and without vulnerabilities expected the rising cost of living to become worse.

**Figure 21. QD2d. Expectations about how personal situations in the household will change**

	Decline in physical health		Decline in mental health		Increase in stress or anxiety		Rising cost of living	
	Any Vulnerability	No vulnerability	Any Vulnerability	No vulnerability	Any Vulnerability	No vulnerability	Any Vulnerability	No vulnerability
Will get a little worse	40%	39%	31%	31%	28%	33%	29%	40%*
Will get a lot worse	28%*	8%	23%*	6%	32%*	15%	46%	38%
Base	253	95	233	62	307	126	378	207

\*significantly higher

### 5.6.2 Qualitative findings

Parallel to the findings in the quantitative analysis, customers had wide-ranging views towards future finances and these feelings were incredibly personal and varied from person to person depending on the specifics of their situation.

Future feelings were frequently associated with attitudes of optimism or pessimism rather than a customer's financial circumstance. Being hopeful about the cost-of-living crisis was an attitude of some, as well as a hope that this negative stage of their life is only temporary and will improve. This optimism often came from an 'it will get worse before it gets better' attitude, or 'it can't get any worse than it is now'.

*"From what I understand the **cost of food should be coming down** over the next few months. So I think that's going to ease a lot of people's tensions. And the energy prices are coming down, I've seen. So again, that should help. So I think there'll be **some small improvements**."*

*"I'm hoping things stabilise, I'm hoping things get a little bit better. I try not think about it but when I do course it does, but there's just **that hope that you know, it is temporary** and it will get better."*

*"They **can't get any worse**, so they have to get better. They can't get much worse."*

Conversely was a feeling of apprehension, with no intention to alter anything in their current lifestyle some customers saw no way of escaping. This was closely linked to a common mindset whereby customers would avoid thinking about their future as they felt it was out of their control.

*"I am worried about where it's gonna go and if it is going to get any worse **because I struggle to see how we could afford it.**"*

*"You just have to **go with the flow.** There's no point in stressing about things that you've got no control over."*

For those who are unemployed, much of their future finances are dictated by their changing situation and whether they are able to work or maintain their current level of benefits. For those who are employed, some fear the risk of redundancy especially if in precarious employment. This all feels extremely uncertain and many customers feel at the mercy of much larger forces, which means they struggled to predict either way how the future might look. However, there are some 'shock factors' or life points to look out for which customers expected would change their financial situation:

#### **Shock factors:**

- **Retirement** – retiring was considered both positively and negatively. The idea of living off a pension was frequently viewed positively and was regarded as a turning point in customers' lives whereby they can finally feel more comfortable with their finances. However, a sense of concern came from those currently living off their pensions, this was triggered by a worry that if the cost of living crisis was to continue and potentially worsen, pension pots do not increase and by having no other income, it generated worry about the future.

*"In 3 years I get state pension, there's a bit of me that feels **nobody's going to come and test that.** Like, with the ESA, you know, you're always tested and taking it off, it's taken off, if your occupational pension goes up 3%, they'll take that off... Whereas with my state pension, nobody's going to test that. I just get it. So I think, for me, that feels like my **golden moment.** But compared to what I get from the benefit system, it seems a lot."*

*"So we have got our pensions to live on, but no other income coming in. So we're finding ourselves in a situation where we now definitely **have our fixed income, which is to meet everything.** So that's our, our real situation, and like everybody else, that has to be managed more and more carefully."*

- **Changes to benefits** – all forms of benefits were frequently described as an unpredictable source of income and one which produced apprehension over being cut off at any point. The consequences of benefits being reduced or cut off in the future left many concerned.

*"If I **don't get my benefits, then I won't be able to pay my bills...** If mom wasn't getting her benefits then you know, I don't know how I would be able to look after her."*

- **Mortgage / private rent increase** – a major problem for those in privately rented accommodation was the continual worry of landlords increasing rent prices. Consequently, this generated concerns of no longer being able to afford rent / being kicked out with little notice period. Mortgage rates rising was a similar concern, as a notable increase in the present instigated worry for the future.

*"In two years' time I don't know, I think I worry... It's very worrying. It's concerning for everybody... the worst thing is having a mortgage. Because I mean, the **interest rates have really hit people** that have a mortgage and those with a mortgage at this point in time, are paying literally double, if not triple what they were paying before. And that's bad. And the rents going up anyway, I know that the rents have gone up."*

- **Children over 18** – child benefit payments being permanently stopped was an overwhelming concern for parents whose children were reaching an age where they would be leaving education. The prospect of losing these benefits, but having to continue providing for their children was daunting.

*"He'll [son] have to stay in education till he's 18, so I've probably got another four or five years of having help with benefits until my youngest goes up and then I'll be stuck I **won't be able to afford this house**. I'll probably be in a worse situation."*

- **Economy in general** – prospects of recession and job losses generated concerns for the future. The risk of redundancy, particularly for those in temporary jobs, working part-time, or for those on zero-hour contracts was a continuous worry.

## 5.7 Chapter summary

It appears the majority of Yorkshire Water customers are feeling the effects of the rising cost of living to some degree, and this is having a knock-on impact on their lifestyle, finances and ability to pay bills.

Evidently, those on Financial Schemes and PSR were amongst those struggling the most, along with those not on any schemes yet struggling with the combination of the rising cost of living and stagnant wages. Having additional vulnerabilities, particularly mental health issues, exacerbated customers' struggles.

Financial difficulty can be triggered at any point and many struggling customers explained how even a small change in circumstances, housing issues, errors by utilities or struggles with the system was a tipping point in making them struggle financially, which could have knock-on effects in other areas of life.

The future for customers looks challenging and is filled with uncertainty. Ultimately, while Yorkshire Water can't resolve the entirety of customers' financial challenges, the goal is to be one part of a compassionate support offer for these customers.



## 6. Seeking financial support: Access and attitudes to financial support

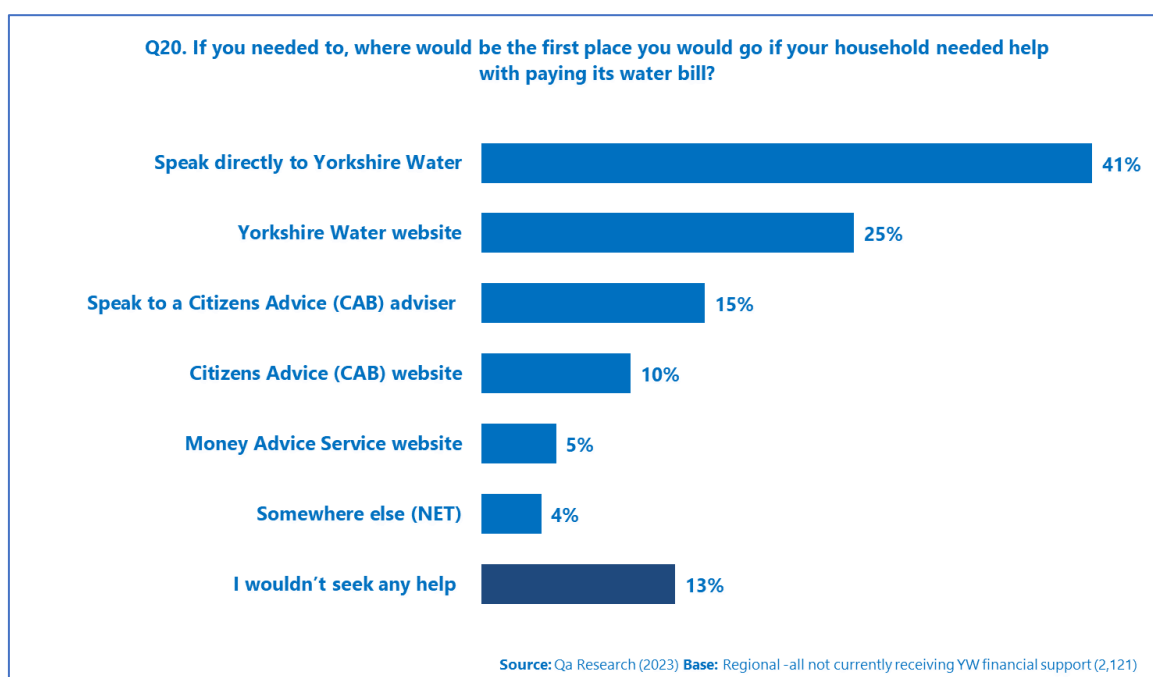
*This chapter examines what the barriers are to seeking help with finances, where customers go for help and what their awareness of support is. It also explores how Yorkshire Water's range of support offered could be promoted better (including to customers in arrears), as well as improvements to the journey to getting onto a scheme after becoming aware i.e. application process and follow-up communications.*

### 6.1 Sources of support for customers struggling with finances

#### 6.1.1 Quantitative findings

First, respondents indicate they would be most likely to speak to Yorkshire Water, or visit the website as the first point of contact to get help with paying their water bill. Only 13% of respondents would not be looking for any help if needed.

**Figure 22. Q20. First place you would go if you needed help paying the water bill**



Those aged 45 and over are more likely to speak to Yorkshire Water (45%). Those with no vulnerabilities in the household (29%) or ABC1 social grade respondents (28%) are more likely to visit the Yorkshire Water website. Speaking to a Citizens Advice adviser was significantly more likely to be mentioned by those struggling to pay bills all or most of the time (24%) than the average (15%).

Regarding other types of support, 17% of Regional respondents stated they had received financial support from similar schemes offered by other companies,

specifically help with council tax (11%) or from an energy supplier (7%). Those with vulnerabilities in the household were more likely to receive financial support from other schemes (24%).

### 6.1.2 Qualitative findings

The qualitative interviews focused more broadly on a customer's wider financial situation and where they would seek help if they struggled more generally. As earlier sections (6.4) revealed, the water bill is not isolated but part of a 'wider package' of bills. Therefore, struggling with a water bill was likely to be present in households that also struggled with other bills.

Customers shared that they went to the following places for financial help:

- **Family** – many customers described feeling ashamed asking and accepting support from family, but they often did it anyway as a last resort instead of going into debt. Family lending was occurring well into adulthood, and was usually via parents or older relatives. Some shared that their family are often generous even if they don't have much themselves, but this only adds to the sense of guilt.
- **Friends** – occasionally, customers claimed to borrow from friends. Usually this was small amounts, and often with caveats attached e.g. so they can socialise, or to be paid back the next week. However, many customers were very against borrowing from friends, and would rather keep their money struggles private.
- **Direct to provider** – some customers would go directly to their providers if they were struggling to pay bills e.g. internet, energy, water. Sometimes this came from a sense of being proactive, other times it was because they didn't want friends or family to know so they had no other option. Sometimes, the fear of being cut off led them to talk to the supplier.
- **External debt support** – agencies or support workers were sometimes the first port of call for support. Examples included a support worker at a housing association, mental health charities, StepChange and Citizens Advice.

It was really prominent in the interviews how much customers struggled to ask for help. Whether borrowing from family, or picking up the phone to ask for a payment plan, there is a great deal of stigma attached, so customers sometimes put off asking for help for as long as possible. This is worth bearing in mind when considering the headspace customers are in by the time they access Yorkshire Water support.

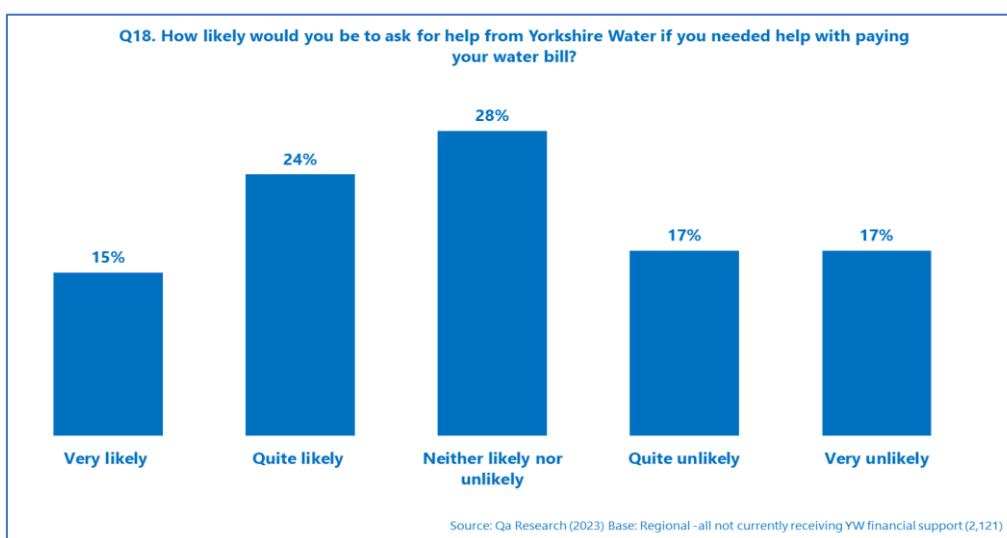
***"I'm feeling like a failure. You know what I mean, it's like I'm 47 years old. I like to stand on my own two feet. I don't want to be asking my elderly parents for help."***

## 6.2 Customer response to financial difficulty and barriers to support

### 6.2.1 Quantitative findings

Propensity to ask Yorkshire Water for help with the water bill is varied, as shown in the chart below. 39% of respondents stated they would be likely to ask Yorkshire Water for help, compared to 34% who said they would be unlikely to ask for help. Respondents who are significantly more likely to ask for help include those with a vulnerability in the household, those who are less/unable to pay their water bill because of the cost-of-living crisis, and those in rented accommodation.

**Figure 23. Q18. Likelihood of asking for support with paying a water bill**



Furthermore, respondents were asked why they would be unlikely to ask for help if needed. This was a fully open question and answers have been coded, grouped together and are shown in the table below, in ranked order.

**Figure 24. Q19. Reasons would be unlikely to ask for help if needed**

Q19. Why are you unlikely to ask for support?	
Capable of paying and don't need help	35%
Do not like to ask for help (feel embarrassed/ashamed)	16%
Don't believe would be a situation to need help	8%
Not sure if I would be eligible or if they would help	8%
Would look to other sources of help (e.g. savings, family, friends)	7%
Water bill is one of the cheapest bills	7%
Do not trust the help offered or feel that Yorkshire Water care	6%
Base: All who are very/quite unlikely to ask for support (coded responses). Responses <5% not shown	604

### 6.2.2 Qualitative findings

As the survey findings illustrate, customers presented a mixed picture in terms of whether they would ask for help and how they would react in the face of financial difficulty. Section 6.5 explored how finances can affect mental health in particular, and the stress or shame related to money problems can lead customers to react in different ways.

#### Customer reactions when facing financial difficulty and debt

The qualitative research identified several ways in which customers react to experiencing financial difficulty and debt. These are not mutually exclusive; a customer could respond in many of these ways at once, or work through them in stages:

1. **Denial & overwhelm** – a gut reaction for some customers is to panic in the face of financial issues and to ignore them, put them in a drawer or down the back of the sofa because it is too overwhelming to deal with. This is often when there are multiple bills that they can't pay and with other complex issues going on in their life which take precedence or make it harder to focus on finances, for example physical or mental health problems.
2. **Shame** – the stigma around money problems manifests as shame in some customers, who internalise this and refuse to talk about it. It can lead to the problem getting worse as they struggle on alone and feel too embarrassed to ask for help.
3. **Fatigue** – some customers, who have lots of experience battling with various systems (for example benefits) and have long-term financial difficulty, may respond to financial problems with fatigue; they simply don't have the energy to try and get support or deal with it, as in their experience it is often a battle to get help.
4. **Stoicism** – this was more prominent in the Yorkshire Water region than has been observed in other projects of a similar nature nationwide. Customers expressed stoic views, that they were brought up to not complain, just get on with things and 'stand on their own two feet'.
5. **Assume no help** is available – some customers, particularly those who are working rather than receiving benefits, assumed that there would be no support available to them, so they didn't bother asking or looking.
6. **Suspicion** – customers have a heightened awareness of scams and offers that are 'too good to be true' at present, and there was some confusion or disbelief that a privately owned utilities company would offer any sort of support without a 'catch'. Others assume it is really rare to actually get the support offered and not many customers receive help in reality. The level of

trust in the general 'system' was low and so some responded to any offers or suggestions of support with suspicion.

7. **Proactivity** – a minority of customers have an instant proactive outlook in the face of financial problems. These customers contact all their suppliers straight away while also searching for other forms of support. Often these customers are those facing debt for the first time and are likely to have fewer complex challenges in their lives.

The following three quotes illustrate the different extremes, from proactivity to overwhelm, as well as the assumption that there isn't any help available.

*"I've gone to agencies to try and look at what, you know, the difficulty that I'm in to try and sort them out. We're all working poor as far as I'm concerned, you know what I mean, I'm working but it's not like I'm on any benefits."*

*"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."*

*"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."*

Different combinations of these responses to financial difficulty tend to produce three potential scenarios:

- **Drowning / spiralling** – the finances and debts overwhelm the customer and they are unable to cope. They rack up large debts and struggle to deal with the bills and repayments coming in from all directions.
- **Controlled nosedive** – some customers try to manage their situation, either by themselves (through borrowing, cutbacks etc) or with help (schemes, discounts, payment plans). However, they are not able to address the situation completely and are simply trying to limit and slow the damage.
- **Change pathway** – a minority of customers manage to 'nip it in the bud'.

### **Barriers to asking for support**

Customers talked about various barriers that would prevent them from asking for support. These barriers are often complex and multiple, interacting with each other to make customers feel like it's not really worth trying to get support unless they are completely desperate.

Barriers include:

- **Pride** and stoicism – do not want to ask for help
- **Effort** to actually contact suppliers – especially if life is busy and complex
- **Embarrassed** to 'beg' for help or 'handouts' – feel degraded asking for help
- **Not aware** there is help available – assume there isn't any support out there
- Not feeling it is **worth their while** – the support either is hard to get or doesn't fix the problem and isn't worth the time it takes to try
- **Lack of trust** in the 'system' – suspicious, worried what the 'catch' is
- **Fatigue** from 'fighting' for support – not keen on another difficult process
- **Panic** and paralysis – feel overwhelmed and start panicking, can't think straight
- Worry about **negative consequences** – fear of identifying self as struggling or being on a 'list'
- Available **schemes aren't useful or relevant** – income too high or not eligible, or doesn't fix the root cause
- **Not a priority** as water is a lower bill – energy bills are the top worry to try and reduce
- **Wary of support**, too good to be true – don't believe that support will actually come through

The following quotes illustrate in customers' own words the barriers that prevent them getting financial support and especially with water bills:

*"No one's accessing it, because it's **too hard to access**. Because, again, they have these schemes and you're jumping through hoops to get them. There's no point it's not about having these schemes, if they're only going to affect the people that are on benefits."*

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

*"What I find is if I wait till now [5pm] to call them, **I'll be on the phone for friggin two hours trying to get through**, so I'm not coming home from work just to do that."*

*"I'm just **quite a proud person**, I hate to think that I owe people stuff... it's just how I am you know, **from a young age I was told to stand on my own two feet** and you get things done yourself."*

## 6.3 Customer arrears journey

### 6.3.1 Qualitative findings

Some of the qualitative participants described their own journeys into debt and experiences with Yorkshire Water arrears. In particular, they talked about the communications they received and how this could be improved to achieve better outcomes for both the customer and Yorkshire Water.

A simplified customer journey into arrears is as follows:

1. **Customer finds bills hard to pay** – general squeeze or sudden incident
2. **Customer identifies water bill as one to stop paying** – either stops paying all bills or actively decides not to pay the water specifically
3. **Customer misses water payments** or cancels direct debit – entering arrears
4. **Customer receives follow up communication** from Yorkshire Water – usually a letter, sometimes a phone call. There are four possible outcomes for the customer here, which they may work through one by one or stick to a single reaction:
  - **OUTCOME 1** – Panic and pay (borrow money or enter other arrears)
  - **OUTCOME 2** – Ignore (either due to feeling overwhelmed or as an act of defiance)
  - **OUTCOME 3** – Contact someone else for support (debt charity etc)
  - **OUTCOME 4** – Contact Yorkshire Water (straight away or after a while)
5. **Apply for Yorkshire Water support** scheme – of course, not all customers reach this stage of the journey, and not all are eligible for support

### Arrears communications

The main sticking point for many customers in arrears was the communication they received from Yorkshire Water after not paying their bill. They described the letters as aggressive, threatening, not supportive, or not making it clear help is available. In particular, the use of red text and threat of third party debt collection was criticised. This has two possible effects on customers' psyche and attitude which may make them disengage; either they panic in the face of the threat and ignore it out of fear, or they deliberately don't engage in defiance of Yorkshire Water's approach. The following quotes illustrate this attitude:



*"I think it's sending the wrong signal that, I felt like, I 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 \*\*\*\*. 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?"*

*"If you're having to pass on your debt to another agency to recuperate it back, they need to be decent and not cutthroat and not threatening people to take stuff out of their house... pushes people over the edge."*

Either way, the result is that the customer does not pay their bill or receive support, and the arrears mount up.

In terms of content, customers feel the messages are too focused on chasing the arrears, not on customer needs or why they can't pay the bill at that time. Some felt that the first communication could be focused purely on the customer's wellbeing and not mention the amount owed at all. Lots of customers reported that when they receive a letter or text which shows their debt, all they look at is the amount owed and rarely see any offers of support. These need to be front and centre, the support offer needs to be crystal clear so they can check their own eligibility, and it needs to be worded in a way that welcomes customers to get in contact.

*"When I was £800 in [Yorkshire Water] debt, I didn't know where to turn, I didn't know what to do... For me, **I saw the amount and thought God, and threw the letter down.** Whereas at the beginning **if it says 'okay, we're here to help you. We understand you've had a few issues. What can we do to help,** we've got this help, that help' You know, and then maybe in the middle or the bottom then say about the amount owed. **So you're not overwhelmed** with the fact you owe us £800. To me it's the same result. But it just seems to be a better way to do it."*

### **Customer contact**

When they do eventually contact Yorkshire Water, some customers have a really positive experience. Those customers noted how considerate and knowledgeable the staff were and that they felt listened to and were immediately offered the most suitable support scheme or option for them.

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

However, others don't get the same supportive conversations and do not get offered the full range of support schemes. One pertinent example is two separate customers in water debt; one with a low income, sizeable other debt and unmanageable bills who was only offered a payment plan, compared to another customer with a stable financial situation with no other debts, whose water debt was written off via the Community Trust straight away.

*"It was a guy I spoke to first and he just said you were paying 55, you haven't paid in I think it was 3 months, this is what you owe, are you able to do that now? I said I can't pay that now but they were really good and he got it up to 76.95" [once told about the schemes] "I'm just shocked, **I'm shocked no one told me.**"*

*"I got into a position where I wasn't paying the water bill and I missed it, and I contacted Yorkshire Water explained the situation to them. And they said they had a specific fund that [they] can call upon to try and help and support me, which they did, and [it] put me in a much more favourable position... **they just basically wrote off the debt said we'll start from fresh.**"*

The main point at this stage of the journey is around consistency. When customers learn about the full range of support, they can be disappointed it was not offered to them. It can feel like 'luck of the draw' who they get on the phone as to whether they get offered the best scheme.

### **Suggested improvements to the arrears journey**

- Comms following arrears should focus on support options, not money owed
- Comms following arrears should be friendly, empathetic and invite contact, not scare customers
- Contact with Yorkshire Water via the call centre must be consistent in the journey and what is offered, so all customers are taken through a compassionate and comprehensive process to get the best support scheme

## **6.4 Customer awareness of Yorkshire Water Financial Schemes**

### **6.4.1 Quantitative findings**

To test awareness of the Yorkshire Water Financial Schemes we asked respondents whether they had heard of any of them previously. 59% of respondents were not aware of any of the Yorkshire Water Support Schemes, suggesting that among those aware, few were aware of more than one scheme.

As shown in the table below, the highest levels of awareness were for the Priority Services Register (16%), Payment break (13%) and WaterSupport (11%) schemes.

**Figure 25. Q15 Awareness of Yorkshire Water Support Schemes**

	Q15. Awareness of scheme
Any scheme (NET)	41%
Priority Services Register (PSR)	16%
Payment break	13%
WaterSupport	11%
WaterSure	7%
Water Direct	6%
Resolve	6%
Community Trust	5%
Base	2,222

Awareness of support schemes was lower amongst those without vulnerabilities (36%), home owners and those aged 65+ (32%). 14 respondents wrote in their answer. These include 'reduction in charges or no price rises' (5 people), 'fixed bills per household or included in rent' (2 people), and 'water meter' (2 people).

#### 6.4.2 Qualitative findings

Similar to the survey, awareness of Yorkshire Water's financial and vulnerability support was low in the qualitative part of the research. Even customers who were on a financial support scheme were not aware of the others, which suggests there is more that can be done to promote the schemes. It may be that those on one scheme are actually more suited to another but they simply did not know about it.

*"See all these you don't know anything about, there'd be loads of people friends that benefit from stuff like this. But **nobody tells you about it.**"*

Of those who had heard of a scheme, it was usually through word of mouth, having known someone who was on it or having been on it themselves. Fairly often, the scheme itself was known but its name was not, showing there is little name recognition of the scheme 'brands'.

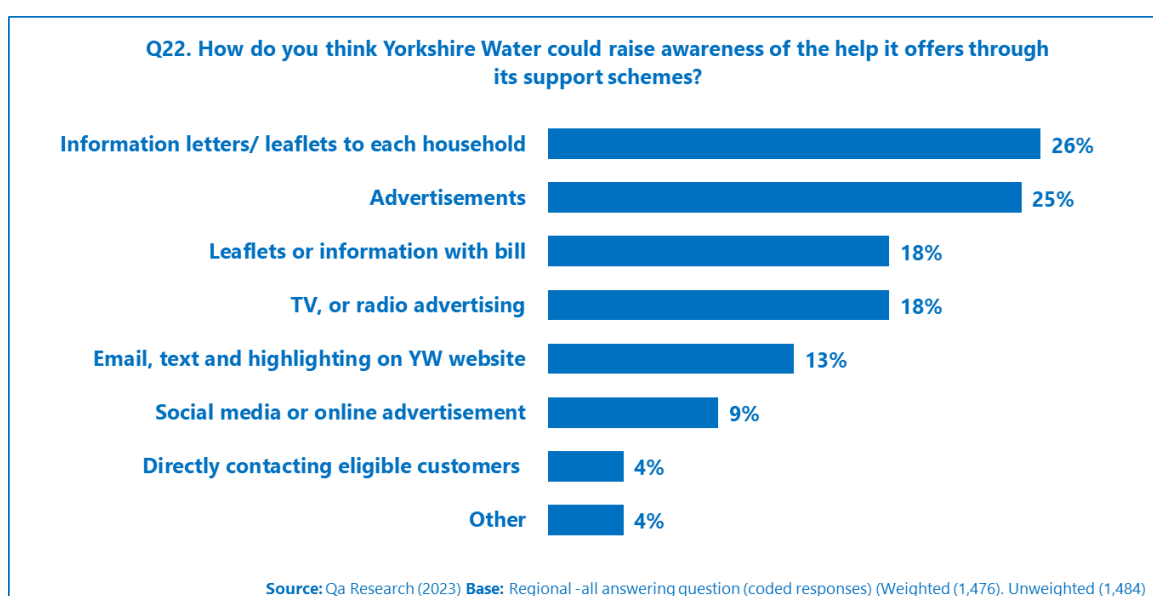
*[Explaining **Community Trust** but having no idea it was even a scheme] "I contacted Yorkshire Water, explained the situation to them and they said they had a fund to call upon to try and help support me, and they did... It wasn't a specific scheme that they helped me with, because I was in debt with water at the time, they just basically wrote off the debt said we'll start from fresh." [when explained the schemes] "They're absolutely brilliant... **people don't know about these things.**"*

## 6.5 Promoting Yorkshire Water Financial Schemes

### 6.5.1 Quantitative findings

When asked how Yorkshire Water can better promote their schemes (open-ended question), respondents considered information letter / leaflets to each household (26%) and advertisements (25%) to be most effective. Other popular answers are presented below. These suggest that the awareness campaign should be large scale covering all customers and go via traditional media.

**Figure 26. Raising awareness of the available support**



### 6.5.2 Qualitative findings

#### Channels of preferred communication vary

As with the survey findings, customers' views on different communication channels were varied in the qualitative research. What this shows is that comms cannot be a 'one size fits all' formula when it comes to sharing information about financial support schemes. Customers had mixed views on:

- **Physical vs digital** – some customers felt a physical communication was harder to ignore, whether this was through the post, on a leaflet or a poster. However, others said they ignored their post and never looked at posters, so would prefer an email or social media ad. This wasn't always predicted by age; a range of younger and older participants shared each viewpoint.

- **Personal vs generic** – some customers didn't like being singled out and preferred a more general communication, whereas a personalised letter or text would be more of a 'call to action' for other customers.
- **Mixed views on texts in particular** – text messaging was a particularly contentious topic. For some it was quick, direct, informal and friendly – they would happily respond to a text, whereas an email would get lost and ignored. Other customers were extremely wary of texts due to an uptake in scams and would not trust any text claiming to be from Yorkshire Water. If texts are used, they should be used with caution.

### **Key contact points to increase awareness**

There are a few key contact points where customers may be receptive to comms messages about Financial Schemes. These are usually when the customer is already thinking about their water bill, so it's not coming to them 'cold'. At these points, it is most important to get the tone and content of the communications right:

- **Bills** – the support offer must be prominent on the bill, not hidden away in a corner. It could also be reworded so it's clear there are various discounts and debt support schemes available, rather than a non-specific offer of 'help'. Some customers even misinterpreted 'help' as help physically paying their bill rather than help with affordability.
- **Arrears reminders** – as noted in section 7.3, the arrears journey is a crucial point of contact and has potential to support or alienate customers. Any comms must be welcoming, non-threatening and have support front and centre.
- **Talked through at point of contact** – at the point where a customer reaches out to Yorkshire Water for support or to talk about their bill, all options should be consistently explored, and effort should be made to understand why they might be struggling. This could be for all customers regardless of whether they are contacting about struggling to pay; one participant even recommended a pre-recorded statement about financial support schemes that plays while customers are on hold.

### **Information must be clear and upfront**

If customers do look for help, perhaps directed to the website through a search engine or a Yorkshire Water leaflet or ad, the information about financial support is not always clear. In some interviews, customers used the QR code on the leaflets to visit the website and were unable to find out what help was available to them; they were left confused and unsure. Some thoughts on the website information are explored below:

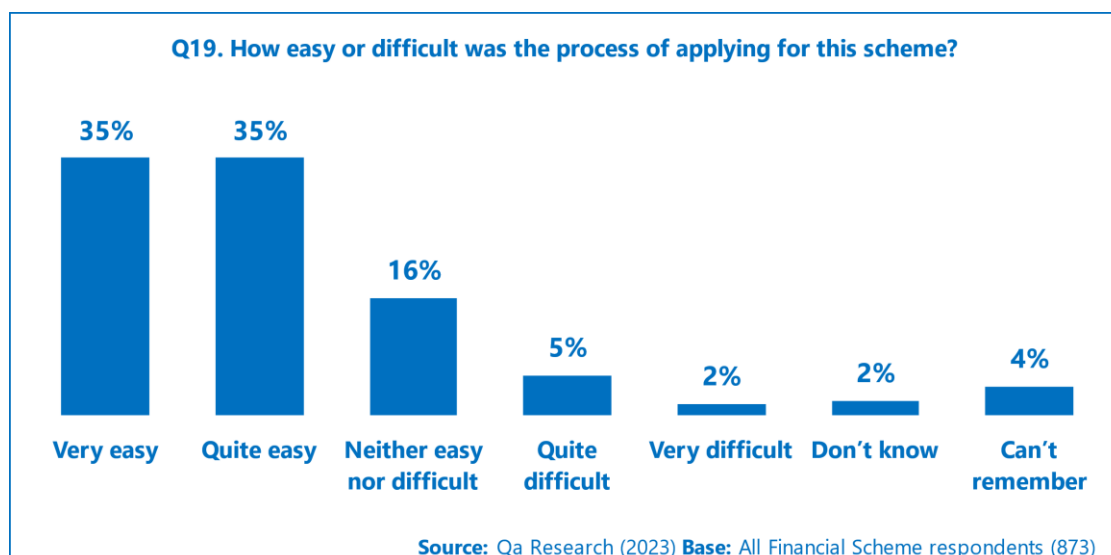
- **QR code should direct to dedicated page** – something that instantly and very simply lets customers know what page they are on and is set up for mobile usage as this is likely to be how customers access a QR code.
- **Create a clear comparison of different offers** – customers felt they had to ‘dig’ for information on the different schemes, and weren’t clear which were suitable for them, if any. This left some customers feeling like it wasn’t worth the effort, because they felt they would be unlikely to be eligible. Customers requested an easy tool where they could compare who each scheme was for, what the eligibility criteria was and how it would help them.
- **Use real people’s success stories** – as noted in section 7.2, customers often have a degree of scepticism about offers of support and worry they are too good to be true, or that very few people actually get this support. Developing a few real life case studies may help show that this help actually exists and what impact it can make. Customers may then feel more confident that support is available for ‘people like me’.

## 6.6 Application process for the schemes

### 6.6.1 Quantitative findings

Most Financial Scheme respondents (70%) considered the process of applying to the support scheme to be easy. 6% did not remember or had difficulty answering. See the chart below.

**Figure 27. Q19. Ease of application for the schemes**



### 6.6.2 Qualitative findings

In line with the quantitative findings, the route to applying for the Financial Schemes once customers were made aware of them was generally simple and straightforward.

The application process required limited effort and while the supporting evidence that is needed to apply for the Financial Schemes might have taken time to put together, it was an uncomplicated process to send to Yorkshire Water. The time spent putting this evidence together was constantly validated by how delighted they were to be on the scheme.

*"We must have spent about two hours going through everything that they needed and photographic things and then to try and attach them to me emails, and there was more than would attach, you know, you have to send several emails for each one. Yeah, most the time, a couple of hours on it. And **it was all worth it**. And we were delighted. We were so happy about doing that, that was so worth it."*

Customers very much appreciated sending their personal documents via email as it prevented them from having to pay for a stamp and envelope, which was difficult to rationalise for those with tight budgets. This method also made the application process much simpler and more accessible for them. Having the supporting documents returned to them made the application process less stressful, and a more positive experience.

*"I contacted them and at that point, you had to send in like paper copies of prescriptions and things. So, I had to send everything in, post it to them. And then once everything had been processed, they posted everything back. But I'm sure the last couple of times, they've actually let me email copies in which has **been a lot quicker and a lot easier**."*

*"I don't remember there being any problem. So, if, like, if anything stood out everything that was stressful, or that was an issue, or that was a problem, I would have remembered. And I **don't remember any issue at all**."*

*"I filled the form, and then they wanted me to send bank statements as well, which I did. And then, and that seems they wanted proof of address, which I put everything in the envelope. I sent it. And they made sure they sent me back every little thing as well. They didn't keep anything, but I think they just check the documents, and they send it back to me, which was like a **relief to me** as well."*



## **6.7 Chapter summary**

As made evident through this chapter, there are huge psychological barriers to asking for support with financial difficulty, and if customers do, it may not be Yorkshire Water they think to ask. It is important for Yorkshire Water to understand how customers are feeling and adapt the communication at several touch points in order to get support to the customers who need it.

Awareness of Yorkshire Water schemes is limited, and promotion needs to be improved so those who become vulnerable are aware of the help available; this can be through a range of media, but ultimately, the tone must be welcoming and non-judgemental, and the support 'offer' must be clearly defined. Once customers are made aware of the schemes the application process was generally simple and straightforward.

Amongst those who are already struggling, third parties such as debt charities and Citizens Advice are key contact points, so partnerships are more likely to reach those who might not contact Yorkshire Water directly. Not all customers are receiving the same level of customer support when they do ask for help; the actual support received is not consistent as some customers receive a gold standard service, whereas others feel let down or miss out on the most impactful scheme for them.

## 7. Yorkshire Water support: Views on present support and future ideas

*This chapter covers what customers think of the financial support schemes available through Yorkshire Water, how much of a difference they make to the lives of those that receive them, and how could they be further improved to meet customers' needs.*

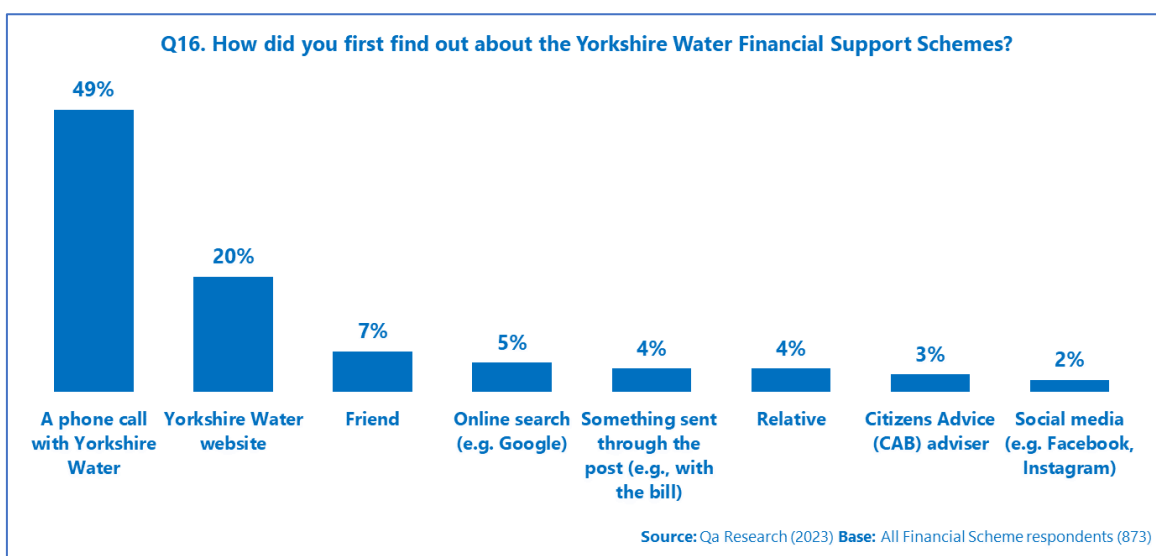
### 7.1 Usage of financial support schemes

#### 7.1.1 Quantitative findings

This section sets out findings from the Financial Scheme survey, specifically around how customers found out about their scheme and the length of time on it. Qualitative findings were similar to survey findings in this respect.

Respondents were most likely to have found out about the Financial Support Scheme in general via a phone call with Yorkshire Water (49%), or via the Yorkshire Water website (20%).

**Figure 28. Q16. Finding out about the support schemes**



When asked how they knew which specific scheme to apply for, 54% indicated that a Yorkshire Water staff member had helped them identify which scheme they should apply for, while others mentioned information on the Yorkshire Water website (25%).

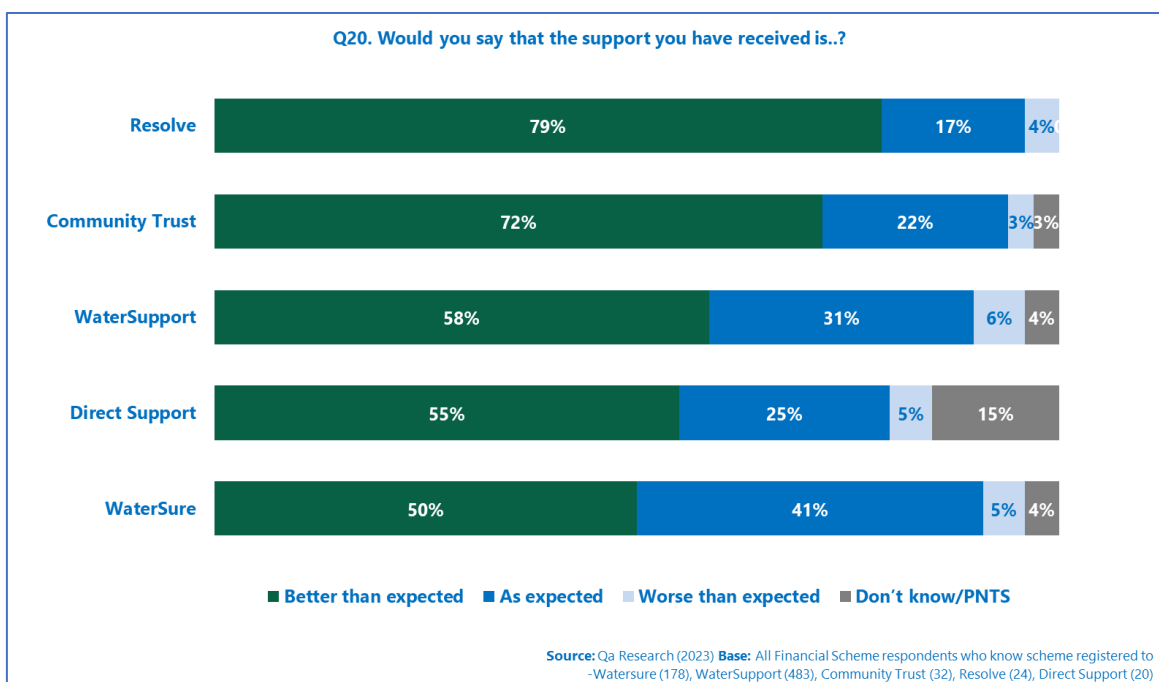
Length of time that a respondent had been on a Financial Support Scheme with Yorkshire Water varied from less than a year to over 5 years. Respondents on WaterSure were more likely to have been on the support scheme for over 3 years.

## 7.2 Impact of financial support schemes

### 7.2.1 Quantitative findings

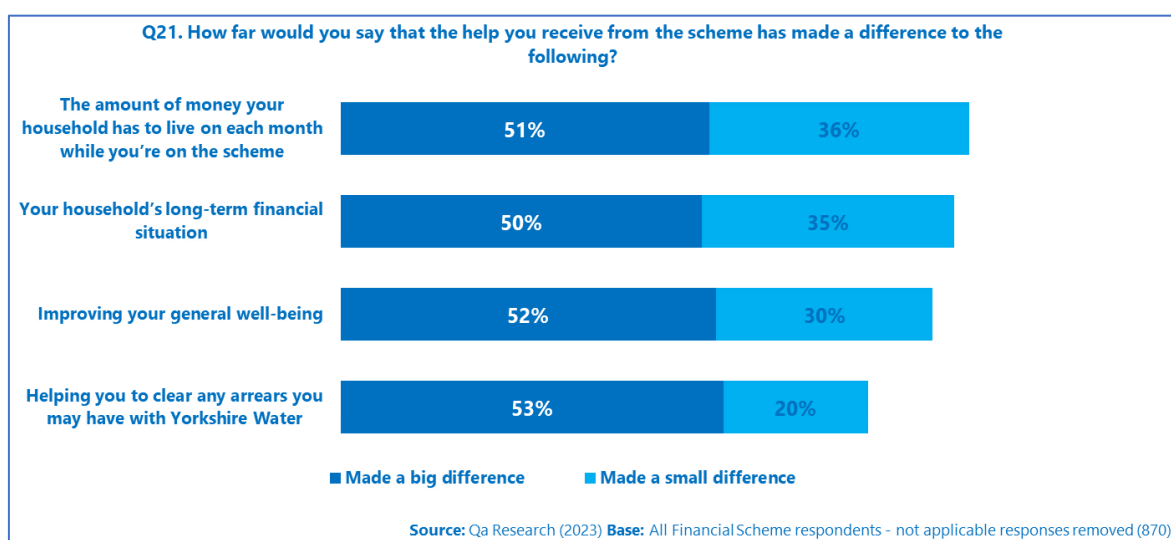
Financial support recipients were asked for their views on the support received from Yorkshire Water. For over half, the support they received has been 'better than expected' for all schemes. Those on Resolve and Community Trust performed far better and recipients of these schemes were most likely to suggest that the support had been 'better than expected' (79% and 72% respectively).

**Figure 29. Q20. Satisfaction with the support**



Respondents were also positive about the difference being on the scheme had made to their financial situation and health, particularly Community Trust and Resolve. Shown in the chart below, the biggest difference has been made for the households' budgets (87% of respondents), the smallest difference for helping clear arrears with YW (73%).

**Figure 30. Q21. Difference to life as a result of being on the scheme**



The tables below show a breakdown of how each scheme has made an impact on different aspects of respondents lives.

**Figure 31. Q21. Difference to life as a result of being on the scheme – by scheme**

The amount of money your household has to live on each month while you're on the scheme					
	WaterSure	WaterSupport	Community Trust	Resolve	Direct Support
A big difference	55%	48%	62%	54%	31%
A small difference	36%	38%	29%	39%	22%
No difference	7%	10%	5%	7%	41%
Don't know	2%	3%	5%	0%	6%
<b>Base (n/a removed)</b>	<b>175</b>	<b>478</b>	<b>32</b>	<b>24</b>	<b>19</b>

**Your household's long-term financial situation**

	WaterSure	WaterSupport	Community Trust	Resolve	Direct Support
A big difference	56%	46%	59%	49%	50%
A small difference	30%	41%	23%	42%	20%
No difference	10%	10%	14%	9%	20%
Don't know	3%	3%	5%	0%	9%
<b>Base (n/a included in base but not shown in %)</b>	<b>173</b>	<b>479</b>	<b>32</b>	<b>24</b>	<b>20</b>

### Helping you to clear any arrears you may have with Yorkshire Water

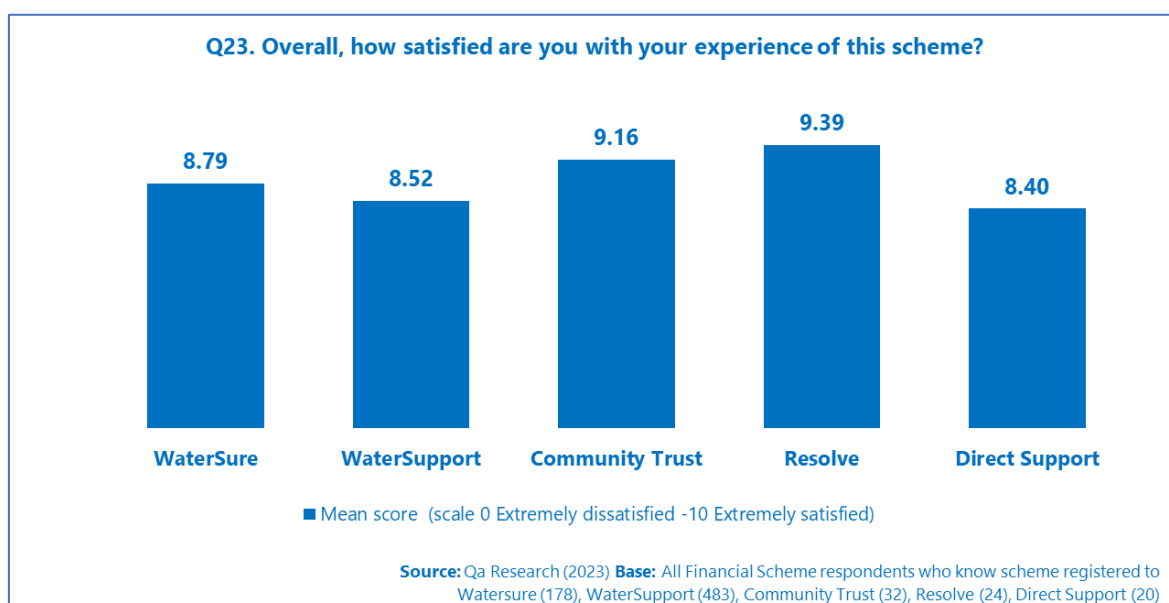
	WaterSure	WaterSupport	Community Trust	Resolve	Direct Support
A big difference	56%	41%	86%	87%	60%
A small difference	24%	23%	5%	13%	25%
No difference	18%	28%	5%	0%	6%
Don't know	3%	7%	5%	0%	9%
<b>Base (n/a included in base but not shown in %)</b>	<b>87</b>	<b>294</b>	<b>32</b>	<b>24</b>	<b>20</b>

### Improving your general well-being

	WaterSure	WaterSupport	Community Trust	Resolve	Direct Support
A big difference	53%	48%	71%	63%	30%
A small difference	30%	33%	19%	20%	35%
No difference	15%	16%	10%	13%	30%
Don't know	1%	3%	0%	4%	6%
<b>Base (n/a included in base but not shown in %)</b>	<b>175</b>	<b>464</b>	<b>32</b>	<b>24</b>	<b>20</b>

The satisfaction with the Financial Schemes is very high (ranging from 8.40 to 9.39 out of 10). The highest rated scheme is Resolve and lowest rated one is Direct Support.

**Figure 32. Q23. Satisfaction with Financial Scheme**



## 7.2.2 Qualitative findings

The qualitative findings in this section present some nuance and context to the highly positive findings shown in the survey. While Financial Scheme recipients were without a doubt extremely grateful and happy to have received support, the impact on their overall finances was mixed and tended to be limited to their water bill.

### Positive impacts

- **Rare support offer** - it is rare to get discount or real support from any provider, and participants were unable to give many examples of best practice that Yorkshire Water could learn from as most other suppliers only offered payment plans. The only other options were debt relief orders or some reduced tariffs (for example BT for internet).
- **Mental wellbeing** – the relief of having someone finally on their side is very impactful for some customers, especially those who have had to fight for other support (such as disability benefits). Many customers felt the mental load was a lot lighter now one of their debts/bills was being tackled and gave them the energy and confidence to try and deal with the rest. Ultimately it feels like a mental step forward, regardless of how much support is actually provided.
- **Financial impacts** – Community Trust and Resolve were the most impactful schemes as they support customers to be debt free and provide a mental and financial 'clean slate'. Despite the impact on overall finances being limited for some of the other schemes, any savings were appreciated by customers as their household budgets were often on a knife edge. This meant that whatever small amount was saved from the water bill, that money could go towards a debt, bill or payment elsewhere.

*"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

## Downsides and limitations

- **Debt dependency** - despite the debt support schemes (Community Trust and Resolve) being the most impactful in the short term, ongoing support after the debt is cleared is not always provided. This can lead to dependency and customers getting back into debt after they have accessed one of these schemes because the root cause of their financial issues has not been addressed. They may still have complex lives and high bills, which will ultimately lead them to the same conclusion.
- **Bill cap schemes not always effective** – other schemes such as WaterSure and WaterSupport were only helpful for people with a very high bill, or those who can afford the average bill. Plenty of customers we interviewed were struggling to pay the average bill, or even a below-average bill. Currently, there is nothing to help this group of people, so their only choice is to go into debt. More on this in the next section (8.3).
- **Still building up debt** – the quantitative surveys showed that customers on Financial Schemes were still building up debt through credit cards and loans (39%), borrowing from friends/family (49%) and paying bills late (49%). The Yorkshire Water scheme alone is not enough to solve their situation.

## 7.3 Gaps in the financial support scheme offer

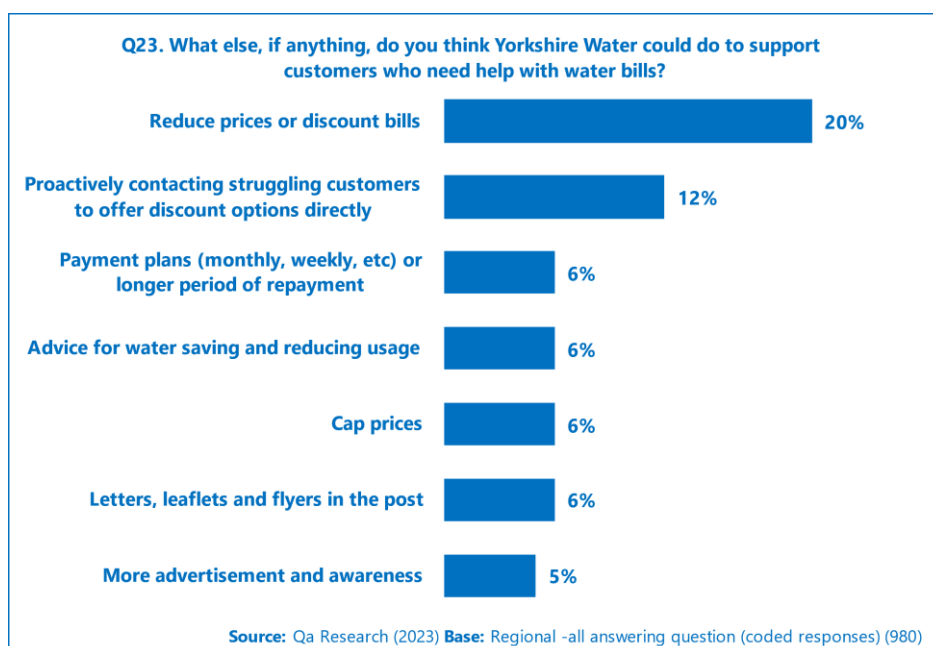
### 7.3.1 Quantitative findings

Very few respondents indicated ways in which they felt the support schemes could be improved, with the majority indicating they either did not know how (50%) or felt no improvements were required (15%). A small proportion (6%) indicated further help or great discounts would be an improvement.

Furthermore, we asked Regional respondents how else Yorkshire Water could support customers who need help with water bills. From their answers we synthesised 33 codes. The top suggestions are to reduce prices or give discounts on water bills (20%) and to proactively contact struggling customers to offer discount options directly (12%). Other codes (over 5% of answers) are presented on the chart overleaf.



Figure 33. Q23. Other ways to support



### 7.3.2 Qualitative findings

The qualitative interviews delved a bit deeper into the schemes themselves and how they are structured. Customers thought about who fitted into the different schemes and identified two main gaps in the support offering.

#### Gap 1 - 'Working poor' and squeezed middle

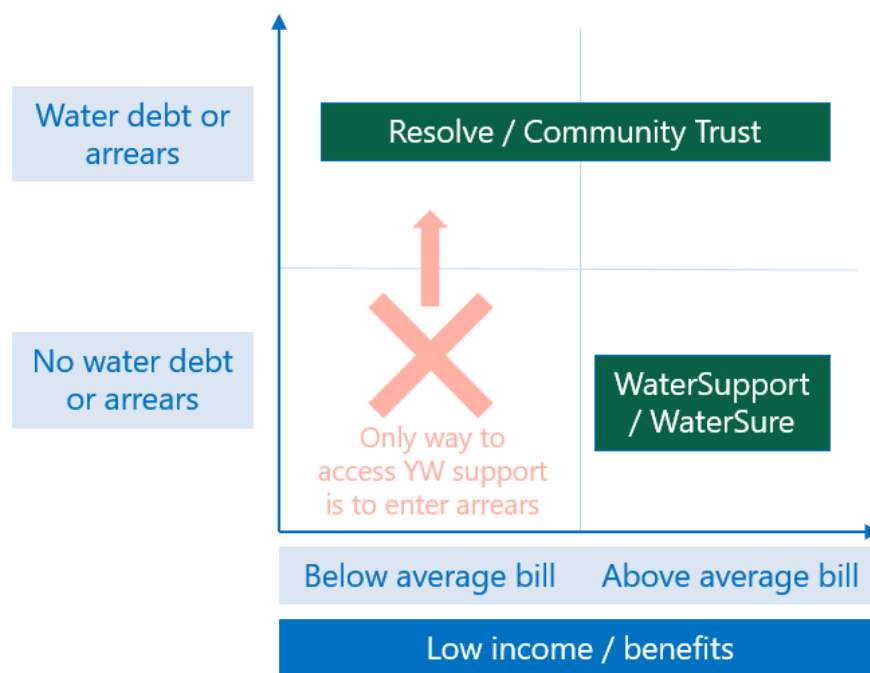
Essentially, this group covers anyone who would not be eligible for the existing support schemes due to their income or the fact that they do not claim any benefits. Households may have an income over the threshold for WaterSupport, or not have one of the required benefits for WaterSure, but they could still be struggling to pay due to high outgoings and the cost of living crisis. Several interviews covered the concept of the 'working poor' and how they are stuck in the middle – too low income to pay but too high income to qualify.

*"People on benefits are protected anyway. We **want schemes for people that are working and working poor**. That's what we want. Because I feel that once you [are] on benefits, you can get deductions etc. So, it's not about people that are not working. But people that are working."*

Customers would like it to be clear what support is available to working households and for more schemes to be aimed at them. Some also suggested that the 'low income' threshold needs to be considered in line with the current rising cost of living.

## Gap 2 - Average or below average water bill

Some customers realised that there is no support scheme that can help a low-income customer who is not in debt yet struggles to pay the average bill. The only scheme available to these customers would be bill cap schemes (WaterSupport and WaterSure) which cap the bill at an average amount. This average amount was still unaffordable to many households, yet no Yorkshire Water scheme could help them. As a result, their only option if they want to access Yorkshire Water support is to enter arrears and access Resolve or the Community Trust. This is illustrated in the diagram below.



It is recommended that the social tariff scheme, WaterSupport, is restructured into a more graduated discount scheme that offers a discount on a sliding scale based on income or other factors. This would then be able to offer something to the customers who struggle with the average bill.

## Do Yorkshire Water schemes address water poverty?

The total scheme offer was also considered in the context of water poverty, and whether the support offered by Yorkshire Water was adequately addressing water poverty. Water poverty is defined as households spending more than 5% of their net income after housing costs on water. There are a few points to note in relation to this:

- The bill cap schemes WaterSure and WaterSupport assume 'water poverty' means a high bill and that a household would not be in water poverty if their bill was in line with the average. As we can see from the points made above, water poverty could be a customer with a lower than average bill but on a low income.

- The debt support is very powerful and impactful but doesn't always account for root causes or offer a sustainable future for customers.
- Also, the current definition of water poverty doesn't consider 'essential costs' other than housing. Households may not technically be in water poverty but still be struggling to pay due to high energy, health, insurance or food bills. This is not taken into consideration by the water poverty calculation so must be taken with a pinch of salt.
- **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. There needs to be a more holistic support offer addressing these gaps and linking in with other services to support the customer's other debts and challenges. This will build on the already strong Yorkshire Water support to ensure fewer customers are struggling long-term.

## 7.4 Feedback on specific support schemes

### 7.4.1 Quantitative findings

In an open-ended question, Financial Support respondents were asked why they gave such a rating (0-10 in Q23) to their satisfaction with the respective scheme. Responses were divided by the schemes, however some overarching themes emerged. Note that there were many more positive answers than negative ones.

#### Positive Themes:

- **Financial Relief:** Many respondents expressed that the support scheme provided them with financial relief, making their water bills more manageable.
- **Easy Application Process:** Several participants found the application process for the support scheme to be straightforward and hassle-free.
- **Budgeting Assistance:** Being on the scheme helped people with budgeting, as they knew the fixed amount they needed to pay each month.
- **Reduced Stress:** Some respondents mentioned that the scheme reduced their worry and stress about paying high water bills.
- **Support for Vulnerable Groups:** People with disabilities, medical conditions, low incomes, or single parents appreciated the support provided by the scheme.
- **Help for Large Families:** Families with multiple children, especially those with medical needs, found the scheme beneficial due to increased water usage (WaterSure).

*"It saves me money and makes my mental [well-]being better. My bill without the water support is more expensive than all my neighbours' properties, and I have less bedrooms than some." (WaterSupport, female, 45-54)*

*"As we are **carers for our disabled daughter**, this is a very good scheme." (WaterSure, female, 75-74)*

### Negative Themes:

- **Insufficient Discount:** Some participants felt that the amount of discount provided by the scheme was not significant enough or did not make a big difference for their budgets.
- **Limited Awareness:** Several respondents mentioned that they were not aware of the support scheme until they contacted Yorkshire Water directly.
- **Lengthy Renewal Process:** Some people found the renewal process to be time-consuming or requiring too much paperwork (WaterSupport and WaterSure).
- **Difficulty in Providing Proof:** A few participants expressed challenges in obtaining the necessary documentation or medical proof for the scheme.
- **Lack of Backdating:** A few participants mentioned that they were not backdated for the support, leading to dissatisfaction.

*"I wish we [could] get more help. My husband's disability allowance is getting cut every couple months. We are struggling to pay our bills and put food on the table. Children's uniform, shoes, etc. My older [child is] looking for a job, [but] can't find any, [it] is very hard for us to [live]." (WaterSure, female, 45-54)*

*"I believe the **paperwork that needs to be submitted could be a lot simpler**. Also, it would be helpful if the previous year's bill was up to date so there's no overlap in payments." (WaterSupport)*

When asked about how the schemes had helped in other ways, most respondents did not provide any additional comments. Among those who did (31%), respondents mentioned less stress and worry (6%), and clearing arrears (3%).

Encouragingly, 82% of respondents said that as a result of receiving help through the scheme, they felt more positive about Yorkshire Water. Only a very low proportion felt less positive about Yorkshire Water as a result of receiving help (5%).

### 7.4.2 Qualitative findings

Participants in the qualitative interviews shared views on the specific schemes. These comments came from both customers on the schemes as well as customers who had been briefed on the schemes during the interviews.

Scheme	Positives	Downsides	Improvements
<b>Payment plan / break</b>	Flexible to customer situation Anyone can access Helps temporary financial issues	Seems to be offered first but not always right for situation Unclear on repayment period – can it spread over multiple years or is it limited to 1? Only helpful for a short-term financial issue	Understand customer situation more thoroughly before offering a payment break / plan  Only offer if it is completely suitable
<b>Community Trust</b>	Can be life-changing to debts / finances Mentally impactful	Ongoing / complementary support not offered Not tackling root cause – some end up back in debt	Offer package of support including combining with other schemes and offer budgeting/ debt support referrals
<b>Resolve</b>	Active, sense of agency & pride - no 'handouts' Feels like working in partnership with YW to clear debt	Could push customers into arrears with another supplier or personal debt, if they prioritise paying water bill Not tackling root cause	Budgeting and debt support to ensure paying for Resolve doesn't have negative knock-on effects
<b>WaterSupport</b>	Good for high unmetered bills and low-income households Not limited to customers on benefits	Gaps in who it supports – e.g. higher income customers Bill cap not hugely impactful if struggle with average bills Unclear what 'low income' is, assume it is only for customers on benefits	Clearly define low income Consider a graduated discount offer rather than bill cap
<b>WaterSure</b>	Good for high metered bills, esp health related	Bill cap not hugely impactful if struggle with average bills	N/A – national scheme

<b>WaterDirect</b>	Helps with overwhelm and budgeting	Not offered widely Customer loses agency and not left with any wiggle room for unexpected costs	Offer in combination with other schemes e.g. Resolve and don't limit to customers in arrears
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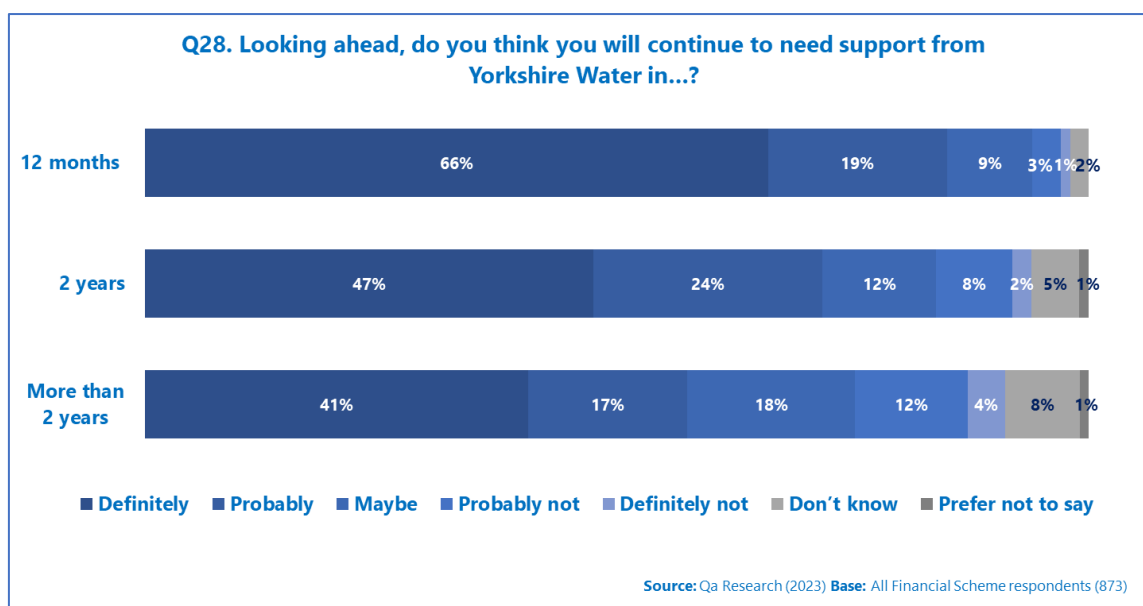
Overall, customers are very positive about the schemes because they are immensely grateful and it is often the only help they've received, but when viewing the offer as a whole, there are some gaps and areas for improvement. However, the core offer is certainly making a difference to Yorkshire Water customers' lives.

## 7.5 Future need for financial support schemes

### 7.5.1 Quantitative findings

Respondents were asked to indicate the likelihood of them needing support in the future. As shown in the chart below, over half (58%) reported they would 'definitely' or 'probably' need support from Yorkshire Water in more than 2 years – this was even more so among WaterSure and WaterSupport respondents. However, in the longer-term, respondents feel more optimistic. Indeed, the share of those who say they probably/definitely will not need support rises from 12% (12 months) to 30% (2 years), possibly suggesting that they expect current circumstances (cost of living crisis) to improve.

**Figure 34. Q28. Likelihood of needing support in future**



A large majority of respondents (87%) stated they would be concerned if the support from Yorkshire Water was to end, with 58% saying they would be very concerned.

## 7.6 Chapter summary

Clearly Financial Schemes are impactful for those customers who are on them, who report high levels of satisfaction and discussed impacts on their finances as well as mental health.

However, there are limits to the impact they have on a customer's wider financial situation due to their design and scope. Bill cap schemes in particular are limited in how much of an impact they can have, while the income thresholds do not cover all the customers who are struggling during the cost of living crisis.

Others who are on a Financial Scheme could be supported better. One way to support customers better is to provide more wraparound support that addresses the root causes and wider picture of finances and vulnerabilities.

Customers expect to need the support in the near future at least, which should be factored into future plans for the schemes.



## 8. Priority Services Register

*This chapter focuses on the Priority Services Register. It covers joining the PSR, how customers become aware of the service, views on the current service offered and improvements that Yorkshire Water can make to their Priority Service Register.*

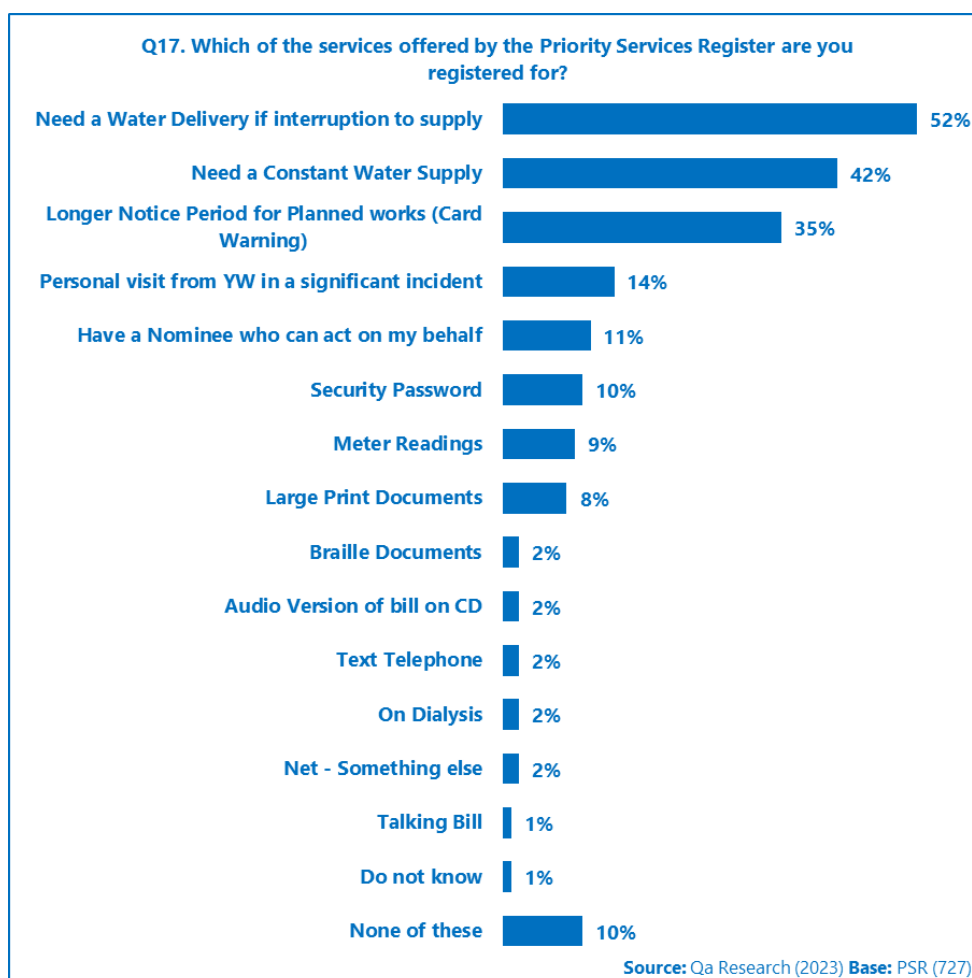
### 8.1 Joining the PSR customer journey

#### 8.1.1 Quantitative findings

##### Priority Services Register services breakdown

In the chart below is a breakdown of the services PSR respondents believe they are signed up to. Many of them are signed up for at least two services. The most common were Delivery of Water (52%) and Constant Supply (42%). The data seems to suggest that only a very small proportion of customers have special communication needs (e.g., large print format, braille). 10% report not being registered for any of these which may be that they have forgotten or are unaware.

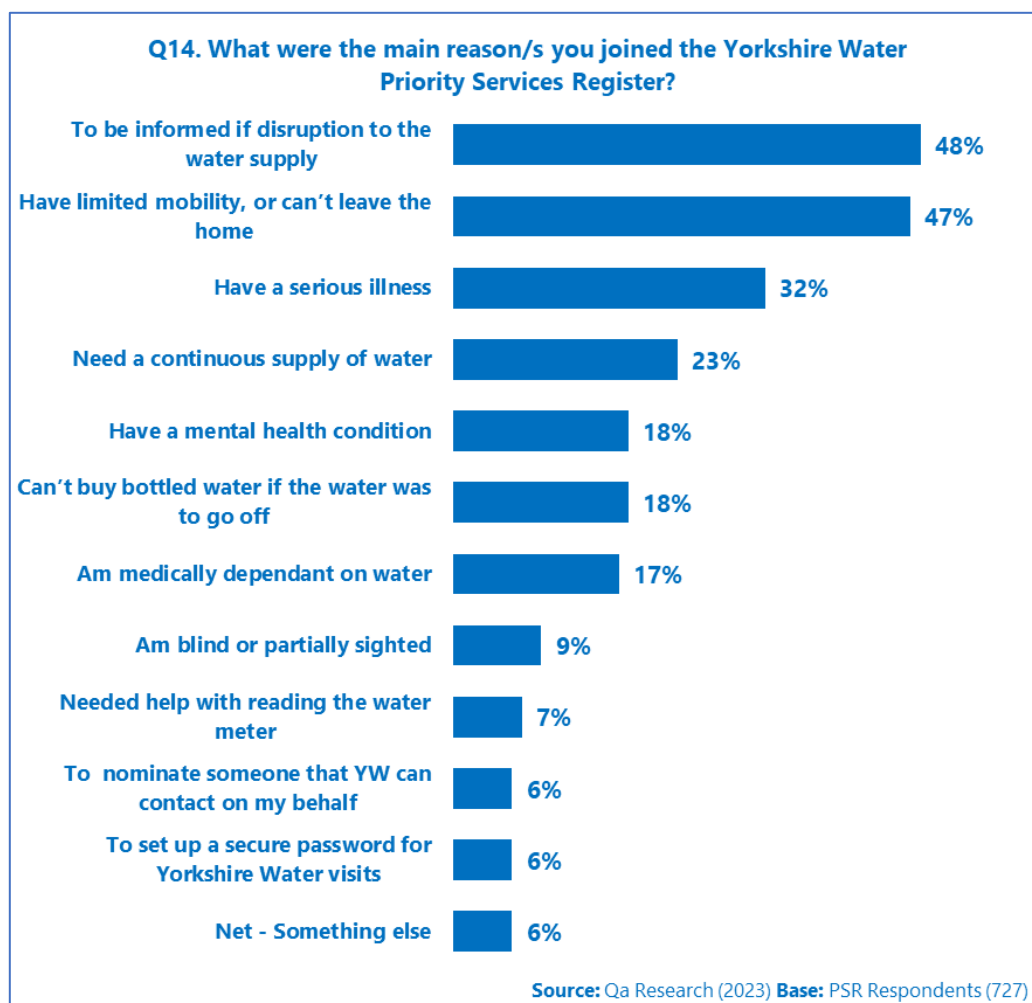
**Figure 35. Q17. Services registered to**



### Reasons for joining PSR

PSR respondents were asked why they had joined the Register. Similar proportions of respondents signed up to be informed in the event of a disruption to the water supply (48%), and because they have limited mobility or cannot leave their home (47%). Other reasons include 'have a serious illness' (32%) and because they need a continuous supply of water (23%). In the chart below is the full list of answer options.

**Figure 36 Q14. Reasons to join PSR**



The length of time that respondents had been on the PSR varied.

- 10% were on it for less than a year,
- 40% for 1-2 years,
- 20% for 3-4 years and;
- Approximately 30% for over 5 years.

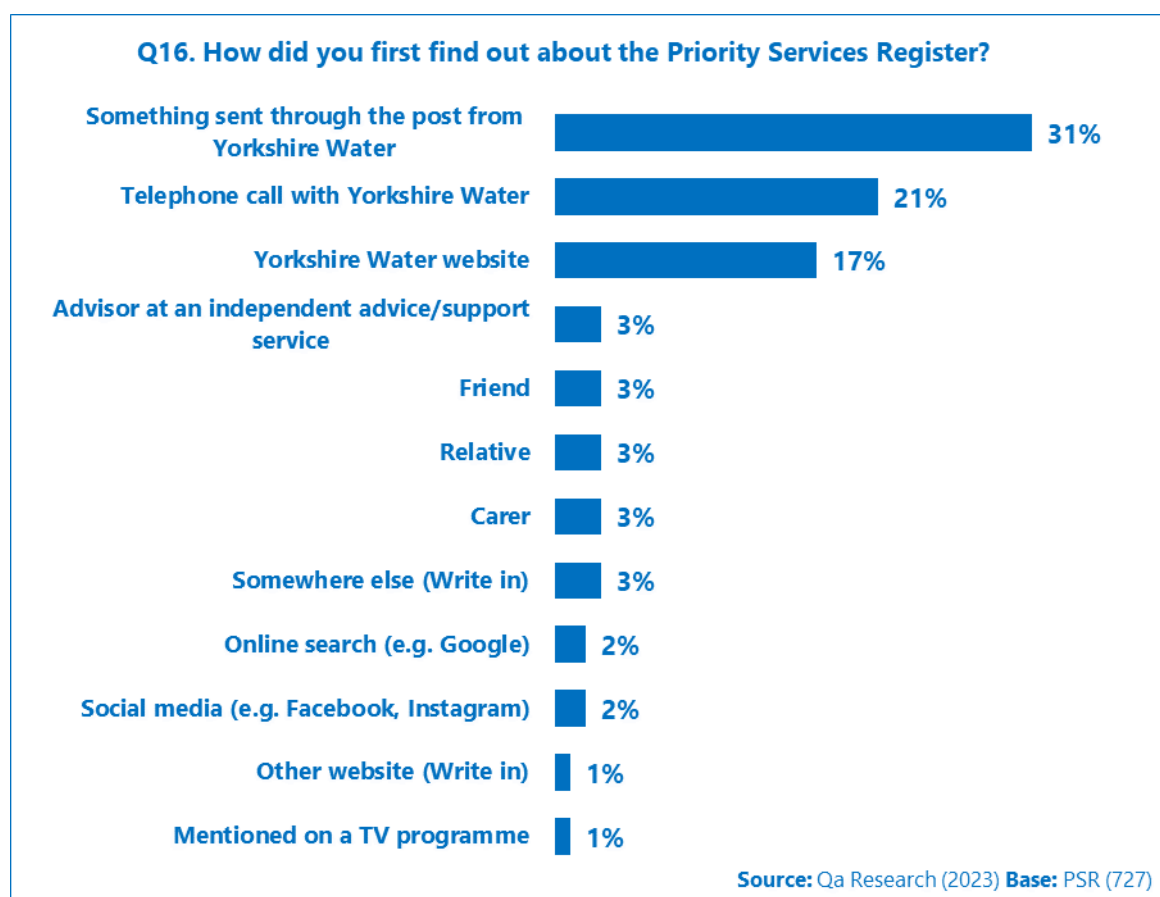
Those with special communication needs are likely to be registered for it the longest.

### Awareness of PSR

In terms of channels of information, there are three main ones which circulate awareness of the Priority Services Register.

31% of these respondents found out about it via correspondence from Yorkshire Water. 21% received a phone call and 17% used the Yorkshire Water website on their own. Other options cover a fifth of PSR respondents, seen in the chart below.

**Figure 37 Q16. Finding out about PSR**



### 8.1.2 Qualitative findings

#### Awareness of PSR

Awareness of the PSR came about in multiple ways, each customer had a distinctive way they discovered the service Yorkshire Water offer. There was never one straightforward route as to how customers gained awareness of the PSR:

- **Word of mouth** – Through having friends/family on the PSR with their water or energy, this then led to them sharing knowledge about the service and resulted in Yorkshire Water customers signing up. Customers often felt more

reassured hearing successful stories and knowing somebody they knew had benefitted from the service.

*"I **remember somebody telling me**, but it was a long time ago. And then I know that they said that they'd make sure they bring bottled water to the door or something."*

- **Bills and Leaflets** – Some customers received leaflets with their bills, or found information on the bottom of their bills, which were either received via letter or email, followed by a number to ring or a link to the website. This way of becoming aware is further supported in the quantitative survey findings.

*"Annually, I seem to get **something in with the bill** which is used to remind you."*

- **Nurses or carers** – in specific cases whereby a member of the household had a medical condition or physical illness where they required constant use of water, nurses or carers often recommended joining the PSR. This was solely dependent on whether the nurse was aware of the service themselves, rather than a procedure to tell patients.

*"It was my **son's nurse that actually pointed us in this direction** in the first place years ago because he is tube fed...so obviously we **need clean water** to clean his tube out, we also mix the feed with water so we always need extra water for that."*

- **Through other utility bills telling them** – Having gas and electric suppliers telling customers of the PSR was a common way to becoming aware of this water service. Often, customers stated they were more likely to read emails/bills from different utility providers as these were seen as 'scarier' to ignore, so communication was easier.

However, the majority of customers who were not on the PSR had no idea such help existed, but once they were made aware, they were impressed with the service and were keen to share this knowledge with people they knew could benefit from being on it.

### Reasons for joining PSR

As presented in the quantitative findings, reasons for joining the Priority Services Register (PSR) were extremely varied or were challenging to remember for some. Several households failed to recognise that they had even joined the PSR until they were reminded of the services it offered. However, some explanations for joining the PSR were more common than others:

- **Peace of mind** – vulnerable customers and their families being provided with peace of mind was of upmost importance and was the justification behind most customers joining the PSR. Knowing that their household had a form of safety net whereby they wouldn't be overlooked and left with no water provided customers with reassurance, especially those with mobility issues or who rely profoundly on water due to their physical health.

*"The **impact is comfort, back of your mind, peace of mind**... [people] feel happier with the situation when they know it can be under control very readily. So yeah, it's peace of mind really."*

*"To do with the fact that I'd had these hip problems. You know, obviously, things were becoming more difficult. We were looking ahead, and **it seemed sensible** to just be on the register **in case the worst happened** and, you know, the bottled water and things like that."*

- **On energy or other PSR and were told about water PSR** – frequently customers were initially made aware of Yorkshire Water's PSR through their energy suppliers. Through becoming aware of the additional support and security offered by one utility provider, this often prompted customers to investigate whether Yorkshire Water similarly provided a comparable service.

*"I was **already on the gas and electric**. And I think I read about it in one of your leaflets... I thought well, it costs nothing to ask the question, quick phone call and I'm on the priority services register. Do I want to be? Absolutely not, do I need to be? Absolutely."*

- **Mentioned disability to Yorkshire Water and offered it** – in some cases, customers rang up or emailed Yorkshire Water regarding their bills, or other concerns, and revealed they were physically ill or disabled and were offered the service from there.

*"It was previously in our last property, and I actually got an **email to let us know** that, you know, anybody like myself, who has **physical difficulties** could access it."*

*"**Something came through from Yorkshire Water** about, do you have a disability?... And so, having established that, I just sent an email to them saying, yeah, can you put me on the register? And that was it."*

- **Can't remember why they joined** – some customers were aware they were on the PSR but were unable to recall their reasoning behind joining it. As exhibited in the quantitative data, the majority of PSR users had been on the register for over 3 years. Thus, often due to the period of time it had been since signing up to the register they'd forgotten why, or in some cases customers did not understand what they had truly signed up for.

*"I can't remember if I phoned up about something or whether I saw it online and I can't remember whether it came in a letter that there is a priority scheme, or I got an email saying there is a priority scheme do you think you qualify? **I can't remember how I knew about it, but I know I was really grateful** when I did find out about it."*

*"I honestly can't remember; I do have an online account. But I **honestly can't remember**. But I probably did it over the phone."*

### Process of joining PSR

The initial process of joining the Priority Service Register (PSR), once aware of it, was described as relatively easy for the majority of customers. This process was either completed via the phone or through following the instructions on the website.

However, how straightforward the process was typically depended on customers' age. Those in an older age-bracket tended to struggle with getting online or dealing with paperwork alone. Those with older parents were concerned with the tone of the paperwork, and that it could cause confusion for their parents.

*"It's straightforward for me. I'm very **used to dealing with paperwork** and people and so I didn't find it [a] problem."*

*"If I go back to the two widows, both of whom were very bright, I will say, they often need help on paperwork, they'll ring up and check do you mind if I go through this with you and so on. So, you know, I would think, with a lot of people, I'd say it's difficult because, you know, **I'm sure they don't make it as easy as they can**. People are not used to writing. When I'm talking about people, now, these people are in their 80s...Would struggle a bit to know exactly what certain terms meant. That's yeah, that's half the problem."*

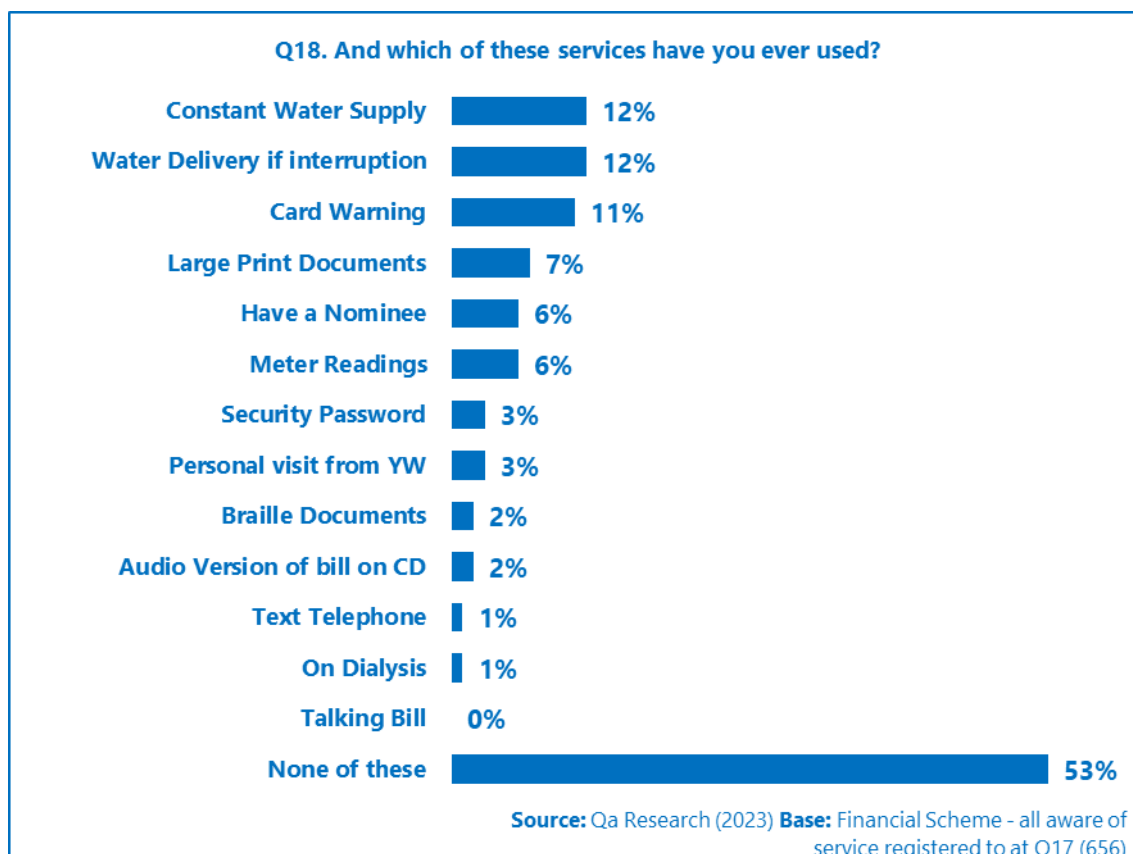
## 8.2 Customer views on the PSR

### 8.2.1 Quantitative findings

### Use of PSR services

The survey asked PSR respondents whether they had used any of the services. More than half (53%) had not used any. Around 1 in 10 had used constant water supply (12%), water delivery if interruption in service (12%), and card warning for planned works (11%). Other options are presented on the chart below.

**Figure 38 Q18. Services used**



The survey also asked respondents who had used any of the services whether that had made a difference in supporting their needs. 74% reported it having a big impact, while only 7% thought it made no difference.

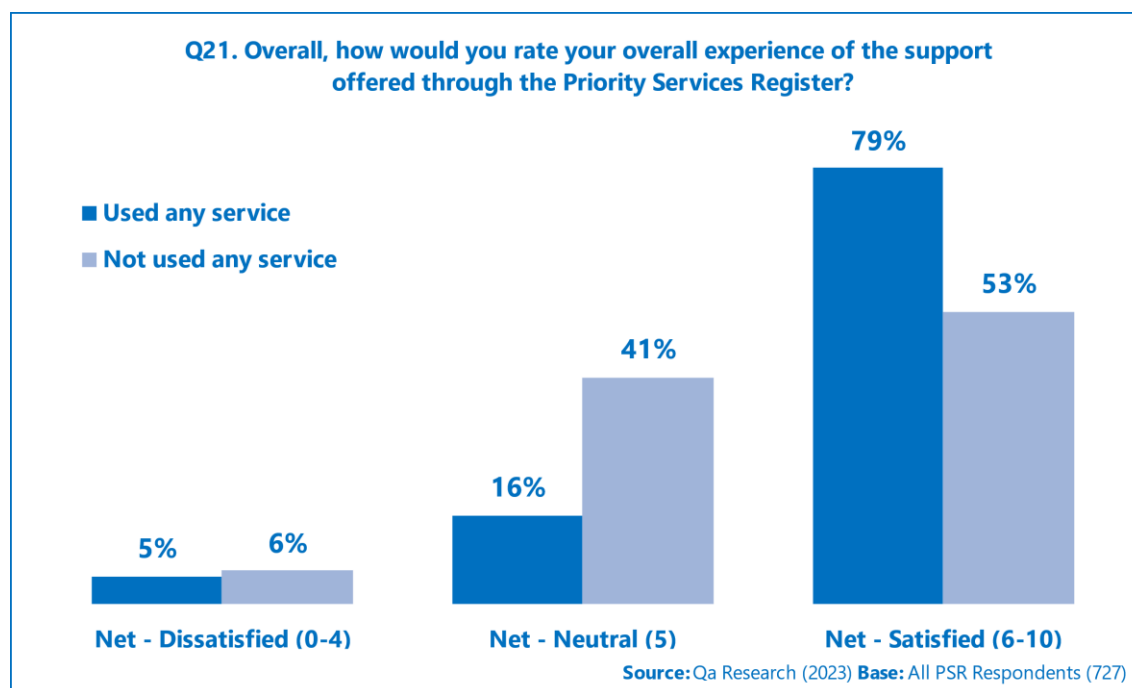
Of those who had used at least two services (81 respondents), 28% found water delivery the most useful. Around a fifth each considered card warning (21%) and constant water supply (19%) most helpful.

### Experience and satisfaction with PSR

Next, we asked respondents to rate their experience of the support offered through the PSR. As the chart overleaf shows, a majority of all those signed up for the Register gave it a positive score of at least 6. Overall mean score is 7.5. This figure rises to 8.24 among those who had used any of the services offered. Indeed, 49% of them

gave a score of 10. This demonstrates that most respondents are satisfied with the Register and using the services improves their opinion of it even more.

**Figure 39. Q21. Rating of PSR**



Furthermore, we asked respondents to elaborate on this and they came with up a range of answers (open-ended question):

- YW staff are helpful (18%)
- Not used any services yet (16%)
- Gives me advanced notice of water supply problems so I can make arrangements (12%)
- Generally positive comments (without detail) (12%)
- Other reasons include good/bad communication, service level, etc.

Encouragingly, 64% of all PSR respondents thought that being on the scheme has made them feel more positive about Yorkshire Water. 29% suggested that it made no difference and marginal 5% thought it made them feel less positive.

### **Comparison to other schemes and PSRs**

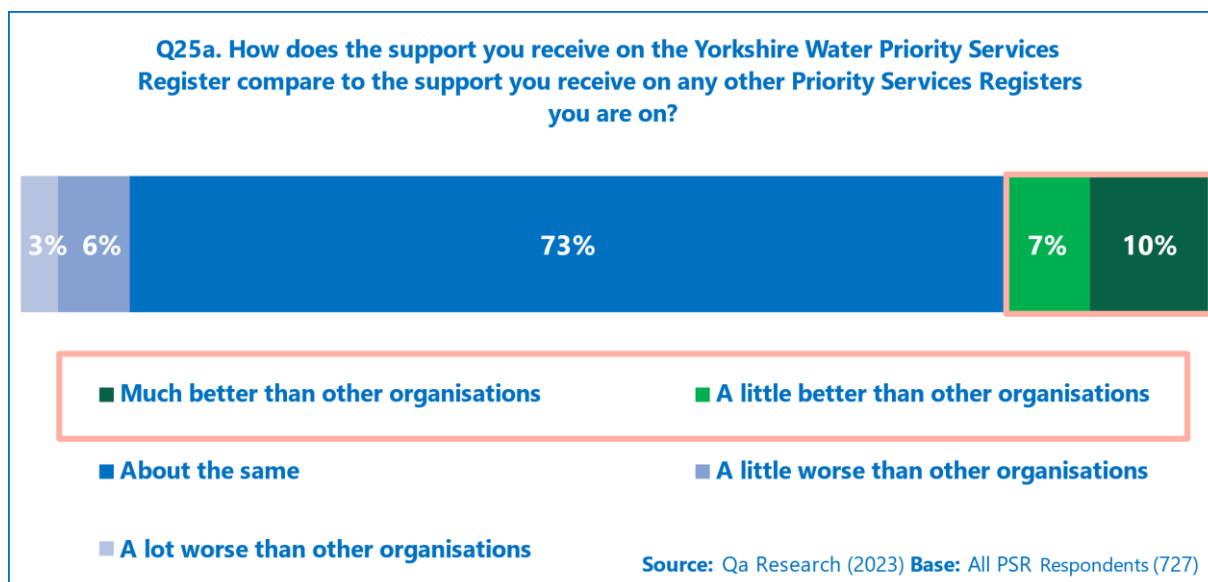
Of those on the PSR, only 9% are on any of the Yorkshire Water Support Schemes. WaterSure is the most popular one with 4% of respondents.

PSR respondents are also likely to be simultaneously on a register with other organisations. Indeed, 71% reported signing up for at least one other register. 98% of them are with their energy supplier. Other organisations are negligibly represented in the sample.



A large proportion of PSR respondents think that the support they get from Yorkshire Water is similar to the support they get from other organisations (73%). However, 17% find it a little/much better. Results are shown in the chart below.

**Figure 40 Q25a. How PSR compares to other organisations**



In a follow-up, respondents were asked why they gave that answer (open-ended). Verbatim responses were then coded into these themes:

Of those who said the PSR is better (88 respondents),

- 27% explained it with 'good communication'
- 22% said that 'the staff helped me'
- 11% thought Yorkshire Water is always contactable
- 10% considered it 'generally better'
- 8% said 'They have been good in the past'
- 8% believe 'You take action'
- 8% explained it with 'good supply'
- And 7% thought the bill is more affordable.

Meanwhile, respondents who reported it is a lot/a little worse (50 respondents) gave the following explanations

- 56% believed the communication is not good
- 24% thought the customer service is bad
- 12% were getting unsatisfactory water supply
- And 8% said the bill was too expensive.

## 8.2.2 Qualitative findings

In line with the quantitative findings, while not many customers had needed to use the PSR, those who had all expressed how exceptionally pleased they were with the services offered by Yorkshire Water. Prior to being offered direct support through the PSR, many were unsure what to expect, or were hesitant whether the service would genuinely support them.

The most frequent ways the PSR has benefitted those on it has been through a continuous supply of water and through bottled water delivery during interruptions. Providing help with meter readings was additionally stated as life-changing support for some customers who were unable to do this themselves.

*"They read the water meter for me, because **I would really struggle to do that, and that is fantastic.** I can't begin to tell you how grateful I was. And I think that's what I mean, when you're struggling and you don't want to be struggling, somebody offering you anything is just so nice, and just takes some of the pressure off and saying I didn't have to go and read it every six months, because I couldn't see it, I can't get down on my knees properly to do it, I can't get back up again, I couldn't see it properly, and **just knowing that they would do that.**"*

*"So, when the hosepipe bans were on, we got a **letter to say that we're exempt.** And because we have a vulnerable child in the house and I remember there was a flood, one of the pipes burst once and they **came and gave bottled water.**...When there were a hosepipe ban on, I think it was it last summer, or whenever it were, we could still use the hose pipe to help. Like, George likes to play with water. So, we could let him use the hose pipe outside... For me I felt like what they did was **above and beyond what I expected them to do.**"*

Being vulnerable is often closely linked with feelings of worry and stress, thus even for those who had not yet utilised services from the PSR, solely being on it offered a sense of security and peace of mind that customers would be looked after if they were to need support. While some disliked the idea of being reliant on others, and wished they'd never need the PSR, they were nevertheless satisfied to be on it.

*"Knowing that you can get support, I already feel vulnerable, I already feel that I can't do lots of things that normal people can do, and **the idea that I could get some help in some way.**"*

*"Every year they say, has anything changed? Is there anything else you need to tell us about? So, they are **keeping me in the loop so to speak**, so again, that's very positive."*

*"If there was no water and because **I can't get out** to buy a bottle of water or go to a stand pipe or anything like that, **I would hope that that service would, you know, provide what is needed.**"*

*"I'm **hoping I won't need it**; I don't like relying on other people, others, you know, institutions and so on."*

Even for Yorkshire Water customers who weren't currently on the PSR, or aware of it before speaking to them, feedback about the service offered was incredibly positive. There was a common tendency for customers to want to tell their friends, family or someone they knew would benefit from the PSR about the service after hearing about it.

*"I think it is good, because there is people that do need proper support...I definitely think it's nice. It's good that **they want to do it to help people** now and they see it as a priority."*

## 8.3 PSR improvements

### 8.3.1 Quantitative findings

When asked how YW can improve the PSR, respondents struggled to give a suggestion, instead pointing that everything is already perfect. From what respondents could suggest, the following answers were:

- Improve systems of communication – 6% of all answers
- Reduce water bills – 4% of all answers

### 8.3.2 Qualitative findings

While generally comments regarding the PSR were positive for those who have benefitted from the service, there were some definite comments for improvement:

- **Not widespread knowledge beyond the PSR customers** – There was definite room to raise the profile of the PSR across all Yorkshire Water customers. For those not on the scheme, there was little acknowledgement about the PSR, or those who had slight understanding of what it was failed to go beyond explaining it helps the 'vulnerable'.

*"I **didn't think any of this existed**, I'm on the priority service for gas and electric, but not for the water."*

Even those on the PSR failed to recognise the different benefits that the service has to offer and required it to be a lot clearer. Customers tended to solely think that the service offered constant supply of water and bottled water and that's as far as the help goes. Some expected to see more from the service and were unsure how it would benefit them in different situations.

*"Need any repairs or if there's a problem, then we're at the top of the list. But that's what it means to me, **if there's a different one, I don't know that.**"*

*"I think I suppose peace of mind, isn't it? But until you've actually had the need to use it, **you don't actually know how successful it is.**"*

*"If there was an issue with the sewers or something like that, it's like, **I don't know if they could do portaloos or something.** Because I know that my son does suffer massively with IBS. And if we couldn't use the toilet, we'd be screwed. So, I think that would that be something if there's an issue with the sewers or something."*

- **Promoting via agencies** – Promoting the PSR utilising other agencies, particularly ones the vulnerable are more likely to use, was put forward as an idea by customers to increase awareness. Examples of this included employing the NHS, councils, disability charities and care workers to help raise awareness. It was proposed that by merely handing out a leaflet in a hospital for example, it would immediately have more affect than alternative advertising techniques, especially for older age-groups.

*"You'd expect like care workers or people in the NHS that work with the public that are vulnerable, are coming out of hospital, that would be good if they knew that so **they would be able to go out and like give them a leaflet on it.**"*

- **Cross-promotion with other PSR** – Having a joint Priority Services Register or working together with energy suppliers to come up with a straightforward approach to joining was an improvement put forward by some. For example, by signing up to one, it then emails a customer a link to the other PSR's available. Through cross-promoting this service it would result in more awareness for the service.

*"Instead of just working on their own, you know, like your gas and electric and water **working together as a little team.**"*

## **8.4 Chapter summary**

The PSR is certainly impactful in providing peace of mind for customers on it, and those who had used the service felt it was above and beyond and were exceptionally pleased with it.

However, awareness of the service could be better. Some customers were on the scheme but had no idea what it meant for them, or others knew of some services offered but not the full scope. Many had not even heard of the PSR, some of whom were eligible to apply and wished they'd known.

Using trusted sources to advertise the scheme was recommended, as well as working together with other utility providers and agencies that come into contact with PSR vulnerabilities.

## 9. Conclusions

### 9.1 Key take outs

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 spiralling 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 with 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.

### 9.2 Full conclusions

#### 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 groceries are primary worries in relation to bills, with the 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 cutbacks and are taking action to deal with the cost of living – some to more extreme levels than others. This can have a 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.

### **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 systemic trust.
- If a customer falls into arrears, there is a risk of disengaging rather than facing 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 were needs relating to water use, and most found out through a letter or phone call with Yorkshire Water.
- Overall, awareness of Yorkshire Water's financial 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.

### **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, so Yorkshire Water stands 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/working 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 had a positive view and it offered peace of mind that they would be supported during an emergency.

## 10. Recommendations

1. **Raise awareness of financial support schemes.** Promote schemes through a range of media 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 without 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 is always appreciated compared to the arduous process of other types of support. Prioritise making sure applications remain simple and streamline further if possible; make sure to offer digital and non-digital versions with pre-paid postage if non-digital.
4. **Review arrears communications.** The language and tone of arrears comms can feel threatening and actually disengages customers who could benefit from support. The comms need to be reassuring, not focused on amount owing and should 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 debt and future avoidance of debt e.g. WaterSure & WaterDirect, Community Trust & WaterSupport.
6. **Offer ongoing aftercare for arrears.** What happens after the 'community grant'? There were examples of dependency and falling back into debt; there needs to be support throughout and an ongoing plan of action e.g., other schemes, 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, to offer more inclusive and proportional help?



## 11. Appendix

### 11.1 Qualitative sample breakdown

	Struggling customers	Financial Schemes	PSR
<b>Region</b>			
North	6	3	2
West	9	3	2
South	9	3	2
East	6	3	2
<b>Gender</b>			
Female	18	5	4
Male	12	7	4
<b>Paying bills</b>			
Always struggle	9	3	1
Often struggles	10	1	
Sometimes struggle	11	8	3
Never struggles			4
<b>Employment status</b>			
Employed	16	4	2
Unemployed	8		
Retired / don't work	6	8	6
<b>Family status</b>			
Pre-family	7	5	2
Family	13	4	2
Post-family	10	3	4
<b>Physical Disability</b>			
Yes	15	6	6
No	15	6	2
<b>Mental Disability</b>			
Yes	Not known	8	4
No	Not known	4	4
<b>Ethnicity</b>			
White	24	10	8
Mixed/multiple ethnic groups	1		
Asian/Asian British	1	1	
Black/African/Caribbean/Black British	4	1	
<b>Metered</b>			
Metered	18	4	6
Unmetered	12	8	2
<b>Location</b>			
Urban	21	8	5
Rural	9	4	3
<b>Water debt/poverty</b>			
Both	3	3	
In water debt	8	3	
In water poverty	7	4	
Neither	12	2	8
<b>Base</b>	<b>30</b>	<b>12</b>	<b>8</b>

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

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