Business Customer Insight

Qualitative Interviews

Final Report

July 2019

Opinion Research Services | The Strand • Swansea • SA1 1AF | 01792 535300 | www.ors.org.uk | info@ors.org.uk

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The ORS Project Team

Project Design and Management

Kester Holmes

Angus Campbell

Angharad Davies

Interviews, Analysis and Reporting

Angharad Davies

Darren Ivey

Alastair Layne

Charlie Wilson

1. Project Overview

Background

Introduction

1.1 Following the opening of the non-household water market in April 2017, approximately 1.2 million eligible businesses, charities and public sector organisations across England have been able to choose who provides their water and sewerage retail services[1]. Retail services include customer service, billing and the reading of water meters[2].

1.2 In February 2019, Ofwat appointed Opinion Research Services (ORS) to undertake customer research. The research was commissioned and funded as a collaborative research project between Ofwat and the Consumer Council for Water (CC Water). Both organisations' objective for the research is to gain further insight from business (ie. non-household) customers about their experiences and views concerning the business retail water market, including the extent to which they have engaged with the market, how far their needs and expectations have been met, and the reasons for these outcomes.

1.3 The research includes eligible business customers who have switched provider, renegotiated a new deal with their existing provider, or not switched or renegotiated. This report concerns the qualitative research comprising in-depth interviews with business customers.

1.4 The research was undertaken in two tranches; a quantitative survey of 2,000 eligible business customers, and a qualitative survey comprising in-depth interviews of 73 eligible business customers.

The interviews

1.5 Based on the responses to the Non-household Customer Insight Survey, customers were segmented by the extent to which they had engaged with the market since it opened in April 2017. The seven groups were as follows:

- **Switchers –** these customers had chosen a new retailer and had switched prior to participating in the non-household customer insight survey;
- **Renegotiators –** these customers had chosen to renegotiate the deal they previously had and remain with their retailer;
- **Tried but couldn't –** these customers had been engaged with the market and had tried to switch retailer or renegotiate their contract but found they couldn't;

1.1 [1] Eligible organisations must operate from a business premises in England, not use a household water supply and must be responsible for paying their own utility bills. This excludes managed premises.

[2] Throughout this report the terms 'retailer' and 'wholesaler' are used. Retail service providers ('retailers') are able to compete for the custom of eligible business customers. They are responsible for customer service, meter reading, and billing. Wholesalers are appointed companies that own and operate the network of pipes, mains and treatment works. These companies sell water and wastewater services to retail suppliers.

- **Considering or considered but decided not to –** these customers had engaged with the market and were considering whether to switch retailer or renegotiate or had looked into it and had decided not to go ahead;
- **Planning to consider –** these customers were aware of the possibility of switching or renegotiating and were planning to look into their options;
- **Not considered –** these customers were aware of the changes in the market but had not considered the possibility of switching or renegotiating and did not plan to do so;
- **Unaware –** these customers were unaware of the changes to the market prior to participating in the non-household customer insight survey.

1.6 Different respondent groups were likely to have had different experiences in the water market, and so six separate topic guides were used to explore experiences in detail. ORS completed 73 interviews which covered the following key themes:

- Awareness and understanding of the market including perceived benefits/downsides;
- Accessing and Assessing the information available;
- Acting – the process and the outcomes;
- Contact with retailers – problems, concerns and complaints;
- Satisfaction with retailers;
- Overall views on the water market.

1.7 The views expressed by participants reflect their own opinions and perceptions of their experiences. These views may or may not be supported by evidence drawn from elsewhere. This should be borne in mind when considering the findings.

1.8 Verbatim quotations are used throughout, in indented italics, for their vividness in capturing points of view. ORS reports the quotes as given and does not necessarily endorse any particular opinion.

1.9 It should be noted that qualitative results cannot be projected onto the overall population due to the sample size.

Profile of businesses

Size and status of organisations:

	Micro (0-9 employees)	SME (10-249 employees)	Large (250+ employees)	Count
Switched	13	7	2	**22**
Renegotiated	1	2	4	**7**
Engaged – tried to switch/renegotiate but couldn't	0	1	2	**3**
Engaged – Considering or considered but decided not to switch/renegotiate	1	4	4	**9**
Engaged – Planning to consider switching/renegotiating	5	7	0	**12**
Unengaged – not considered switching/renegotiating	7	5	3	**15**
Unaware of market changes	4	1	0	**5**
Total	**31**	**27**	**15**	**73**

Sector:

Sector	Count
Agriculture	4
Hospitality and Leisure	14
Administrative and Support Services	2
Education	7
Health and Social Care	7
Water supply	1
Manufacturing	9
Professional, Scientific and Technical	11
Wholesale/Retail	6
Motor trades	3
Transport and Storage	1
Other	8
Total	**73**

Number of sites:

Number of sites	Count
Single site	57
Multi-site	16
Total	**73**

2. Executive Summary

Summary of Main Findings

2.1 Key findings of this research were that:

» The composition of the sample meant that respondents were generally aware of the changes to the market, although the level of understanding varied widely, with high-volume water users unsurprisingly being most well informed;

» Use of brokers among micro and SME organisations was widespread and may help explain the varied levels of understanding of how the market works;

» The overwhelming drivers for organisations looking to switch water retailers were cost savings and dissatisfaction with current suppliers;

» Feedback on the ease of the switching process in terms of time taken was generally positive – the process of switching was considered 'easy' and done within an acceptable timeframe;

» Expectations of the outcomes of changes to the market were generally low, particularly among smaller businesses with small overheads. Expectations were generally met but not greatly exceeded.

2.2 This section summarises the key issues raised by the 73 non-household customers that took part in this research. For more detailed information, please refer to the Results chapter.

General context

2.3 A significant proportion of participants, typically smaller organisations, felt fairly ambivalent towards the market as water was not overly important to their organisation, with typical uses being for kitchen and toilet facilities. For these organisations, their usage was notably low, as were their bills. The apathy tended to relate to the perception that the effort required to change or renegotiate with their retailer was not worth the perceived small cost saving that could be achieved.

2.4 Larger organisations with larger water consumption tended to have stronger views about the market – whether positive or negative – as they considered water to be more important and, at times, vital for their business. Some examples of these include manufacturing plants, universities, hotels and large estates – many of which have large or multi-site premises, leading to potentially higher expectations and stronger views in the market.

2.5 The above, however, were in the minority of cases as the commissioned research was intentionally aimed more towards micro-businesses. This decision was made as small and micro organisations make up the majority of the UK retail market, but larger businesses are more likely to have greater levels of awareness and engagement.

2.6 We observed a limited and unquantifiable element of self-selection bias where businesses with more to say, usually about a negative experience of the market, were more likely to agree to take part. Having said that, there have been a good amount of positive experiences reported and the findings in the full report reflect both positive and negative experiences in a balanced manner.

Awareness and understanding of the market

2.7 Although [by the design of the sample] the vast majority of interview participants were aware of the change in the water market, the levels to which they understood the nature of the change and its potential consequences differed greatly. In particular, participants had a poor awareness of the terms and conditions of their contracts with retailers, e.g. their tariff type and length of contract. Unsurprisingly the exception to this tended to be those organisations that spend a lot on water.

2.8 For many participants, the first time they became aware of the opening of the market was through a letter confirming the original transfer to their default retailer. In many cases, customers didn't pay a lot of attention to the change and simply continued with the default retailer they were assigned, until a problem then occurred – this problem had then been a driver to consider exploring alternatives. Generally, participants had low levels of awareness of the available alternative retailers.

2.9 Furthermore, the respondents' levels of understanding of the water market, when compared with other utilities, was also low. The respondents' general levels of knowledge of how the market works and what it meant for their business varied, with some acknowledging a lack of understanding, whereas others felt their awareness was particularly good.

2.10 Larger companies, particularly ones with links to trade networks, naturally expressed the best understanding. Whereas, generally speaking, the smaller the business and lower the water use, the less knowledge they felt they had.

Perceived benefits and downsides of the market and choice

2.11 Views on the perceived benefits of the market in its new form were fairly consistent across the board. The most common potential benefit was the opportunity to reduce bills, followed by improved customer service, better online access to bills and higher quality billing in terms of accuracy and punctuality. It is worth noting that an awareness of other potential benefits such as greater water efficiency and time saving were both low, particularly among smaller businesses.

2.12 In terms of downsides, the main concern was perceived small margins for cost savings, particularly among smaller organisations. The margins for cost savings were also considered smaller than for other utilities. These concerns were expressed less frequently among the larger businesses involved.

Accessing and assessing

2.13 Among switchers, the most common driver by far was the desire to save money on bills. Other motives, although less common, were that the respondents were unexpectedly approached by a broker and liked the cost savings they proposed; or the respondents had experienced poor enough customer service from their retailer to drive them to look for an alternative. Examples of poor customer service included a range of issues, e.g. incorrect billing, poor metering and promises not being fulfilled by retailers.

2.14 For renegotiators, the key motive for seeking to change their contract was a good level of satisfaction with their current service, thus seeking to stay with their current retailer with the best deal possible. Some within this category renegotiated voluntarily, whilst for others this was the default position as their contract was nearing its end. It is fair to say that the majority of renegotiators were hoping to save some money on their bills but generally were motivated less by this than switchers.

2.15 The use of brokers was fairly widespread among interview participants, particularly in businesses with up to 250 members of staff. Brokers were used by roughly two thirds of companies taking part in the depth interviews. For those who used a broker, the majority had used one that they had a previous relationship with having brokered their other utility deals. In some instances, this was a relationship that had lasted over ten years.

2.16 As a result of this, many of these respondents had a high level of trust in their brokers. This was evidenced by many stating that they tended not to ask for too much information from their broker under the assumption they would simply secure the cheapest deal. Generally, a great deal of thought had not been given to whether brokers search the whole of the market for the best deal. Furthermore, many reported that they did not even recall signing a letter of authority but did not tend to be concerned about this.

2.17 Despite the positive levels of trust some respondents had with their broker, others had reported a spike in cold calling from brokers, which was particularly the case in more urban areas. In a few cases, upwards of 20 calls a day were reported, with this level of occurrence on-going. As a result, these respondents called for better regulation of brokers as they often felt 'harassed'.

2.18 Understandably, the only evidence of using procurement processes to secure a water retailer was seen among large organisations, e.g. hospitals and universities. For these organisations, the cost of the procurement process had to be justified in the cost savings achieved, therefore there was also some evidence of procuring in partnership with similar organisations. The key motive for securing a contract through procurement was the large annual expenditure on water. Generally, businesses of this scale reported that brokers could not meet their needs.

2.19 As the use of brokers was so widespread among the cohort of organisations interviewed, there was very little evidence on the type of information sought to enable them to make informed decisions about switching retailer. Generally, brokers were trusted to offer the best deal and businesses were thankful not to have to trawl through information. What is less clear is the extent to which brokers offered renegotiation as an alternative option to switching, to their clients.

Acting

2.20 For those smaller organisations aware of the market, but yet to act on switching and renegotiating, there was a consensus that a saving of 15-20% on their bills would be enough of an impetus to go ahead. Ultimately, the majority of these respondents did not feel this was realistic, leading to apathy or a reluctance to act.

2.21 In comparison, for larger organisations, particularly with employees of over a thousand, a reduction of around 5% to their bills was enough to go ahead and switch or renegotiate. To add to this, larger businesses said they were more likely to be interested in efficiency advice and services including leak detection and support to understand peaks and troughs in their average daily usage.

2.22 Another reason for the respondents looking to act on switching or renegotiating was the prospect of having the option of monthly billing, as opposed to quarterly or bi-annually, which many reported was more common before the opening of the market. There were a small number of, mainly larger, businesses that saw the benefit in consolidating their bills for multiple premises, though this was not generally a key driver to act on switching.

2.23 In some cases, a poor customer service experience from the default retailer they had been automatically transferred to, was sufficient cause to explore switching retailer.

Understanding the process

2.24 In many instances, brokers seemed to have influenced the process of switching or renegotiating. These cases could have been initiated through cold calling, with the broker offering the respondent lower prices than their current ones. However, in most cases of broker usage, the process was managed by a broker already familiar to the company via other utilities. As mentioned, respondents often accepted the broker's offer without asking for further information.

2.25 In most cases, the process of switching was not considered a lengthy or complex one, which contributed to respondents' positive feedback. However, when problems *did* start to occur following a switch, these tended to be related to late or inaccurate billing or meter reading, lack of transparency on tariffs and unexpected management fees. It was unclear the extent to which these were actual problems, or whether in some cases unrealistic expectations were also a factor due to poor initial communication from the retailer, a lack of research from the respondent or limited advice from the intermediary/broker.

2.26 In one extreme case, an owner of a small company believed he had overpaid in excess of £32,000 on his water bills over the course of a year, which he put down to poor practices and poor communication from the third-party intermediary. He was subsequently looking to press for legal action.

Water Efficiency

2.27 An interesting observation was that the majority of respondents were either unaware of water efficiency savings or had not taken up any of these services. It is our view that limited interest in this is likely to be due to many organisations having low water usage, but it could be that the wider environmental impact of reducing usage could be better communicated by retailers and intermediaries.

2.28 There was some evidence of water efficiency services being utilised by larger companies, some of which had occurred before the market opened in 2017 and were usually considered very positive services. For example, in one case the customer's retailer had notified the customer of a leak on the business premises and had arrived the same day to help customer detect its location, which ultimately saved the customer a considerable amount of money.

2.29 Unfortunately, some customers had lost certain services – notably leak detection and real time billing – when they were initially transferred to their default retailer, which was a cause for some concern.

2.30 Where participants felt that their expected outcomes from switching or renegotiating were met, this was largely due to a reduction on their bills or costs being saved in other areas. In contrast, when expectations around outcomes had not been met, this was largely down to some services their previous company offered, no longer being available when they were transferred to their default retailer. Having said that, a significant proportion reported a good level of consistency in their services, relative to those they were receiving before April 2017, which they considered a good outcome.

2.31 In terms of bill consolidation, there was only limited evidence of customers operating across multiple sites embracing this; generally, this was due to the need to keep finances separate for different sites. However, some smaller businesses which consolidated all utility bills – often via their broker – thought the option was 'useful.'

2.32 It is fair to say that, in general, participants felt that opening the market had mostly met their needs and delivered the outcomes they expected in terms of bill savings; outcomes in terms of services were more mixed, but overall, the market had rarely exceeded their expectations and needs greatly.

2.33 Where customers reported negative outcomes, these were usually related to inaccurate billing or meter readings, lack of transparency and lack of consistent communication. At times, ill-feeling would then be exacerbated when the businesses struggled to get in contact with the retailers' customer service departments with the aim of resolving problems.

2.34 It is also worth noting that those who had not considered switching or renegotiating almost always had the perception that it would be too time consuming compared to the perceived benefits.

Contact with providers

2.35 Customers' contact with their retailer was an important part of shaping their views of the marketisation process. There were essentially two distinctly different customer experiences of contact with their provider.

2.36 First, there were those respondents who had no problems with their retailer, and so had not had any (or hardly any) contact with them. There was also a small section of respondents, usually from larger organisations, who reported a well-established relationship with their contacts in their water supplier/retailer. In a very small number of cases, where their new retailer was the commercial arm of their previous supplier, those relationships had remained.

2.37 Second, there were those respondents who *did* have problems but also struggled to get in contact with the retailer. Those who were able to get in contact often found the advice from the customer service departments to be inadequate or unhelpful, often feeling they were being passed from pillar to post. To add to this, some customers experienced difficulty contacting the supplier directly, even when they were sure it was a supply issue. This gave an impression of the retailer as an 'unnecessary' middleman, preventing the customer obtaining information relating to supply.

2.38 Indeed, there have been instances in which poor contact with the retailers has influenced the respondents' decision to switch or renegotiate. Poor customer service – essentially not getting proper advice regarding resolving a problem or struggling to get in contact with the retailer in the first place – had led to a higher prevalence of smaller organisations switching, as opposed to considering renegotiating their contract.

2.39 There is also some evidence to suggest that the average time it took to resolve issues had increased for many customers. Overall, customers said they preferred the previous system when it came to resolving problems.

Satisfaction with current retailer

2.40 Better levels of satisfaction seemed to stem from the customer not having to deal with the retailer regarding any problems in the first place, rather than the retailer delivering better levels of customer satisfaction, e.g. by offering unique or bespoke services.

2.41 Satisfaction was often related to customers getting what they expected, which was lower bills, and indeed the bulk of customers said that they were satisfied with their retailer and how much they spend on water.

As previously discussed, those who experienced dissatisfaction with their retailer usually put it down to billing issues, and subsequent poor customer service experience in attempting to resolve any issues.

Satisfaction with the market as a whole

2.42 A significant proportion of customers were unable to make a judgement on how they thought the market had developed since 2017, as they either felt they did not have enough experience or adequate knowledge of the water market or had not witnessed the impact of any actual change.

2.43 A notable view of the market shared by many was that the changes introduced 'an extra level of bureaucracy' which brought unnecessary complexity for the customer to negotiate. However, customers universally agreed that they wanted 'fair prices' and transparency in the market for the future, with many not feeling that there is much to be done to improve transparency in particular.

2.44 The bulk of customers may not have reported significant developments in the market, but they had some interesting suggestions on how they would like to see the market evolve in the future. A suggestion by some included better regulation of brokers, which was borne out of customers having been inundated by calls.

2.45 Other suggestions largely fell into the category of having better access to information, including the option of having fixed tariffs/banding with information that is easy to find, the availability of a comprehensive price/tariff comparison website – including company ratings, along with better billing services for example access via an online 'app'.

2.46 The ability to provide their own meter readings was a popular suggestion, alongside improved customer service, which includes better transparency from the retailers.

3. Results

3.1 This section contains verbatim quotes from businesses. For context, each of these is followed by relevant demographic information on size and sector.

3.2 In terms of general findings, it must be said that a significant proportion of participants displayed ambivalence towards the changes in the market. The main reason for this was generally their low water usage – this was not entirely surprising given the commissioned research was intentionally aimed towards micro-businesses. Typically, water was a low overhead for these companies with its use largely limited to kitchen and toilet facilities.

3.3 There was a perception that the opportunity to save costs on water bills was low with the margins small. As a result, many did not feel it worth their while to spend time looking to switch or renegotiate. Having said that, a significant proportion had utilised brokers to simplify the process.

3.4 Although not always the case, there was generally a clear correlation between the size of business, their level of water usage and their interest in market changes. Generally, the larger the business and/or the greater their water usage, the more experience and opinions they had on the opening of the market. This research included some large manufacturing plants, universities, hotels and country estates.

3.5 It is also important to note that a limited and unquantifiable element of self-selection bias was likely in undertaking this research. Those with more to say, particularly if their experience had been negative, were more likely to agree to participate. Nonetheless, we have captured a range of views from the very positive to the very negative, as well as the indifferent, and have sought to present these range of views in a balanced manner throughout the report.

Awareness and understanding of the market

Participants were aware of the overarching changes to the market

3.6 As expected (apart from in the case of the five participants who were specifically interviewed because they were previously unaware of the changes to the market), participants understood at least the basic premise of how the market had changed post-April 2017.

> *As I understand it, I can now purchase my water from anyone in the country…it's a bit like the electricity and gas market, you've got the actual supplier and the people who are doing the bills.*
>
> (Large, Education)

> *The retail market was opened up for competition for non-domestic premises from the 1st of April 2017.*
>
> (Large, Water supply)

3.7 What was clear, however, is that there were substantial differences in the levels to which participants understood the nature and scale of the changes and well as the potential changes entailed.

> *From what I could gather our area are to be supplied by [retailer]. I have no other option but to be with them.*

(SME, Motor trades)

Awareness of contract details was generally low among smaller businesses

3.8 At the smaller end of the market in particular, there seemed to be a poor awareness of the details of organisations' water contracts, for example the contract length and the specific tariff used.

> *I don't know about my contract, it doesn't say – it's just direct debit.*
>
> (Micro, Other)

> *I've no idea who supplies my water because it's very recently changed…it was [retailer], but I can't remember who it is now.*
>
> (Micro, Professional, Scientific and Technical)

3.9 That said, there were many organisations with a clear understanding of the terms and conditions of their contract, particularly those that are large water users.

> *Our contract end date is December 2020. It's a three-year contract. And it is fixed for the three years. ...I'll see what happens next year when it comes up for renewal. I'll just shop around again.*
>
> (SME, Professional, Scientific and Technical)

Understanding of the water market was lower than for other utility markets

3.10 Participants understood that the market now works in a similar way to gas and electricity markets but felt they generally knew less about the water market in comparison. This could be as the changes are much newer than in other markets or because they were also accustomed to 'shopping around' for retailers for their domestic gas and electricity contracts.

> *Definitely not - by far. I think gas and electric are promoted… as in you know of a lot about other retailers, whereas with water nobody knows anything yet.*
>
> (Micro, Health and Social Care)

> *Switching is something we would consider we haven't done it with water before, but we've done it with electricity. It was something we were kind of thinking about. We weren't aware of the water retail market and had to find out through research.*
>
> (SME, Hospitality and Leisure)

Information on the water market did not come from one consistent source

3.11 Very few participants reported seeing information about the changes to the water market in the press or digital media.

> *I don't think I was aware generally either, I didn't see anything in the press or on TV, you'd expect it to be everywhere wouldn't you like when the telecoms market opened up. Was there a campaign to let people know?*
>
> (SME, Professional, Scientific and Technical)

3.12 Some participants, usually large water users, were part of trade networks and forums which keep them informed of key changes to utility markets and were therefore aware of the changes before April 2017. A bulk of participants were made aware of the changes in a letter from the default retailer they had been automatically transferred to, and others became aware through brokers, with whom they often had an established relationship.

We were made aware that our bill provider was changing but there was nothing there to tell you could then go and shop around... Also, and if you do change what benefits you would get, that wasn't there.

(Large, Education)

We had a letter sent out in Feb to say that from April 1st [retailer] would be taking over the account […] but we weren't aware that we could shop around.

(SME, Manufacturing)

3.13 Those that were made aware of the initial transfer by letter, usually accepted the change and continued with the default retailer. Having said that, several had reported switching retailer after a few months when an issue occurred and the retailer had not adequately dealt with it, in their view.

Initially it went very well but it started to unravel after a while. As they got bigger and bigger it got harder to talk to them, we were stuck in long queue. The final straw was when they started billing three months in advance and paying no attention to the meter readings.

(Micro, Hospitality and Leisure)

My understanding is that they sold the business arm and kept the residential…but what that meant for us it that they completely changed the terms of payment. They send us invoices and notification with one day to pay before they then hit us with some charges. It wasn't a huge amount, but it was the principle of it. We're likely to move on because of this and they are completely unmoving on this issue.

(SME, Hospitality and Leisure)

3.14 The widespread use of brokers is covered later in this report, but it appears that a number of participants were made aware of changes in the market due to contact from a broker that had previously managed their other utility contracts. In these cases, participants were likely to take up the broker's suggested best offer and switch retailer. Often, participants did not seek extra information on the deals the broker was offering and trusted brokers to make decisions and authorise changes.

Switched for a small saving but didn't really think about other factors/checks on broker etc.

(SME, Transport and Storage)

We went through [Broker]. I contacted them initially about the gas and electricity and then they contacted me about the water. They just told us the market was opening up and that we were free to change.

(SME, Professional, Scientific and Technical)

They (the broker) shop around on a framework for the best deal for us. [Broker] don't push us, they're user led so we don't get harassed, we trust [Broker] so confident we'll get the best deal.

(SME, Hospitality and Leisure)

Case Study: Switcher

A small post office business in Northumberland decided to switch supplier when a broker approached them

The business was made aware of the changes to the market by their former supplier but did not feel they were given clear information on the process of being assigned a new retailer:

> *I was told that [Former retailer] was no longer managing the retail arm of the business. They told us that we would have to find a new retail supplier. I was not aware if [Former retailer] had set up another part of the business to manage the retail.*

Soon after learning this, the business was approached by a broker:

> *I had already started looking for new water provider when the broker approached me. I knew I had to get a new company that was it. There was no option to renegotiate with the current supplier. They recommended us a new supplier. But we have the choice to shop around as well.*

Although the information received about their new supplier had not been totally clear, they understood the opportunities the market could bring:

> *It meant that there was more competition then we could change to different companies… I think it's a good thing and it should bring water prices down.*

As a result of switching through a broker, a small saving was made on water bills when compared to what they paid historically. They were happy with the saving as they recognised water as one of their smallest overheads as a business. They were fairly positive about the changes and felt that the service has been consistent:

> *It's not much but we saved a couple of pounds a month. We're saving around £20-£30 a year. I get my bills monthly just like we used to with [Former retailer]. We receive our bills by email. Everything else is pretty much the same. We've never had any reason to query with our current water provider or use their customer service in any way. To be honest I just think opening of the market is to promote competition. Hopefully it will drive down the prices.*

Having said the above, they did not recall signing a contract and had no knowledge of what is included in their contract:

> *I don't think I have to sign anything, they just swapped me over?*

They felt they didn't need to query what was being offered by the broker as they had used them in the past to secure other utilities. They had a positive view of brokers as a result, were happy to place trust in them and reported a smooth transition to their new retailer:

> *Our experience with brokers has been very good we have no complaints. I found switching easy and there was no hassle on my behalf. We spoke to the broker verbally to allow them to switch on our behalf.*

Perceived benefits/downsides of business market and choice

Potential benefits

Increased competition within the market was considered a key benefit

3.15 The introduction of competition in the water market was largely considered positive and one likely to bring about positive changes.

> *The market can be tested, and businesses are not stuck with the provider who is in this geographical area.*
>
> (SME, Other)

3.16 The most widely cited perceived benefit from opening the market was the potential for businesses to reduce their spend on water by shopping around for the most competitive deal.

> *Hopefully there are savings to be made in terms of being able to get competitive quotes.*
>
> (Large, Health and social care)
>
> *I'm glad it's opened up because we're not stuck with one provider and one cost. I've been tasked to look at reducing our bills but if we can get quality and a lower price than that would be preferable.*
>
> (SME, Other)

3.17 Participants also felt that, as retailers would be in competition, there could be an improvement in customers service as they vie to keep customer satisfaction high for fear of losing them to competing retailers.

> *It isn't all about price, opening up the market is being dominated by the view that price is everything for customers, but it isn't necessarily everything, service and fault resolution is just as important.*
>
> (Large, Education)

3.18 A small number of participants also felt that increased convenience would come with the changes through automated and consolidated billing as well as potentially reduced administration.

> *It's an opportunity to look at different terms/lengths of contracts, although there is still not as much choice as with the electricity market.*
>
> (Micro, Hospitality and Leisure)
>
> *[The] Main benefit is consolidating multiple sites to the one retailer.*
>
> (Large, Health and Social Care)

3.19 For some larger organisations, the changes brought about the prospect of increased efficiency advice and savings – some had received this kind of support historically and were keen to see it remain, whereas others had never received this kind of support and would welcome it. Unfortunately, some had also lost some services they received in the past.

> *We've lost benefits like things like emergency response for leaks on site. We knew we could ring up [Retailer] and they'd help us, but as I understand it, I have to call [Retailer] so that can't happen anymore.*
>
> (Large, Education)

Potential downsides

The potential to save money on bills is considered minimal

3.20 Participants felt that the margins are small where cost savings are concerned and with many of them considering water as a relatively small overhead, the potential to save money on bills was not as significant as they may initially have thought. A minority even had concerns that prices could be driven up by the market opening.

I just don't think there would be a saving big enough to make it worth my time. I don't think the company could drop the price that much to make me think oh yes, I'll go with them.

(SME, Motor trades)

It could possibly push prices up due to there being a 'middleman'.

(SME, Health and Social Care)

3.21 Others felt that there may be 'too much choice' and too many retailers in the market, again negatively impacting on the cost saving margins.

One downside is that some retailers will drop out because they don't know how to make it work.

(Large, Administrative and Support Services)

3.22 Another perceived downside was the current lack of awareness amongst businesses on how the market works. A small number of participants expressed concern that this may lead to uninformed decisions being made or, indeed, may put people off making decisions that could give them a better deal.

You might think you've picked a good deal and then someone else comes along with a better offer after you've agreed to it.

(SME, Health and Social Care)

Low levels of awareness. Lack of adverts, which leads to a lack of knowledge concerning what course of action to take.

(SME, Manufacturing)

3.23 Other potential issues cited included ongoing problems with billing, metering and customer service as well as losing contacts made in previous suppliers.

I don't think the water companies were actually ready and primed with all the information they should have had from the government or from Ofwat. They had no anticipation of the chaos it would create, and they couldn't cope with it- they admitted that. I don't think they even knew what they were supposed to be delivering. The number of people in those companies who didn't have a clue what was going on. It felt like a total shambles for several months.

(Micro, Professional, Scientific and Technical)

3.24 The threat of increased cold calling from brokers was also considered a downside.

There have been lots of Google ads from retailers trying to cash in.

(Micro, Hospitality and Leisure)

Going through brokers is great to a point, but then you get bombarded.

(SME, Hospitality and Leisure)

3.25 Among those that displayed apathy towards the changes in the market, there was a suspicion that the market will not offer anything different to what was in place before.

> *They told me that it was more or less going to be the same and there was nothing I needed to do. No nothing has changed at all.*
>
> (SME, Motor trades)

Accessing and assessing information on market options

Reasons for accessing the market

When accessing information and assessing potential suppliers, cost saving was a significant motivator for businesses looking to switch or renegotiate

3.26 Among switchers, the most common driver by far for looking for a new supplier was the desire to save money on bills.

> *I wanted to switch and save money and I want it to be as easy as possible…*
>
> (Micro, Professional, Scientific and Technical)

> *I really expect companies to give me their best price, I don't expect to haggle, so if I get a better price elsewhere, then I'll go.*
>
> (SME, Transport and Storage)

3.27 Among renegotiators, reducing costs was less of a priority than services, but nevertheless was a factor for some.

> *Our bills did seem quite expensive, so it was about saving money for us...*
>
> (Micro, Motor trades)

> *Driving force [was cost reduction].*
>
> (Large, Health and Social Care)

3.28 Although for most respondents 'cost savings' related to lower bills, a small number viewed this as reducing the time that they or other staff had to spend dealing with issues related to all aspects of water supply and billing.

> *I wanted to spend less time dealing with issues, so I talked to brokers that I trust and found out the saving would be small, but the drivers to change were more around improving the service and the customer experience.*
>
> *(SME, Professional, Scientific and Technical)*

3.29 Only one participant said that the incentive of a 'cashback' offer was the only thing that motivated him to consider switching.

> *If quotes are similar, I will go with the highest cashback offer.*
>
> (Micro, Health)

Additional factors for businesses looking to switch supplier included poor customer service, billing or metering services and consolidating supply at multiple sites

3.30 Since market opening, many respondents had experienced poor enough customer service and other factors from their retailer to drive them to look for an alternative.

Poor customer service

> *[It has been] difficult to build a relationship with them and get information out of them…*
>
> (Large, Administrative and Support Services)

When we do have an issue, we do then have to deal with [Supplier], the problem is they won't talk to us and we have to go through [Retailer]. They'll only deal with [Retailer]; we have a water pulsing issue on one of our sites and we have to go through [Retailer] and it's a pain in the 'proverbials' for us. My boss is jumping up and down and I just don't get anything from them to be able to report.

(Micro, Hospitality and Leisure)

Inaccurate billing and meter reading

[The previous suppliers] were manipulating things to get the correct read but don't credit things, it was so hard to find out what they'd actually charged you for. It was a nightmare trying to work out spend on each of our sites. If our auditors looked at this, they'd have an absolute nightmare.

(Large, Education)

…the readings weren't accurate, and we've got data loggers fitted that have never been used by [Retailer], so they're not accurate […] We've had so many issues with billing - getting invoices, credit notes and incorrect bills throughout… It's been a complete and absolute nightmare!

(SME, Manufacturing)

We used to read [our meters] regularly and feedback to [Former retailer] and the bill would be based on that-which was fair. [Retailer] are taking an average use and billing on that for us… [We] have big spikes in summer… Our bills fluctuate immeasurable though the year, this billing system really punishes us.

(Micro, Agriculture & Hospitality and Leisure)

Unwarranted fees

They were chasing late payment of invoices and we went from 30-day to 14-day payment terms and we weren't notified of this. They tried to charge us late payments because of this; it's ridiculous. If we had notifications of the change then it was quite late. Our head of finance wasn't aware of this either, so we'll likely move elsewhere, and they'll lose a lot of money as a result of this.

(Micro, Hospitality and Leisure)

Consolidating supply and waste services

We had three companies for water and waste across the two sites so we wanted to streamline providers, I wanted to deal with one company only, sort out some existing issues and queries we had with the quality of our service and try and save a little bit of money if we can.

(SME, Professional, Scientific and Technical)

Issues dealing with supply problems

We had an issue with [Retailer] saying we had a leak because they had looked at the meter during the evening and the meter was going around. I don't think we have a problem. [Retailer] don't know any of the detail, it's [Supplier] dealing with this element of it. So much is lost in translation and toing and froing with leak detection and remedial works. It's frustrating that we always have to deal with it through [Retailer] and I have no *confidence in the way [they] deal with it. With the pulsing issues it could lead to plant failure and I can't get anything resolved… We're not getting the priority we need...*

(Micro, Hospitality and Leisure)

Respondents with multiple sites hoped to be able to consolidate suppliers across multiple sites, and that this might lead to more accurate billing and a consistent and reliable water supply

3.31 One respondent hoped that the market opening would enable them to access fast and accurate billing for the business units they let out.

We have tenants in and out, so we need really accurate meter reading and billing for our units... We have to cost out bills back to our tenant in a pro rate usage so accurate billing is really important to us. Some of our sites are one meter and others are metered separately but, where we have one bill, we have to make sure we're transparent, so our tenants know they're also getting the best deal.

(Small, Professional, Scientific and Technical)

Renegotiators often specifically wanted to stay with their existing retailer

3.32 For those looking to renegotiate, the key motive for seeking to change their contract rather than switch retailers was a good level of satisfaction with their current service, thus seeking to stay with their current retailer with the best deal possible.

We've always used [the current supplier] so it was just renegotiating what we paid. We have a 12-month rolling contract which is fine. 5% off £300 a year is worth the effort for me anyway.

(SME, Hospitality and Leisure)

…I'd have to keep that type of service. For example, today I've popped [current retailer] four emails to tell them about tenants moving in and out, that side of things works very well. I'd like it if [the retailer] contacted me and ask me how they can keep me and save me money. I would renegotiate with them, they're my first point of call because I like the service.

(SME Professional, Scientific and Technical)

3.33 Some companies could see the financial benefits of switching but were unwilling to compromise good customer service from a proven supplier.

If we could get water for cheaper it would be better and more helpful, as long as the service is still as good.

(Micro, Agriculture)

Realistically price and customer service are our priorities but also, we need to go with a proven company who have a good track record.

(SME, Manufacturing)

3.34 Even high-volume users were willing to sacrifice a potential cost saving. One large manufacturing company which spent approximately £100,000 on water each year, stated that they would not switch for savings of less than 10% p.a., preferring to remain with a proven supplier.

Methods of accessing and assessing information

Switchers and renegotiators tended to take different approaches to accessing and assessing information about the market

3.35 For those who used a broker, the majority used one with whom they had a previous relationship, having brokered the customers' other utility deals.

> *We got phoned up by [Broker] and they put us on a better electricity tariff, so they told us 'we're doing water now too'. They saved us quite a bit on our electricity bill, so we wanted to give it a go... It's all gone through alright with them doing the electricity so we though why not… they showed us all the different tariffs and all that confusing stuff and showed where we could save money on what we pay now.*
>
> (Micro, Motor trades)

3.36 Many customers were approached by either their existing broker or by another via a cold call and liked the cost savings they proposed.

> *I wouldn't have known anything about it if [Broker] hadn't rang us to tell us about the option…*
>
> (Micro, Motor trades)

> *The broker got in touch with us and went through how much we were paying each month for water and how many units of water we were using and then stated that we could get a cheaper tariff with a different provider.*
>
> (Micro, Wholesale/Retail)

3.37 Some respondents who have not yet to start the process of switching will be likely to engage a broker if they go ahead.

> *We buy all our energy through a local public sector buying consortium that use [Broker], so we'll most likely use this to purchase our water in future. They offer water utilities under this contract, so we'll more than likely go there.*
>
> (Micro, Hospitality and Leisure)

3.38 Other respondents who were looking to switch have contacted or intend to contact retailers directly, although this was a less common approach to accessing and assessing information.

> *…I'll be contacting [Retailer] directly to try and get my prices down but will do a little [research] myself to see if there's a better deal out there than what they offer me…*
>
> (Micro, Administrative and Support Services)

3.39 Overall, renegotiators were less likely to use brokers, and those that had, typically used a broker with whom they had engaged previously.

> *…we had a good track record with [Broker]. They gave me all the options and tariffs on offer, and I have to say they're really good, they're really good people…*
>
> (Micro, Motor trades)

A small number of large organisations used a formal procurement process to find a new retailer

3.40 For large organisations, the cost of the procurement process had to be justified in the cost savings achieved, therefore there was also some evidence of procuring in partnership with similar organisations.

> *[Procurement Service] had decided to run a tender process and we entered that process with a number of partners, and they ran the process for us… [Retailer] came out on top.*
>
> (Large, Education)

3.41 The key motive for securing a contract through procurement was the large annual expenditure on water. Generally, organisations of this scale reported that brokers could not meet their needs.

For those who switched, brokers were often highly trusted to find the best retailer

3.42 Many of the respondents placed a high level of trust in their brokers, with some stating that they tended not to ask for too much information from their broker under the assumption they would simply secure the cheapest deal.

> *The broker managed it all, they gave me a breakdown of where the costs were and how we could save money, all I had to do was read it all when they send it and sign it and it was done. They only gave me a single option, I didn't really shop about, but it was a saving that we wouldn't have had because I didn't know about it.*
>
> (SME, Transport and Storage)
>
> *The broker did not provide us with a variety of options, they just said this is the best one.*
>
> (SME, Professional, Scientific and Technical)

3.43 There were exceptions, with one micro-business choosing to do additional research to ensure they were getting the best price from their broker.

> *I don't think [my broker] recommended a deal but just showed me the options and highlighted the cheapest options, they let me mull over the contract so I could read up and sign. I also looked around online too just to check I had the best deal. I'm fairly specific, so I like to do my own research too to check up everything. …*
>
> (Micro, Professional, Scientific and Technical)

3.44 For companies and organisations using brokers to help them to secure a new deal or retailer, it was unclear exactly what evidence was presented to help them make the decision. Furthermore, many respondents that switched reported that they did not even recall signing a letter of authority but did not tend to be concerned about this. It was also not clear as to the extent to which brokers offer renegotiation as an alternative option to switching to their clients.

Some respondents are aware of and engaged with the market but are not yet actively working toward renegotiating or switching retailer

3.45 Some respondents gave reasons for not yet starting the process, with one respondent stating that their company was about to start a merger so they would look into switching or renegotiating at a later date. Another cited a planned change of premises as a reason for not yet engaging in the market.

3.46 Other factors which were cited as holding up the process included.

Recent changes to infrastructure

> *We would have considered switching to save money, but we've recently installed a borehole for water on the site, and our bills have reduced to next to nothing in comparison, so it's unlikely we'll do anything for a while.*
>
> (SME, Manufacturing)

Difficulties accessing information

> *I've not done anything yet. I went on the internet to look for a price comparison website, but I couldn't find anything. It's not easy to get the prices and a comparison online, it's good to have competition but it's hard to find out how they players are.*
>
> (Micro, Administrative and Support Services)

Perceptions that the process of looking for a better deal would be difficult

> *[We've] struggled quite a bit…working out who was who and where to pay bills was a monumental task…*
>
> (Large, Wholesale/Retail)

3.47 One respondent stated that their attempt to switch had been frustrated by the water supplier's refusal to combine the water meters for the site.

> *It was quite unsatisfactory really; we look after a Methodist property, but we can't switch some of the big church building it's been a nightmare really…they won't treat it as one property so we can get one bill. They won't put a single meter on the site for us. They don't give us a discount on low volume, yet we get three sets of service charge. They won't come to a resolution on it and it's got even worse now since we've been billed.*
>
> (SME, Hospitality and Leisure)

Case Study: Renegotiating

A small hospitality and leisure company in Cornwall took the opportunity to renegotiate following the opening of the water market

After becoming aware of the market opening, the respondent acted quickly to improve their contract:

> *I saw so much press coverage about it; I think I read it in the national press. [Retailer] did contact me, I think. I don't think they talked about renegotiating but just to make me aware that the market was opening up.*

In comparison to many switchers, the respondent acted independently to seek a better deal:

> *I actively contacted [my supplier] and actually renegotiated the bill when I heard [the market] was opening. It's like your broadband now, you don't have to stay with one retailer you can shop around companies and pick and choose who you go with.*

Notably, the respondent assumed that there would be a fiscal benefit to contacting their retailer:

> *I asked to speak with an account manager; at that point I was offered a new rate which I expected. It was only a small saving but a saving nonetheless; about 5%. It was easy and literally just two phone calls to change.*

Although additional services were on offer, in this case the renegotiating respondent did not take up the offer; instead, they were happy to benefit from the market through their cost savings:

> *I think there was some kind of water survey on offer but we'd already had that done before so I didn't take them up on that….We get quarterly bills for each of our three meters, I like it like that although they did offer consolidated billing.*

> *Competition is always good for the customer; it drives down price doesn't it… To be honest I don't really expect anything else, as long as the water quality remains the same. We've not seen any difference apart from the bills are a bit smaller now.*

The respondent was well informed about the market changes and, because of their clear and realistic expectations, was satisfied with the outcome. This does not, however, mean that they will look to switch often; instead, they prefer to wait a while before contacting their retailer again and would only look for an alternative supplier if it was worthwhile. That said, the respondent is more conscious of the bill than before:

> *I don't think I'd switch a lot but maybe look at it every 2-3 years. I'd call the current supplier and ask them what they can do for us before shopping around.*

> *I'm not too worried about water monitoring, I just expect a good price for a good product; I'm not too worried about anything else. I'm more aware of the bill these days I guess, it used to just be 'the bill is the bill'; these days I'm more aware that there is a bit of a choice and a bit of saving to be made.*

Acting

Triggers for acting

For companies and organisations who had chosen to act, there was normally one overriding factor that triggered the decision

3.48 In some cases, a very poor customer service experience from the default retailer they had been automatically transferred to was enough of a driver to cause organisations to explore switching. Examples of poor customer service included a range of issues, e.g. incorrect billing, poor metering and promises not being fulfilled by retailers.

3.49 Among switchers, the most common driver by far for actioning change was the desire to save money.

For some organisations who are actively engaged in the market, but were yet to switch or renegotiate, their motivation to act is driven by the extent of the available cost savings

3.50 For smaller organisations, there was a consensus that it would require a saving of at least 10-20% on their bills would be enough of an impetus to go ahead.

> *We'll talk with our feet for the sake of a few hundred pounds.*
>
> (Micro, Hospitality and Leisure)
>
> *…a discount of 20% is the golden number [...] if they offer me a 20% discount, I definitely won't be bothered to ring anyone else!*
>
> (Micro, Administrative and Support Services)

3.51 In comparison, for medium and large organisations, particularly those with over one thousand employees, a reduction of around 5% to their bills was enough to go ahead and switch or renegotiate. One respondent, currently on a rolling contract, related cost savings directly to their willingness to move to a fixed term contract, stating that they would sign up if a discount of 4-5% was on offer.

3.52 Among respondents who had not yet acted, many did not feel that savings on their desired scale were realistic, leading to apathy or a reluctance to act.

> *No, I'm thinking of just staying put. In the past we have changed providers a lot with gas and electricity and in the end, you just become fed up of it. Sometimes you just think, 'is this worth it?' Water to me is very similar to council tax: this is what you get, that's what you have to pay and you just kind of get on with it. The time and hassle factor is not worth the financial saving.*
>
> (Small, Motor trades)
>
> *Our water bills aren't high. We are more than happy with the price that they are. I'm not even looked at switching. The savings that we would make would not be worth our while. I've just had a water bill come through that was just under 50 quid and that was from the end of December to the end of March.*
>
> (Micro, Manufacturing)
>
> *How much can the metered water be per unit, I can't see that there's be much margin for cost saving between companies, the wholesale cost of water must be about the same, mustn't it?*

(Micro, Hospitality and Leisure)

For other, generally larger organisations, other factors came into play which would make action more likely

3.53 Some respondents said they were more likely to be interested in efficiency advice and services, as well as a personal service or dedicated account manager.

> *I don't want somebody who just sits in the office we like to see people in the fields so to speak. On site. We had a guy last year come on site and do a full review of our processes and water usage and they actually saved us some money.*
>
> (Large, Manufacturing)

3.54 Another reason for the respondents looking to act on switching or renegotiating was the prospect of having the option of monthly billing, as opposed to quarterly or bi-annually, which many reported was more common before the opening of the market.

Incentives offered by retailers and brokers were very rarely mentioned as a factor in decision making

3.55 For the vast majority of organisations who chose to switch retailers or renegotiate their contracts, the offer of incentives was not a factor and most respondents reported that no such offers were made. One respondent specifically mentioned a feeling that there is always 'a catch' with incentives and it would not have been a motivating factor.

3.56 One exception was a health micro-business which did relate that a cashback offer was what motivated them to switch.

> *Water is water, you can't really go wrong. £50 [cashback] is £50.*
>
> (Micro, Health)

Respondents from some, generally larger organisations stated a preference to negotiate with their current retailer when they do decide to act

3.57 For many, a good working relationship was valued more highly than a small reduction in cost.

> *We have a good working relationship with our water provider [...] built up a relationship over 12 years. They are more interested in the wastewater as a result of [our] manufacturing rather than the provision of water. Although, they do come around to monitor the water meter and ensure that the readings we are giving are correct about water usage…*
>
> (Large, Manufacturing)
>
> *We are quite happy with what we've got it's not just about the money it's knowing that you're going to receive a good service and that it's reliable. They've been around forever, and they do know what they're doing.*
>
> (Small, Wholesale/Retail)
>
> *As long as customer service is good […] then I'm happy. It's important that the retailer gets someone out to sort supply issues for you. That's where you need it to work well, so staying with [Retailer] is really attractive to us. [Despite a recent issue] I've been very happy with them on the whole.*

(Large, Other)

3.58 A company with responsibility for the water supply of a whole city council stated that having multiple premises (280-300) would impact on the decision to switch/renegotiate; the respondent would prefer to renegotiate rather than go through the process of switching so many premises, but suspected that cost savings will drive a decision to switch. If the margins were 1-2% then the preference would be to renegotiate, whereas a saving of around 4-5% (equivalent to £60,000 per year) would make the administrative workload of switching supplier worthwhile financially.

Reasons for not taking action

Respondents who had actively pursued a new deal, but decided not to switch, gave a variety of reasons for their decision not to act

3.59 For some, the savings they would have made were not seen as sufficient to make the change worthwhile.

> *We decided to stay with our current water provider after an internal debate in the business with myself and the finance department. In terms of the costs saved switching providers and looking around for new provider was not worth the effort… It's a good idea for companies that are using a vast amount of water obviously. As I said it is a very small percentage of our utility bills. We haven't considered it significant enough to start looking elsewhere.*
>
> (Large, Manufacturing)

> *When we've looked at the competition and the financial benefits, it's still far too small for us to be interested in switching. 95% of the cost of our bill is the wholesale cost, so the only bit that's left [which would be affected by competition] is very small… it's a 1% benefit to us, against the amount of hassle going through a full tendering process. Just wasn't worthwhile.*
>
> (Large, Education)

3.60 One company had decided not to change their water retailer because they had been able to make a bigger saving by other means.

> *We'd have to save over 10% realistically [to consider changing] but we're saving £800 a month through having a borehole and this is well over ten percent. We were approached by lots of companies about saving water and a borehole was the best option.*
>
> (SME, Manufacturing)

3.61 A perceived lack of information available when the markets opened in 2017, as well as an apparent reluctance of the water industry to help water consumers, was cited as a reason for not yet taking action.

> *In April 2017 the suppliers didn't know what to do or how to do it and didn't have much appetite for it.*
>
> (Large, Administrative and Support Services)

Several respondents had wanted to switch suppliers, but had been prevented from doing so by factors outside of their control

3.62 One respondent has been unable to proceed because their procurement process has not allowed it yet.

We're part of a local government purchasing consortium, so we'd have to go through this to consolidate because we're then getting into big figures for water when we think of all the sites together, it's complicated. There isn't a framework set up for purchasing water at this stage, so that would need to be in place first to allow us to do this.

(Large, Education)

3.63 Others felt trapped by ongoing issues with supply or complicated and outdated metering and billing - one example is a retailer saying the meters installed by a previous supplier was not compatible with their systems.

…we were encouraged [by] the opening of the market as a way to move to a new provider and save some money, but what we've found is that we're trapped into the old way of billing because of the outdated infrastructure.

(SME, Hospitality and Leisure)

For some, concerns about the fact that the water market was still new and untested were enough to stop them taking action at present

3.64 A small number of respondents stated that they intend to wait until the 'dust settled' after the market opened. One of these, a large, social housing company, was specifically concerned that there were too many players in the market and that not all of the new retailers would survive.

3.65 One micro-business which used a large volume of water did not act as the savings offered initially were insufficient, adding that they were reluctant to switch until the way the market works has become clearer.

For others, a lack of easily accessible and accurate information was a factor in their decision not to act

3.66 One large company with several hundred locations felt unable to act due to difficulties of switching so many properties and the challenges of finding enough information to make a decision.

…how you get to the point to make an informed choice in the first place - that's the difficult bit.

(Large, Wholesale/Retail)

3.67 The theme of a lack of accessible information preventing action was raised by other organisations.

It would be useful to have a table of charges and how the bill is broken down so that we can look at costings and compare these across retailer. We need information on suppliers, methods of payment chargers, but I wouldn't know where to go beyond southern water if I'm honest. I'd probably just Google water suppliers and go from there but, it's not like telecoms where you can name at least two or three different providers, it's not the same with water…

(Micro, Wholesale/Retail)

Respondents who were aware of the market but had not yet looked for a new deal were asked what might motivate them to act sooner than they had planned

3.68 For some, the possibility of saving money would provide motivation to actively research the market, although most of these said that they would need to feel that the money they saved would need to be enough to make the effort worthwhile.

It also comes down to cost if there is a potential for a better deal then that's good. Looking to see how we can save any money anywhere. For us our utility costs are one of our largest bills. Because we are a charity if we could reduce those in any way that would be brilliant.

(SME, Hospitality and Leisure)

It could only be worth switching if the water bill was more and if the savings were better. If our water bill is more significant than maybe it would be worth looking into though, but it's not so it's not worth my time. It's just a small bill that comes out it doesn't need any great thought. So long as the water is coming through it doesn't matter to me.

(Micro, Professional, Scientific and Technical)

The bills have gone up slightly but it's nothing that I would question it's gone up by around £30 a year. £30 a year is neither here nor there when it comes to business really. If it went up by more than £50 a year then it would cause me to go and have a look.

(Micro, Manufacturing)

3.69 Several smaller companies mentioned that the development of price comparison websites for water services would make it more likely that they would switch.

I suppose we have to start the process by looking at who would be able to provide…there are already [comparison sites] for electricity providers…that would definitely be easy to compare. We are quite used to using that kind of thing domestically.

(SME, Hospitality and Leisure)

3.70 Some respondents were adamant that nothing would prompt them to act sooner than planned except, perhaps, for a major problem with their current supply.

I wouldn't be looking to change from them unless something severely went wrong […] I don't mind paying a little bit more if I'm getting a better service.

(Micro, Agriculture)

Those respondents who have tried to switch or negotiate but, for one reason or another have not been able to, were highly frustrated by the situation

3.71 One respondent stated that their attempt to switch was prevented by the water supplier's refusal to combine the water meters for the site.

We can't get anywhere with this. They say you need to get it changed by your existing supplier and we'll talk to you, while [Retailer] say the same! We have the most water up here but also the most expensive water bills…

(SME, Hospitality and Leisure)

3.72 Another large, high-volume user hoped to either switch retailer or renegotiate with their existing supplier after the market was opened, but the response they received suggested that the supplier was uninterested and poorly informed.

[We] have not been able to go to the market…[There] didn't seem to be a procedure in place to follow unlike the other utilities.

(Large, Administrative and Support Services)

A significant number of interviewees had not heard about, or had not paid much attention to, the changes to the market which would allow them to switch or renegotiate their water contract

3.73 When hearing that they could switch, some responded that they didn't feel that the potential benefits would be worthwhile pursuing.

> *…it's just a hassle for us, it's not costing us much, our last bill was £60 for 6 months so it's not a huge outgoing for us and not something I'd look to change.*
>
> (SME, Professional, Scientific and Technical)

> *I have enough to do rather than worry about lots of bills and lots of companies to deal with. I've got lots of other things to do so it has to be easy and straight forward, I don't need an extra job to worry about water for a saving of six pounds. I'd spend more time than that sorting it all out.*
>
> (SME, Professional, Scientific and Technical)

3.74 For some, the desire to continue to use an established and reliable supplier outweighed any inclination to switch.

> *I don't really think about it; it's just a bill that you pay. Generally, the difference in savings is minute. The savings are not always worth the effort. …Whenever I go for a provider, I usually stick to someone that is well-known and is a trusted provider.*
>
> (SME, Professional, Scientific and Technical)

3.75 Others said that the potential pitfalls of the market opening would mean they were unlikely to switch retailer beyond the one they were automatically transferred to at the opening of the market.

> *You can potentially have price saving because they're all vying for your business. But on the other hand, if you have a problem, then one company might say, 'Well that's [Retailer] problem not ours', and you're stuck in the middle […] whereas if it's all under one roof there's only one person to blame and to sort it out. The telecoms [retailers] always blame each other, so if this happens with water, it's even more important because we need water; it's essential.*
>
> (SME, Professional, Scientific and Technical)

Understanding the process

Role of brokers

Brokers often played an important role, particularly for smaller companies, and were credited with making the process of switching suppliers very straightforward

3.76 Respondents viewed using a broker as a way for bypassing the workload of finding a new supplier while still benefiting from the savings.

> *The ease of switch using a broker was a big advantage, I don't think I could have saved us anymore by doing it myself. They did all the work for me and a single point of contact. They'd switched for us before and they don't do the hard sell. I couldn't be bothered dealing with lots of companies and negotiating a switch myself.*
>
> (Micro, Professional, Scientific and Technical)

> *I'd rather use a broker to do it for me as I don't have time myself to call around lots of suppliers, I assume they work on a commission. I don't really know, as long as I'm making a saving.*
>
> (SME, Transport and Storage)

3.77 As mentioned above, respondents often accepted the broker's offer without asking for further information.

> *I don't think I have to sign anything… they just swapped me over.*
>
> (Micro, Wholesale/Retail)

> *Our experience with brokers has been very good we have no complaints. I found switching easy and there was no hassle on my behalf. We spoke to the broker verbally to allow them to switch on our behalf.*
>
> (Micro, Wholesale/Retail)

3.78 In most cases, the process of switching was not considered a lengthy or complex one, which contributed to respondents' positive feedback.

> *Switching was easy all I had to do is provide a meter read…*
>
> (SME, Professional, Scientific and Technical)

> *It's been seamless going back no issues since moving back, but I couldn't tell you what contract I'm on now […] its way down my list of priorities.*
>
> (Micro, Wholesale/Retail)

> *Process was really quick, and really easy, [the broker] did everything for me.*
>
> (Micro, Wholesale/Retail)

3.79 Organisations which had opted to renegotiate with an existing supplier generally reported that the process was straightforward.

> *It was seamless, we didn't need to do anything apart from say 'yes'. We did it all over email.*
>
> (Micro, Motor trades)

Problems post-switch

When problems had occurred following a switch, they were normally related to meter reading, billing and customer service

3.80 Several respondents complained that new retailers were estimating bills rather than using accurate readings.

> *...since the switch the billing hasn't been that accurate, they're estimating and not reading the meter, they don't bother coming out to read the meter… …*
>
> (SME, Professional, Scientific and Technical)

3.81 A few reported that certain promises have not yet been fulfilled.

> *I requested a company water audit around efficiency so we could be billed correctly, but the new company can't do this at the moment because of the volume of requests from businesses. This was something they had on their website as an incentive to switch so they aren't fulfilling their promises yet.*
>
> (SME, Professional, Scientific and Technical)

3.82 Others faced issues related to final billing and payments with previous supplier.

> *We were having to challenge and chase [our previous supplier] for bills with our own reads and asking for them to credit us and re-invoice. We're still having discussions with them about this.*
>
> (Large, Education)
>
> *We've never had a reason to call [our new supplier] for any queries; however, we have called previously for the old supplier. We had to query because they took too much out of our direct debit. But they refunded me straight away. This was after the switch over.*
>
> (Micro, Wholesale/Retail)

3.83 In one extreme case, an owner of a small company believed he had overpaid in excess of £32,000 on his water bills over the course of a year, which he put down to poor practices and poor communication from the third-party intermediary. He was subsequently looking to press for legal action.

3.84 However, some respondents reported an immediate improvement to customer service and billing as a result of switching suppliers.

> *We've only just switched to [Retailer] but the first thing they did was sort our simpler billing, they've done what they've promised so far. They're also cheaper on the base price and their mark-up is much lower than [Retailer], so we're saving a huge amount already. They have been communicating with us and their email turn round has been 2-3 days but with [Retailer] could be 3 weeks. Their invoicing is clearer. [Retailer] was bit of a botched job based on wild estimates. Once [Retailer] were appointed, we had a telecoms [sic] about things they could provide, we've had a meet and greet and put things forward around our concerns so things we're looking for. We've asked for leak allowances, monitoring but also to contact [Supplier] on our behalf.*
>
> (Large, Education)

For those yet to act, perceptions about the ease of the process varied

3.85 Some companies anticipated that using a broker would make the process of finding a new supplier a straightforward and worthwhile process.

> *[Switching/renegotiating would be] relatively easy – there are certainly enough brokers out there.*
>
> (SME, Manufacturing & Wholesale/Retail)

> *[A broker would] know the market better than us and could get us the best savings. We're a high-volume user so the savings are there for us…*
>
> (SME, Manufacturing)

3.86 By contrast, other respondents felt that involving a broker would create problems and was to be avoided.

> *I don't really want to get stuck with a broker on this, I've been stung by brokers for electricity and gas, they get a bit irate with you when you don't go for it with them. I'd like to just search the market myself online to get my best price. I'd prefer not to have to deal with talking with a lot of different people- especially brokers.*
>
> (Micro, Administrative and Support Services)

> *Brokers can get better deals, but can [also] be a hassle…*
>
> (SME, Hospitality and Leisure)

3.87 Finally, a few respondents expressed concern that there might be unforeseen problems in the process they would therefore be unlikely to pursue a switch.

> *Although there is a new advert out there with [Industry comparison service] saying how easy it is…things are not that simple. The hassle is just too much. And if I've not had a problem with my existing provider, I'd rather stay.*
>
> (Micro, Health and Social Care)

Understanding the outcomes

Expectations of the market

3.88 For those participants who had either switched or renegotiated, their expectations were mainly centred around the areas of better billing, lower prices and improved communication. Generally, expectations regarding lower prices were met; this was less the case with billing and communication.

3.89 It is worth noting that smaller businesses rarely expressed any expectations beyond lower prices; they simply wanted to make a saving without encountering any problems.

> *… we wouldn't expect to see anything change that much because we only use the water for the kettle and the toilet and to wash the coaches, it's not a huge amount.*
>
> (SME, Transport and Storage)

> *To be honest I don't really expect anything else, as long as the water quality remains the same.*
>
> (SME, Hospitality and Leisure)

3.90 Pricing was not the only issue, however. For many participants, being able to deal with the retailer smoothly was a priority.

> *We want meter reading based bills and someone who administers their payments properly. It's really about the billing. We want someone who can give us accurate and reflective (of our usage) bills. It's not about cheaper water, it's about ease of dealing with them and paying for what we really use. We don't really want to engage with them like we have, we just want a fair bill, so we just have them there working efficiently in the background like it was before the market opening.*
>
> (SME, Agriculture & Hospitality and Leisure)

Benefits participants received

3.91 Participants often saw price reduction as the main obtainable benefit they wanted. Regarding the benefits of what the participants actually received, there were mixed responses. Some participants experienced minimal gains, particularly as they found the margins in water pricing small, in comparison to electricity and gas. Some businesses simply did not see any benefits.

> *If I was using 50k cubic meters it would be worth it, but for us, the cost of all this has been unbelievable; it could have all been avoided. I didn't resolve this issue until September, I felt like sending Ofwat my bill for the chaos they created.*
>
> (Micro, Administrative and Support Services)

3.92 However, participants commonly found that the benefits were in savings, and in many cases, this was attributed to a broker.

> *They read it last week, so we've saved us a few quid already…we've saved quite a bit we were paying £120 a month with [Former retailer] and we're now paying £72.99 with [Retailer] so it is a big saving. We went from £140 with [Retailer] to £120 with [Retailer] and now we're getting this better rate. So, the brokers done their job haven't they?*
>
> (SME, Motor trades)

Meeting of expectations

3.93 For the majority of participants', expectations were met, which generally meant having lower priced bills.

3.94 However, the vast majority of participants found that, although their expectations were met, they were not greatly exceeded. This related largely to the value businesses, particularly at the smaller end of the market, placed on water. Considered a small overhead for many, the expectations they set for switching were low, the cost savings minimal and innovations not considered prevalent.

3.95 As an exception to the above, a participant, who ran a Safari Park, was simply looking for advice on water reduction, but ended up with valuable insight from the retailer to install a bore hole and to build a reservoir. The participant was able to estimate that, without the provider's help and support, their water bill would have been three times its current price.

Expectations not met

3.96 Instances in which the participants' expectations were not met, these mainly related to service delivery and were sometimes due to the loss of key services.

> *Monitoring per half hour [–] That data is vital to us and helped us save hundreds of thousands of pounds. We were led to believe that this service would carry on when they sold the business to [Retailer], but that service came to an abrupt end and we were in the middle of dealing with a leak.*
>
> (Large, Education)

3.97 Another participant from a Hospitality and Leisure SME had expected a 5% reduction. However, he said he had, "*totally and completely regretted switching*" due to feeling that, by his own calculations, they have still overpaid a further £12,000 since they switched 2 years ago.

Quality & accuracy of meter reading and billing services

3.98 There were some examples of improvements in meter readings since switching.

> *Before [switching] we never saw anyone read the meter. Since we've changed, it's quite a regular thing now. […] The bills are based on more accurate reading[s] now.*
>
> (SME, Motor trades)

3.99 However, there were also negative accounts from participants involving inaccurate meter readings, incorrect bills and invoices, and splitting accounts where appropriate.

> *Because we also have trade effluent, they couldn't work out splitting the account, they put them together and calculated [it] incorrectly!*
>
> (SME, Manufacturing)

3.100 One participant lost the service of meter readings after her business had been transferred to the new retailer in 2017. The retailer claimed that it was too difficult to come out to read, as it was in a rural area. Furthermore, the participant had been continuously billed for a trough in a nearby field, which did not belong to her, nor was it on her land.

3.101 Several respondents mentioned how their billing was done more frequently. i.e. quarterly, not annually, which they stated to be preferable.

Consolidated bills

3.102 There were also mixed responses on how they were offered bill consolidation. For example, one participant was offered it, but turned it down, whereas many others were never offered any sort of consolidation.

> *I should be able to get a consolidated water bill for all my sites, so I would like to eventually get to a position where we had only one supplier and billing company for all my 9 sites.*
>
> (SME, Administrative and Support Services).

3.103 Others, generally large water users, had high expectations for an almost bespoke deal which involved consolidated bills.

> *It's something I want to do, but it's a hassle and the savings aren't huge, unlike our gas and electricity. Spending time saving [on] gas and electricity by 10% is huge; but 10% on the water isn't that significant on the big[ger] scale of things. I guess if it [were] 10% for water with no hassle, one supplier, one bill and consolidated, then it would be worth the hassle, but changing meter by meter is just not worthwhile.*
>
> (Large, Education)

3.104 Another large manufacturer that had renegotiated their contract thought that the biggest benefit now would be ability for a multi-site organisation to negotiate a contract with a single consolidated bill for all of their sites.

Saving or losing time due to switching

3.105 The majority of participants interviewed found that the amount of time that switching or renegotiating took was negligible. In fact, this could be considered a positive finding. However, there was the occasional case in which the amount of money saved simply did not justify any amount of time spent on switching or renegotiating.

> *Its time-consuming changing provider when market opens and sometimes it's not worth the effort because the savings are very slim because the market is very competitive. We're a small enterprise to be honest and we're very busy and we don't really have time to keep on top of the market. I doubt many people have the luxury to have the time to switch regularly.*
>
> (SME, Other)

3.106 There was a consensus that a positive switching experience as well as one where combining multiple sites under a single retailer is likely to save some time for a business. Conversely, some customers had the view that dealing with billing and customer service issues increased the time businesses had to spend on the administration of their water bills. However, customers were not generally able to quantify the time savings or losses in any meaningful way, despite being asked to do so.

Contact and satisfaction with the retailer

Issues with contacting the retailers

3.107 Most participants expressed either positive or neutral views regarding the contact they had with retailers, with any issues they had being resolved quickly. Other respondents expressed satisfaction that they had not needed to contact their retailer at all.

> *We've never had any reason to query with our current water provider or use their customer service in any way.*
>
> (Micro, Wholesale/Retail)

> *… I'm happy with them; I'm happy with the customer service that we receive from them. We've never had any problems with our provider.*
>
> (Micro, Manufacturing)

3.108 In some instances, however, contact with retailers had been so negative that it prompted the participant to change providers. Where this was the case, poor customer service was often raised.

> *[Retailer] were appalling in terms of their participant services so I applied to have everything provided by [Previous retailer] again. [Retailer] were frankly appalling at answering my emails or calls. They had, literally, the worst response times. […] It took them absolutely ages to reply to an email; it took a month from them to respond.*
>
> (SME, Wholesale/Retail)

> *I tried sending emails but didn't get responses for weeks; [I] couldn't find answers on website; [It] took three attempts to call, [and I was] on hold for over half an hour.*
>
> (SME, Other)

> *Where is the human being in this new system? It seems so automated these days. I write and ring and ask for someone to talk to, and I get nowhere. I get nothing back. We may get the local MP involved and we might find that a human may get in touch with us. I would get the regulator involved.*
>
> (SME, Other).

> *…it's not the market opening per se, that's the issue; it's the lack of communication that annoys me.*
>
> (SME, Wholesale/Retail)

3.109 Several participants said they had struggled to contact engineers and address issues regarding infrastructure directly, in contrast to their experience prior to the changes to the water market.

> *In the past we could talk to [Supplier] water engineers directly and get things sorted, […] but it's just in the last few months that they're saying we can't talk to them directly—has there been a directive from somewhere to stop us doing this? There is a level of concern for me that issues will drag on and on under the new system.*
>
> (SME, Administrative and Support Services)

> *If we do have a problem […] who do I contact? That's the issue. Speaking with the right person […] that's the challenge. We had a substantial water leak [and] we identified it; [Retailer] said [to] contact [Supplier] but it took a lot of phone calls with [Supplier] [in order] to get to the right person. I think [Retailer] were ok, but [Supplier] were awful.*

(Large, Education)

3.110 Some participants also felt that issues were being dealt with by retailers when, in fact, they were the responsibility of the wholesale supplier[3]. Being passed 'from pillar to post' was a common theme amongst those with contact issues.

> *[Before 2017] you contacted the provider and worked through it together [but] now it is a minefield. […] It's like there's a middleman and they all try to blame each other. […] The onus is on the participant to go back and forth between the different arms until an issue is resolved. In terms of leaks, they are happy to take the money for the excess water usage that has occurred as a result of the issue but [to] not take ownership. In Scotland we paid an external company to fix our leak because nobody would take ownership. It did not seem as difficult before de-regulation.*
>
> (Large, Other)

[3] Currently, all customer contact, including queries relating to repairs, should be with their retailer. It is the retailer's role to liaise with the supplier to resolve repair issues on behalf of the customer.

Satisfaction with the market as a whole

Observations on the market

A large proportion of participants had not observed a significant change in the market

3.111 Many participants felt that there was little difference in the market since 2017, or that they could not make a judgment due to insufficient information. In some cases, this was because they had used brokers and therefore their personal knowledge had not increased.

3.112 Overall, most participants expressed neither satisfaction nor dissatisfaction with the changes.

> *Utilities, in general, are very low [in price]. It's not really something that anybody is that fussed about. …The only correspondence we get [with] the water provider is the bill once a month. It's not even something that you really think about. Utility bills are never high and there are never really any issues, so we don't have any reason to switch regularly.*
>
> (SME, Manufacturing)

> *I'm not paying that much as it is. We pay about £120 a year in water. It's not a huge amount, so I don't see the point [in the market]."*
>
> (Small, Manufacturing)

3.113 For those respondents who had saved money by switching or renegotiating, there was a general sense that the change had been positive.

> *Yeah, I think it's a good thing and it should bring water prices down. It's not much but we saved a couple of pounds a month. So, we saved around £20-£30 a year. I get my bills monthly just like we used to with [Retailer]. We receive our bills by email. Everything else is pretty much the same…*
>
> (Micro, Wholesale/Retail)

3.114 When respondents expressed a negative view of the changes to the market, it was typically related to their experiences during or following a switch, whether to a new retailer or as a result of a default change by their supplier when the market first opened.

> *The idea of the market opening and saving me money really hasn't worked in this case has it? My billing has also changed to bi-annually rather than quarterly, so it's thrown me a little as well.*
>
> (SME, Wholesale/Retail)

> *[The main] drawbacks have been [in] trying to switch suppliers . How do you do the switching from [Retailer] to [Retailer]? They're not making it easy for me to move […]*
>
> (Micro, Other)

3.115 Others based their negative outlook on previous experiences of changing retailers for other utilities.

> *I assume [when there is a problem] my retailer will just tell me to call [Retailer] and vice versa, so it will probably cause chaos. I had a similar experience when I switched [telecoms]. I think that experience will make me very wary of the market opening."*
>
> (SME, Other)

Opinions on the potential for benefits from increased competition and choice varied

3.116 Some interview participants considered increased choice a benefit and wanted to see more competition.

To be honest I just think opening of the market is to promote competition. Hopefully it will drive down the prices."

(Micro, Wholesale/Retail)

3.117 Other respondents were sceptical and felt that increased competition, if it even happened, would have little tangible impact.

Does opening up the market really bring [any] benefit or is it adding more cost to the whole processes? [The market] should stop monopolies and local providers charging too much, but [the] downsides [are] that it is more complex for the customer now. When you're dealing with a cheap product, why add lots of levels of administration, [which] add costs for the customer?

(Large, Education)

I can't imagine where the good is for us. Everywhere you have an illusion of choice; it is a pointless exercise if there are no benefits for us in terms of service. Choice is utter stupidity if not necessary. The water system worked fine [before]."

(Micro, Administrative and Support Services)

Opening the market has been a bit of a white elephant I think; it's been sold as a great thing to save money, but [the savings] have been really tiny and the hassle for us has been costly. The financial benefits are minimal. There is a lot of choice, but the choice in terms of savings are tiny.

(SME, Professional and Scientific Services)

3.118 Concerns that the newly opened market did not allow properly for the different needs of customers were also raised.

It always feels like [the] opening the market doesn't take into account the different needs of business customers; it's not a one size fits all. It's like you have the domestic customer and the world of business. Where's the middle ground for participants like us in the charity sector? The world of business is seen as anything that's not domestic, but it is much wider and more complex than this. So, we need to be treated on a gradient and [have] a fair way for billing and customer service. [… The market] is not of [any] benefit for smaller business users at the moment. There are no tangible benefits for us.

(Micro, Other)

Being able to access simple and accurate information about the market was often mentioned as a priority

3.119 Many participants wanted to see more clarity about the quality of providers and the prices on offer, with price comparison websites frequently being mentioned.

What I'd like is clarity [and] a clear charging structure. I find [that the retailers] baffle you with all these different fees and all these additions for wastewater and contingencies. What would be useful is to say: 'This is what it is.' I'd assume standard charges and a flat *rate for usage, so you know what it is and what the VAT is. I want to know what I'm paying for, what I need and what's optional.*

(Micro, Hospitality and Leisure)

[…] Things like comparison websites, like you have for electricity and gas, that I can shop around for different companies for my water.

(SME, Professional and Scientific Services)

[A website could] explain the benefits to the customer; [say] who the best players are in the market; get ratings of providers out there in the public domain, like Trip Advisor's star rating; [and] how they work with you and your water provider […]"

(Large, Education)

3.120 However, some doubted whether the nature of the water market would make accurate price comparison websites possible.

Comparison sites only work if the tariffs are comparable. […] The issue here is that they have different charging structures, and that's the problem because they aren't. They need to bring in a single charging structure, so you know what you're paying for and [so you can] compare tariffs. For example, what is a 'band G' tariff? What does that mean?

3.121 Some participants expressed reservations over new players coming into the market and the potential for a drop in the quality of water suppliers. In a few cases, it was suggested that the industry regulators should get involved.

Ofwat should enforce a reaction (response) time into the contracts. This has to be forced on the retailer, rather than the supplier […] because they're making the money. Ofwat need to set targets and enforce them on the companies. It's like the retailers are divorced from the network and just selling you. They need to take responsibility for the nuts and bolts of the system too."

(SME, Administrative and Support Services)

Keep an eye on [Retailer]. From my experience, they don't handle [customer] complaints very well. All they want to do, realistically, is bill you and that's it.

(SME, Manufacturing)

Innovation and new services following market changes were seldom mentioned

3.122 Most participants stated that there was a lack of innovative or new services being offered.

I'm not seeing any differences between the companies; no clever electronic access to billing. It's just someone else running the account; we've not seen any big leaps for us as a participant. I've not really seen any benefits [through] opening the market.

(Micro, Other)

3.123 Perhaps surprisingly, customers did not mention or show interest in smartphone apps or similar innovations for the water market. When specifically asked about the idea, one respondent said that an app might be good for readings but doubted its relevance for checking accumulating consumption.

What participants would like the market to provide in future

3.124 The most common theme emerging from participant interviews was, once again, the need to have better access to information about the water market, enabling organisations to make informed decisions.

> *[…] Can Ofwat, for example, provide a list of suppliers in all areas? It seems like it's up to us to do the legwork to make changes and decisions. If you were buying a computer, you'd go on a price comparison website, so this has a role to play.*
>
> (SME, Manufacturer)

> *It's really important that companies are forced to tell you that you can shop around. [How] would you know that if you're new to a business?"*
>
> (SME, Hospitality and Leisure)

3.125 One participant felt that more digital readings would be helpful, along with more tips on finding savings.

> *We're fighting for more digital meters as [Retailer] say they can't read older meter. […] They could have provided me with some money saving tips in an email.*
>
> (Large, Education)

3.126 Finally, there were some suggestions made such as more online billing and improved leak detection, and several participants hoped to see dedicated account managers in place who could give feedback on their water usage and consumption.

Frustration about cold calls from brokers led to calls for regulation in the future

3.127 Another common suggestion for the future of the market was to have an increased regulation of brokers. This was based on participants' negative experience from being 'hounded' by energy and gas brokers, as well as from those in the water market. The scale of the issue is fairly significant – although being contacted by a large number of brokers was not raised by more than around a quarter of participants, where it was, the high frequency of the 'cold calling' was concerning across the board.

> *My biggest issue with brokers is the bombardment of calls we get before our renewals are even due. They ring every month and it's not just one, it's half a dozen of them. It's actually got to a point now where I don't answer the phone. We have delegated answering the phone to somebody else. […] I'm dreading it when the brokers do start calling for the water companies.*
>
> (SME, Manufacturer)

Case Study: Switcher

A large university in South-east England had decided to switch after having experienced a negative service from their retailer.

The university was aware two years before the market opened that their provider, [Supplier], was going to be selling its retail arm to [Retailer]. The respondent hoped that "it would be business as usual" having had meetings with [Former supplier] and [New retailer] (their new retailer) about the changes. However, some questions remained unanswered, and the consultation before the market opened up was not extensive enough, which, ultimately, led to a poor transition:

> *"[Former supplier] based the billing [at the time] on an estimated reading, one month before the market opened, [which] caused chaos; they were over-charging and it [wasn't] based on a proper read[ing]. It was a mess to then get it sorted, retrospectively."*

The participant talked about how the level of service after being transferred to [Retailer] subsequently worsened:

> *"We have about 100 water meters. [Supplier] [used] to provide us with water data-monitoring per half hour for our usage. […] That data is vital to us and helped us save hundreds of thousands of pounds. We were led to believe that this service would carry on when [Supplier] sold the business to [Retailer], but that service came to an abrupt end, and we were [at the time] in the middle of dealing with a leak."*
>
> (Large / Education / Multi-site)

The participant also said that the billing carried out by [Retailer] was poor which affected their decision to switch:

> *"We were having to challenge and chase [Retailer] for bills with our own reads and asking for them to credit and re-invoice us; we're still having discussions about this. [Retailer] were manipulating [information]. […] It was so hard to find out what they'd actually charged [us] for. It was a nightmare trying to work out [the] spending on each of our sites. If our auditors looked at this, they'd have an absolute nightmare."*

The participant decided to use the [Precurement Service] to run a tender process with, [Retailer], ultimately, winning the contract. The participant also noted that:

> *"a lot of people in larger public sector bodies have been complaining about the market. So, [it is] something that [Procurement Service] have helped to provide these services for us."*

After the participant switched to [Retailer], the issues that had arisen were resolved:

> *"We've only just switched to [Retailer] but the first thing they did was sort our simpler billing [and] they've done what they've promised so far. They're also cheaper on the base price and their mark-up is much lower than [Former retailer], so we're saving a huge amount already. [New retailer] email turn around has been 2-3 days; with [Former retailer] it could be 3 weeks. Their invoicing is clearer. [Former retailer] was bit of a botched job based on wild estimates."*

However, despite the positives gained from switching, new communication problems with [Supplier] emerged when attempting to resolve further issues:

> *"[Supplier] doesn't really want to talk to us or the retailer [so] it's been a pain when we've had issues. It's like […] 'who do we contact?' The meters have become faulty, and [so] it's a chance for us to contact the retailer to chase the wholesalers, [but] it falls into a big black hole. It can take 2-3 months to sort out a faulty meter. The retailers and [Supplier] are really not proactive. Just give us a case number so we can chase [the issue]. It's just communication [that's the problem] and there doesn't seem to be any!"*

To add to this concern, the participant thought that, *"costs are going to rise because there's not much margin in the whole resale of water"*. The participant also felt the infrastructure is old, too costly to change and modernise, and that utility companies were charging services, which were once free, leading to some costs going up:

> *"We're fighting for more digital meters [because] [New retailer] say they can't read older meter. A lot of the pipes are cracking and breaking, so it's a full-time job to monitor this; [New retailer] are not helping us or helping the market by modernising and providing water monitoring as a free service. They've taken it way and are now offering [it] as a 'paid-for' service."*

Appendix: Discussion guides

Topic Guide: Switchers and Renegotiators

Used with SMEs (depths) – those switched or Renegotiated with retailer.

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ………. and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).
If necessary:

- Ofwat is the water regulator sets rules for water companies in England and Wales
- the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take 30-40 minutes.

- Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey
- outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  - *Confirmation that the participant has switched or renegotiated*

– *e.g. tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*

– *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B2, B2, B3a

- Moderator – assume these customers are aware of the market as they switched/renegotiated.

  - *When and how did you first hear about the introduction of the business retail market for water supply or that you have a choice of retailers?*
  - *Did you then explore further? Using what information? Was this information useful?*
  - *How do you understand the water market for businesses and how you can now choose? How does it work and what could it mean for your business?*
  - *Have you seen anything in the press or online about the market as a whole or about individual retailers ?*
  - *Do you know what kind of contract you have with your water retailer?*
  - **Maybe**: *Thinking about what you know about how other utility retail markets work, do you think your understanding of how the water retail market works is as strong?*

(iv) Perceived benefits / downsides of business market and choice

[Blank]

(v) Accessing and Assessing – Switchers / Renegotiators – related to quant questions F10a, F10b, I1, I2, I3, I4, I5, I6, F1

- Why did the customer look into switching/renegotiating initially?
  - *What were your reasons for starting to look into switching/renegotiating in the first place? E.g. Were you just looking at the option for a change and finding something better, or were there aspects of price or service with your existing provider that you were dissatisfied with?*
  - *Were you looking for particular services or offers, such as better account management, or water efficiency services?*
  - *Did you go out looking yourself or were you approached by a retailer or broker trying to offer you a better deal?*
  - SWITCHERS ONLY: *Were you also open to renegotiating a better deal with your previous retailer or were you keen to switch? why?*
  - RENEGOTIATORS ONLY: *Were you also open to switching from your retailer or were you keen to find a better deal but wanted to stick with your existing retailer? why?*
- *What type of information were you looking for or have you used to help you search and compare offers from retailers? (if nudge required – price info/non-price offers).*

Did you look more at offers to do with price or offers not related to price such as customer service or other products and services?

- **Maybe**: IF PRICE COMPARISON WEBSITE USED - *Tell me more about the price comparison website you used*
- **Maybe**: IF BROKER/CONSULTANT USED - *Tell me more about the broker/consultant you used. How did you come into contact with them? If you knew them already, did you stick with them due to the established relationship? If it was a new broker, did they provide any reassurances, such as about the Code of conduct? Did you sign a Letter of Authority? Did that go smoothly?*
- **Maybe:** IF THEY RAN A TENDERING PROCESS – Could you tell me a bit more about the tendering exercise you ran [Switchers] to secure a new retailer / [renegotiators] prior to concluding a new deal with your existing retailer?

- IF CUSTOMER SAYS THEY FOUND IT DIFFICULT TO COMPARE OFFERS / MAKE AN INFORMED CHOICE: *Could you tell me more about the experience of comparing offers? Why was it difficult?*
    - *What could be done to make comparing offers and retailers easier?*
    - *SWITCHERS ONLY: You've mentioned some of the challenges you faced in switching/renegotiating, why did you decide to go ahead anyway?*
- *Do you feel you made an informed choice?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had an impact on the type of information you've been looking for or your ability to compare offers?*

(vi) Acting – Switchers / Renegotiators – related to quant questions F4, F5, G2 and G3

- Explore narrative of switching/renegotiating story**:**
    - SWITCHERS ONLY:
        - *Having looked at the options available across retailers, what eventually made you go ahead and switch to your current retailer?*
        - **Maybe***: Did you speak to your previous retailer before making the switch? Why did you decide to persevere with the switch?*
    - RENEGOTIATORS ONLY:
        - *Having looked at the options available across retailers, what eventually made you go ahead and sign up to the renegotiated deal with your current retailer?*
        - *What made you go ahead with the renegotiated deal having explored what else was on offer?*
    - BOTH: *Were you comfortable in your decision to change or was it a leap of faith? Were you provided with an incentive to change or was the retailer clear about the service that would be delivered?*

    - IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had an impact on the way you looked at options and the information you received?*

(vii) Understanding the Process – Switchers / Renegotiators – related to quant questions F3, F6, F7, F9 and G1

- *Could you tell me about the switching / renegotiation process itself? Did it run as smoothly as you'd hoped? How easy was the process? How long did it take? How satisfied were you with it?* (explore further if process considered difficult)

- **Maybe**: IF THEY RAN A TENDERING PROCESS –
  - SWITCHERS: *Could you tell me a bit about the tendering exercise you ran to secure a new retailer?*
  - RENEGOTIATORS: *Could you tell me a bit about the tendering exercise you ran prior to your decision to start a new deal with your existing retailer?*

- *Did you take up an incentive to switch/renegotiate such as cashback? How did you hear about this – did you seek out the offer or where you approached with it?*
- IF SWITCHED VIA BROKER: *Could you tell me a bit more about how you went about arranging the switch via your broker or intermediary? How did you come into contact with them? If you knew them already, did you stick with them due to the established relationship? If it was a new broker, did they provide reassurances about their knowledge of the code of conduct etc. –Did you sign a Letter of Authority? Did that go smoothly?*

(viii) Understanding the Outcomes – Switchers / Renegotiators – related to quant questions F2a/b, F11a/b, F12a/b, F13a/b, L5a/b, F16a/b, F17a/b, F18a/b, F19a/b, F20, F21, F22, F24a/b/c, F25a/b.

- *What benefits did you expect to see from switching/renegotiating in terms of the type and number of benefits you'd had in mind?*

- *What benefits, if any, do you think you got from [switchers] switching to a new retailer or [renegotiators] renegotiating a new deal with your existing retailer? Can you say whether you saw a reduction in your bill or prices? Did you experience any other benefits, such as better customer service, billing, bill consolidation, better account management, use of any water efficiency measures?*

- *IF EXPECTATIONS WERE MET ON SWITCHING / RENEGOTIATING – Can you say how your expectations were met?*

- IF EXPECTATIONS WERE NOT MET ON SWITCHING/RENEGOTIATING: *Why were your expectations not met? Were your expectations not met because the kinds of benefits you were expecting were simply not delivered, or because they were not delivered to the extent you were expecting (e.g. your bill was lower but not by as much as expected)? What did your new retailer promise in that sense? Do you feel you are worse off as a result? In what way(s)? Was the retailer clear about what you would get?*

- IF EXPECTATIONS NOT YET MET: *when do you think the benefits you expected might be delivered or materialise?*

- IF EXPECTATIONS WERE EXCEEDED: *Why do you say your expectations of the benefits of switching/renegotiating have been exceeded? Were they exceeded in terms of the kinds of benefits delivered (e.g. unexpected service improvements delivered on top of expected price savings) or the extent of these benefits (e.g. bill reduction greater than expected), or both?*

- IF THE CUSTOMER HAS TAKEN UP ANY WATER EFFICIENCY SERVICES: *What water efficiency services have you now taken up? What motivated you to think about taking* *these up? Did you push to have these or were you offered them? Are you satisfied with these to date? Can you tell me more about how easy or difficult it was to enable these efficiency services, such as taking better or more regular meter readings, or the need to install specialist meter reading equipment?*

- IF CUSTOMER HAS SAVED MONEY ON THEIR BILLS: *What do you think has driven the reduction in your bills? How much have your bills gone down?*
- IF CUSTOMER HAS ANYTHING / A LOT FROM WATER EFFICIENCY: *Do you feel your reduced water use is a result of your take up or implementation of more efficient use of water measures, or your* (possibly new) *retailer? What do these new savings look like? Can you say roughly how much water or money you've saved or think you might save because of your more efficient use of water or any measures to reduce leakage?*
- IF THE QUALITY/ACCURACY OF METER-READING / BILLING SERVICES HAS IMPROVED / WORSENED: *how has the quality or accuracy of meter readings and/or billing services changed (for better or worse)? Why do you think this has happened? What has been the impact on you or your business, for example the time you've spent or need to spend dealing with these things?*
- SWITCHERS ONLY*:*
  - IF CONSOLIDATED WATER RETAIL SERVICES WITH ANY OTHER UTILITIES INTO ONE BILL: *How have you consolidated your water services with other utilities into one bill? Did the other utility retailers reassure you and how important is the water element within this contract?*
  - IF THE CUSTOMER HAS SAVED OR LOST TIME DUE TO SWITCHING: *how much time do you feel you have saved (or lost) as a result of switching? What do you feel has caused this? Has this affected your costs or how much you need to spend dealing with the consequences? Can you estimate the £ costs involved?*
  - IF CUSTOMER MENTIONED THE SWITCH WAS WORTHWHILE: *You mentioned the switch has been worthwhile despite the associated challenges, why do you say this?*
- RENEGOTIATORS ONLY:
  - *You mentioned that renegotiating has been worthwhile despite the challenges associated, why do you say this?*
- BOTH: *Thinking about your new contract after switching, did your retailer make it clear how long it would be? Why did you opt for your length of contract? Does it have a fixed price over the term?*

(ix) Previous Switchers / Renegotiators – related to quant questions E4, E6 E7, B3a and F26a/b

- SWITCHERS ONLY:
  - IF CUSTOMER HAS SWITCHED MORE THAN ONCE: *What was the reason behind switching more than once? How do your experiences of your different switches compare?*
  - IF CUSTOMER HAD PREVIOUSLY RENEGOTIATED: *Why did you decide to switch having previously renegotiated? How does your experience of renegotiating compare to your more recent decision to switch?*
  - IF CUSTOMER HAS ALSO SWITCHED FOR OTHER UTILITIES: *How does your experience of switching water retailer compare to switching retailer for other utilities?*

- RENEGOTIATORS ONLY:
  - IF CUSTOMER HAS RENEGOTIATED MORE THAN ONCE: *What was the reason behind renegotiating again? How did your experience of renegotiating this time compare to previous experiences?*
  - IF CUSTOMER HAD PREVIOUSLY SWITCHED: *Why did you decide to renegotiate having previously switched? How does your experience of switching compare to your more recent decision to renegotiate?*
  - IF CUSTOMER HAS SWITCHED FOR OTHER UTILITIES: *How does your experience of renegotiating with your water retailer compare to switching retailer for other utilities?*

(x) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J14, J12, J13

- IF CUSTOMER HAD PROBLEM:
  - *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for? Were they linked to your change of retailer, for example legacy issues from your previous retailer?*
  - *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER:
  - *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing?*
  - *Were any of the people you dealt with from consumer organisations or support organisations?*
  - *(If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER MADE ENQUIRY WITH PROVIDER - What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?
- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't quite go right? What would have improved this?*
- SWITCHERS ONLY*: Did any contact with your previous retailer influence your decision to switch, or was it driven by contact with the new retailer only?*
- RENEGOTIATORS ONLY*: What bearing did any contact you had with your retailer before renegotiating have on your decision to do so?*

(xi) Satisfaction with your current retailer – related to quant questions D1, D2 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- *What, if anything, do you think your current retailer could do better?*
- SWITCHERS ONLY*:*
  - **Maybe:** *How does your satisfaction with your current retailer compare with your satisfaction with your previous retailer?*
- RENEGOTIATORS ONLY:
  - **Maybe:** *How does your satisfaction with your retailer now compare with your satisfaction with them under your previous contract?*

(xii) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

Topic Guide: Engaged but couldn't

Used with SMEs (depths) – those who tried to switch or renegotiate but couldn't (H1=3).

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ………. and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).

If necessary:

- Ofwat is the water regulator sets rules for water companies in England and Wales
- the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take around 30 minutes.

- Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey
- outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  - *Confirmation that participant tried to switch or renegotiate but couldn't*
  - *Tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*
  - *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B1, B2, B3a

- Moderator – assume these customers are aware of the market.
  - *When and how did you first hear about the introduction of the business retail market for water supply or that you have a choice of retailers?*
  - *Did you then explore further? Using what information? Was this information useful?*
  - *How do you understand the water market for businesses and how you can now choose a retailer? How does it work and what could it mean for your business?*
  - *Have you seen anything in the press or online about the market as a whole or about individual retailers?*
  - *Do you know what kind of contract you have with your water retailer?*
  - **Maybe***: Thinking about what you know about how other utility retail markets work, do you think your understanding of how the water retail market works is as strong?*

(iv) **Perceived benefits / downsides of business market and choice**

- *What do you feel are the potential benefits or downsides for you of having a business retail market for water in place and the possibility of choice?*

(v) **Accessing and Assessing – for those who tried switching/renegotiating but couldn't –** related to quant questions E1, E5, H1, I9, I1, I2, I3, I4, I5 and I6

- Why did the customer look into switching/renegotiating initially?
  - *What were your reasons for starting to look into switching in the first place? Were you just looking at the option for a change and finding something better, or were there aspects of price or service with your existing provider that you were dissatisfied with?*
  - *Were you looking for particular services or offers, such as better account management, or water efficiency services?*
  - *Did you go out looking yourself or were you approached by a retailer or broker trying to offer you a better deal?*
- *What type of information were you looking for or have you used to help you search and compare offers from retailers? (if nudge required – price info/non-price offers). Did you look more at offers to do with price or offers not related to price such as customer service or other products and services?*
- **Maybe**: IF PRICE COMPARISON WEBSITE USED - *Tell me more about the price comparison website you used*
- **Maybe**: IF BROKER/CONSULTANT USED - *Tell me more about the broker/consultant you used How did you come into contact with them? If you knew them already, did you stick with them due to the established relationship? If it was a new broker, did they provide any reassurances, such as about the Code of conduct? Did you sign a Letter of Authority? Did that go smoothly?*
- **Maybe:** IF THEY RAN A TENDERING PROCESS – Could you tell me a bit more about the tendering exercise you ran [Switchers] to try to move to a new retailer / [renegotiators] prior to trying to conclude a new deal with your existing retailer?
- How did you find the process of shopping around, finding offers or comparing retailers? Were there aspects that were particularly easy, or particularly difficult?
- IF CUSTOMER SAYS THEY FOUND IT DIFFICULT TO COMPARE OFFERS / MAKE AN INFORMED CHOICE: *Could you tell me more about the experience of comparing offers? Why was it difficult?*
  - *What could be done to make comparing offers and retailers easier?*
  - *You've mentioned some of the challenges you faced in switching, why did you decide to go ahead and attempt to switch in any case?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had an impact on the type of information you've been looking for or your ability to compare offers?*

(vi) **Acting – Customers who tried Switching/Renegotiating but found they couldn't –** related to quant questions I10, I14 and I15

- *Having looked at the options available across retailers, why did you decide to try to switch or renegotiate?*
- *How far did you get in the process before you weren't able to proceed and how long had it taken to get there? Had everything gone to plan up to then? Were you worried about anything in particular?*
- *What happened which meant you couldn't proceed? Did a culmination of issues lead to this or did something happen all of a sudden meaning you couldn't proceed? What could be done better next time?*

- *Considering your experience, would you consider looking into switching or renegotiating again in future or is it out of the question?*
- *Is there anything that would encourage you to try switching or renegotiating again?*
- *How much of a bill reduction would be enough to tempt you to look to switch or renegotiate again? On what basis do you say this amount of saving?*
- *Do you think the kind of saving you mentioned is feasible in the market? Have you seen offers of similar savings when making enquiries?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had a bearing on the fact you weren't able to proceed with switching/renegotiating?*

(x) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J14, J12, J13

- IF CUSTOMER HAD PROBLEM: *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for?*
- *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER:
    - *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing?*
    - *Were any of the people you dealt with from consumer organisations or support organisations?*
    - *(If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER MADE ENQUIRY WITH PROVIDER - What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?
- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't go quite right? What would have improved this?*
- *Has any contact with your retailer influenced the way you feel about switching or what the market might offer you?*

(xi) Satisfaction with your current retailer – related to quant questions D1, D2 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- **Maybe:** *What, if anything, do you think your current retailer could do better?*

- **Maybe:** *Given that you looked to switch/renegotiate but weren't able to, were you looking for an alternative from the price or service being offered by your current retailer?*
- **Maybe:** *Given that you looked to switch/renegotiate but weren't able to, have you noticed any subsequent changes in the quality of service offered by your current retailer, compared to before you tried to switch or renegotiate?*

(xii) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

Topic Guide: Considering or considered but decided not to

Used with SMEs (depths) – those who are currently considering switching or renegotiating or considered switching or renegotiating but decided not to (H1=4).

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ………. and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).
If necessary:

- Ofwat is the water regulator sets rules for water companies in England and Wales
- the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take 30-40 minutes.

– Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey

– outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  - *Confirmation that participant is either considering or considered renegotiating or switching but didn't go ahead with it.*
  - *e.g. tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*
  - *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B1, B2, B3a

- Moderator – assume these customers are aware of the market as they are or have considered renegotiating/switching.
  - *When and how did you first hear about the introduction of the business retail market for water supply or that you have a choice of retailers?*
  - *Did you then explore further? Using what information? Was this information useful?*
  - *How do you understand the water market for businesses and how you can now choose? How does it work and what could it mean for your business?*
  - *Have you seen anything in the press or online about the market as a whole or about individual retailers?*
  - *Do you know what kind of contract you have with your water retailer?*
  - **Maybe**: *Thinking about what you know about how other utility retail markets work, do you think your understanding of how the water retail market works is as strong?*

(iv) Perceived benefits / downsides of business market and choice

- *What do you feel are the potential benefits or downsides for you of having a business retail market for water in place and the possibility of choice?*

(v) Accessing and Assessing – for those who are considering or considered switching/renegotiating but decided not to – related to quant questions E1, E5, H1, I9, I1, I2, I3, I4, I5 and I6

- Why did the customer look into switching/renegotiating initially?
    - *What were your reasons for starting to look into switching in the first place? Were you just looking at the option for a change and finding something better, or were there aspects of price or service with your existing provider that you were dissatisfied with?*
    - *Were you looking for particular services or offers, such as better account management, or water efficiency services?*
    - *Did you go out looking yourself or were you approached by a retailer or broker trying to offer you a better deal?*

- *What type of information were you looking for or have you used to help you search and compare offers from retailers? (if nudge required – price info/non-price offers). Did you look more at offers to do with price or offers not related to price such as customer service or other products and services?*
- **Maybe**: IF PRICE COMPARISON WEBSITE USED - *Tell me more about the price comparison website you used*
- **Maybe**: IF BROKER/CONSULTANT USED - *Tell me more about the broker/consultant you used? How did you come into contact with them? If you knew them already, did you stick with them due to the established relationship? If it was a new broker, did they provide any reassurances, such as about the Code of conduct? Did you sign a Letter of Authority? Did that go smoothly?*
- **Maybe:** IF THEY RAN A TENDERING PROCESS – Could you tell me a bit more about the tendering exercise Switchers you ran [Switchers] to secure a new retailer / [renegotiators] prior to concluding a new deal with your existing retailer?
- How did you find the process of shopping around, finding offers or comparing retailers? Were there aspects that were particularly easy, or particularly difficult?
- IF CUSTOMER SAYS THEY FOUND IT DIFFICULT TO COMPARE OFFERS / MAKE AN INFORMED CHOICE: *Could you tell me more about the experience of comparing offers? Why was it difficult?*
    - *What could be done to make comparing offers and retailers easier?*
- CONSIDERING ONLY:
    - *Do you feel like you will be able to make an informed choice?*
    - *[IF DIFFICULT] To what extent is this difficulty in comparing offers likely to put you off trying to switch / renegotiate?*
- CONSIDERED BUT DECIDED NOT TO ONLY:
    - *Do you feel you made an informed choice?*
    - *[IF DIFFICULT] To what extent did having difficulty comparing offers put you off switching or renegotiating altogether?*
    - *(If multi-premise – how did having more than one premises affect how easy or hard it was to compare?)*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had an impact on the type of information you've been looking for?*

(vi) Acting – Customers who are Considering or Considered Switching/Renegotiating but decided not to – related to quant questions I8, I14 and I15

- CONSIDERING ONLY:
  - *Can you tell me how far you've got in thinking about finding a new deal with a new retailer or your existing retailer? Have you looked for or found alternative or better offers, or products or services you're looking for?*
  - *To the extent you've looked at the options available across retailers, why have you not yet decided to switch or renegotiate? Is there anything holding you back?*
  - *From what you've seen so far, do you think you're more likely to switch, find a better deal with your existing provider or neither? Why do you say that?*
  - *Is there anything that would encourage you to try switching or renegotiating?*
  - *How much of a bill reduction would be enough to tempt you to switch or renegotiate? On what basis do you say this amount of saving?*
  - *Do you think the kind of saving you mentioned is feasible in the market? Have you seen offers of similar savings when making enquiries?*
  - IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had a bearing on the fact you haven't made a decision whether to switch or renegotiate yet?*
- CONSIDERED BUT DECIDED NOT TO ONLY:
  - *To the extent you've looked at the options available across retailers, why have you decided not to switch or renegotiate? How did you come to this decision? Was your decision driven mainly by your view that you simply couldn't find a worthwhile offer or what you were looking for? Did you have other concerns or worries about switching?*
  - *How far did you get in the process before deciding not to proceed and how long had it taken to get there? Had everything gone to plan up to then? Were you pleased or worried about anything in particular?*
  - *What happened which meant you decided not to proceed? Did a culmination of issues lead to this or did something happen all of a sudden meaning you didn't proceed? Did something go wrong or awry in the process you were following? What, if anything, could be done better next time?*
  - *Considering your experience, would you consider looking into switching or renegotiating again in future or is it out of the question?*
  - *Is there anything that would encourage you to try switching or renegotiating again?*
  - *How much of a bill reduction would be enough to tempt you to look to switch or renegotiate again? On what basis do you say this amount of saving?*
  - *Do you think the kind of saving you mentioned is feasible in the market? Have you seen offers of similar savings when making enquiries?*
  - IF CUSTOMER HAS MORE THAN ONE PREMISES: *Has the fact you have more than one premises had a bearing on the fact you weren't able to proceed with switching/renegotiating?*

(x) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J14, J12, J13

- IF CUSTOMER HAD PROBLEM:
  - *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for?*
  - *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER: *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing? Were any of the people you dealt with from consumer organisations or support organisations? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER MADE ENQUIRY WITH PROVIDER - What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?
- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't quite go right? What would have improved this?*
- *Has any contact with your retailer influenced the way you feel about switching or what the market might offer you?*

(xi) Satisfaction with your current retailer – related to quant questions D1, D2 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- *What, if anything, do you think your current retailer(s) could do better?*
- CONSIDERING ONLY:
  - *Maybe: Given that you're considering switching/renegotiating, were you looking for an alternative from the price or service being offered by your current retailer(s)?*
  - IF CUSTOMER PARTICULARLY DISSATISFIED: *Is there a reason why you haven't switched or renegotiated even though you're dissatisfied?*
- CONSIDERED BUT DECIDED NOT TO ONLY:
  - **Maybe:** *Given that you looked to switch/renegotiate but decided not to, were you looking for an alternative from the price or service being offered by your current retailer(s)?*

  - **Maybe:** *Have you noticed any subsequent changes in the quality of service offered by your current retailer(s) since you decided not to switch or renegotiate?*

- IF CUSTOMER PARTICULARLY DISSATISFIED: *What would you say discouraged you from switching to a retailer that might have met your needs better, or trying to get a better deal with your existing retailer?*
- *Have your experiences with your retailer affected how you feel about switching or what the market might offer you?*

(iv) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

Topic Guide: Plan to consider

Used with SMEs (depths) – those who are aware of the market and plan to consider renegotiating or switching.

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ………. and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).
If necessary:

  - Ofwat is the water regulator sets rules for water companies in England and Wales
  - the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take 30-40 minutes.

  - Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey
  - outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  - *Confirmation that the participant is aware of the market and plans to consider renegotiating or switching*

– *e.g. tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*

– *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B2, B2, B3a

- Moderator – assume these customers are aware of the market.

  - *When and how did you first hear about the introduction of the business retail market for water supply or that you have a choice of retailers?*
  - *Did you then explore further? Using what information? Was this information useful?*
  - *How do you understand the water market for businesses and how you can now choose? How does it work and what could it mean for your business?*
  - *Have you seen anything in the press or online about the market as a whole or about individual retailers?*
  - *Do you know what kind of contract you have with your water retailer?*
  - **Maybe**: *Thinking about what you know about how other utility retail markets work, do you think your understanding of how the water retail market works is as strong?*

(iv) Perceived benefits / downsides of business market and choice

- *What do you feel are the potential benefits or downsides for you of having a business retail market for water in place and the possibility of choice?*

(v) Accessing and Assessing – for those who plan to consider switching/renegotiating in future – related to quant questions E1, E5, H1 and I7

- *Why are you interested in switching / renegotiating? E.g. have you had a bad experience with your retailer or were you just thinking about looking at the option for a change?*
- *Why have you not started looking at switching or renegotiating yet? Do you perhaps not feel water is enough of a priority for your business to consider it or have you had experiences with other utilities or water providers in the past that have given you pause for thought?*
- *Do you prefer the idea of switching or finding a better deal with your existing provider? Why do you say that?*
- *What kind of information would you look for to help you make an informed decision about switching or renegotiating? What kind of benefits would you like to see?*
- **Maybe:** *How easy or hard do you think it might be to make an informed choice or decision about switching? (If multi-premises: Does having multiple premises affect how easy or difficult it is to be informed?) Do you think there would be any difficulties based on your experience of other utilities?*
- **Maybe:** *Do you think price comparison sites and brokers have a role to play in informing customers of their options? Are these services you'd consider using?*

- *If you'd used a broker for other utilities, would you be more inclined to use one for water? Why do you say this? What would you want a from a broker in terms of reassurances?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Do you think you'd need to look for different types of information due to the fact you have more than one premises?*

(vi) Acting – for those who plan to consider switching/renegotiating in future – related to quant questions I14 and I15

- *Is there anything that would encourage you to try switching or renegotiating sooner than planned? For example, if retailers were offering some kind of incentive.*
- *How much of a bill reduction would be enough to tempt you to look to switch or renegotiate sooner? On what basis do you say this amount of saving?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Does the fact that you have more than one premises impact on your view of wanting to switch/renegotiate sooner at all? Does having more than one premise make it more complicated, or on the other hand raise the prospect of more benefits, such as consolidated bills?*

(vii) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J14, J12, J13

- IF CUSTOMER HAD PROBLEM:
  - *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for? Were they linked to your change of retailer, for example legacy issues from your previous retailer?*
  - *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER: *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing? Were any of the people you dealt with from consumer organisations or support organisations? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER MADE ENQUIRY WITH PROVIDER - What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?

- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't quite go right? What would have improved this?*
- *Has any contact with your retailer influenced the way you feel about switching or what the market might offer you?*

(viii) Satisfaction with your current retailer – related to quant questions D1, D3 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- *What, if anything, do you think your current retailer could do better?*
- IF CUSTOMER PARTICULARLY DISSATISFIED: *Given that you've been particularly dissatisfied, why have you not yet looked into switching to a retailer that might have met your needs better, or renegotiating?*

(ix) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

Topic Guide: Not considered

Used with SMEs (depths) – those who have not considered switching or renegotiating (H1=5).

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ………. and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).
If necessary:

  - Ofwat is the water regulator sets rules for water companies in England and Wales
  - the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take 30-40 minutes.

  - Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey
  - outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  - *Confirmation that the participant has not considered switching or renegotiating*
  - *e.g. tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*
  - *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B2, B2, B3a

- Moderator – assume these customers are aware of the market. Important to note if awareness not there – consider switching to unaware topic guide.

  - *When and how did you first hear about the introduction of the business retail market for water supply or that you have a choice of retailers?*
  - *Did you then explore further? Using what information? Was this information useful?*
  - *How do you understand the water market for businesses and how you can now choose? How does it work and what could it mean for your business?*
  - *Have you seen anything in the press or online about the market as a whole or about individual retailers?*
  - *Do you know what kind of contract you have with your water retailer?*
  - **Maybe**: *Thinking about what you know about how other utility retail markets work, do you think your understanding of how the water retail market works is as strong?*

(iv) **Perceived benefits / downsides of business market and choice**

  - *What do you feel are the potential benefits or downsides for you of having a business retail market for water in place and the possibility of choice?*

(v) **Accessing and Assessing – for those who have not considered switching or renegotiating –** related to quant questions E1, E5, H1 and I7

  - *Why have you not considered switching or renegotiating so far? Are you open to the idea at all? Do you feel water isn't sufficiently a priority for your business to consider it?*
  - IF CUSTOMER IS STRONGLY AGAINST THE IDEA OF SWITCHING / RENEGOTIATING: *Is there a reason why you're against switching or renegotiating? Have you had a bad experience in the past or heard of others with negative experiences?*
  - IF CUSTOMER SIMPLY HASN'T THOUGHT ABOUT THIS AT ALL YET OR IS INDIFFERENT TO THE IDEA:
    - *Would you be more likely to act if it took the form of getting a better deal with your existing retailer, rather than changing retailer?*
    - *What kind of information would you look for to help you make an informed decision about switching or renegotiating? What kind of benefits would you like to see or be able to research?*
    - *How easy or hard do you think it might be to make an informed choice or decision about switching? (If multi-premises: Does having multiple premises affect how easy or difficult it is to be informed?)Do you think there would be any difficulties based on your experience of other utilities?*
    - *Do you think price comparison sites and brokers have a role to play in informing customers of their options? Are these services you'd consider using?*

- *If you'd used a broker for other utilities, would you be more inclined to use one for water? Why do you say this? What would you want from a broker in terms of reassurances?*

- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Do you think you'd need to look for different types of information due to the fact you have more than one premises?*

(vi) Acting – for those who have not considered switching or renegotiating – related to quant questions I14 and I15

- *Is there anything that would encourage you to try switching or renegotiating? For example, if alternative retailers were offering benefits such as price savings or other offers such as better account management, customer services, consolidated billing, water efficiency services and so on.*
- *How much of a bill reduction would be enough to tempt you to look to switch or renegotiate? On what basis do you say this amount of saving?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Does the fact that you have more than one premises impact on your view of wanting to switch/renegotiate at all? Does having more than one premise make it more complicated, or on the other hand raise the prospect of more benefits, such as consolidated bills?*

(x) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J12, J13, J14

- IF CUSTOMER HAD PROBLEM:
  - *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for?*
  - *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER:
  - *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing?*
  - *Were any of the people you dealt with from consumer organisations or support organisations?*
  - *(If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER MADE ENQUIRY WITH PROVIDER - What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?

- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't quite go right? What would have improved this?*
- *Has any contact with your retailer influenced the way you feel about switching or what the market might offer you?*

(xi) Satisfaction with your current retailer – related to quant questions D1, D2 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- *What, if anything, do you think your current retailer could do better?*
- IF CUSTOMER PARTICULARLY DISSATISFIED: *Given that you've been particularly dissatisfied, why have you not yet looked into switching to a retailer that might have met your needs better, or renegotiating?*

(xii) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

Topic Guide: Unaware

Used with SMEs (depths) – those that say they were unaware of the competitive retail market before taking part in the survey.

Participants will be asked to bring along to the discussion/interview a copy of their most recent water bill.

(i) Introductions

- Moderator:

Good morning/afternoon/evening. Can I speak to [name]?

My name is ……… and I'm calling from Opinion Research Services on behalf of Ofwat and the Consumer Council for Water (CCWater).
If necessary:

  - Ofwat is the water regulator sets rules for water companies in England and Wales
  - the Consumer Council for Water is an organisation which represents the interests of consumers, including organisations, in the water industry

At first contact…

You took part in some research for Ofwat and CCWater recently and agreed to take part in further research about the water market. Would you still be happy to take part? When would be a good time to talk? Set up interview.

If necessary: the interview should take 30-40 minutes.

  – Outlines the purpose of the discussion – to explore participants' views about, and experiences of, the business retail market for water, and to investigate in further detail any particularly interesting answers that they provided us in the quant survey
  – outlines the research format; recording, anonymity, no right or wrong answers, etc

READ OUT: The call will be recorded so that the interview can be properly written up, but the recording will be not be shared with anyone else. Everything you say will be treated in complete confidence, all results will be anonymous and while we may use what you say in our report, we will not use any information that potentially identifies you. ORS will destroy any information which identifies you as an individual (including the recording) by December 2019 but the rest of your responses will be kept for research purposes. ORS is registered under and strictly adheres to the principles of the Data Protection Act 1998/2018, as well as the EU General Data Protection Regulation (GDPR). If you would like more information on our privacy policy, please visit ors.org.uk/privacy.

(ii) Context

- Moderator / Participant to discuss overall water use and views on the service received:
  – *Confirmation the participant was previously unaware of the market*
  – *e.g. tell me a bit about what your business does? How many employees do you have? Who supplies your water and sewerage at the moment (supplier and retailer)? Is water important to the business, do you use a lot of it?*

– *Overall, is your experience of the market a positive one?*

(iii) Awareness and understanding of the market– related to quant questions B1, B2, B3a

- Moderator – assume these customers are unaware of the market.

  - *Before taking part in the survey, were you totally unaware of the water market for businesses and the ability to choose a retailer?*
  - *Since the survey, have you become interested in finding out about the market at all?*
  - *How important is water to your business? [If it is important, why do you think you are unaware of the structure of the market? How aware are you of how the market works for other utilities?]*
  - *Do you feel there is a lack of marketing from your retailer/others?*
  - *Do you think your trade organisations or trade press has a role to play in raising awareness about the water market and the possibility for businesses to choose and change their retailer?*
  - ***Maybe**: Having taken part in the survey, how do you now understand what your retailer does and what they cannot do? How do you think the business retail market does?*
  - [If aware of choice in other utilities (B1a, B1b)] *How would you compare your awareness of other utility retail markets with your awareness of the water market? Why do you feel you are more aware of other markets? Do you feel you know more about choice in other utilities such as gas and electricity?*
  - Maybe: Having taken part in the survey, how do you now understand what your retailer does and what they cannot do?

(v) Accessing and Assessing – Unaware – related to quant questions I15 and I14

  - *Now that you know a bit more, would you be interested in looking into switching/renegotiating at some point in the future? Thinking about your current water retailer, what would they have to do to make you consider switching or renegotiating? What would they have to offer you? Could you see any benefits in changing provider? (If multi-premise: You've got multiple premises – does this affect your view of the pros and cons of the ability to change provider?)*
  - IF CUSTOMER IS STRONGLY AGAINST THE IDEA OF SWITCHING / RENEGOTIATING: *Is there a reason why you're against switching or renegotiating? Have you had a bad experience in the past or heard of others with negative experiences?*
  - IF CUSTOMER THINKS THAT THEY MIGHT BE INTERESTED IN LOOKING INTO SWITCHING / RENEGOTIATING AT SOME POINT IN THE FUTURE:
    - *Do you prefer the idea of switching to another provider or getting a better deal with your existing provider? Why do you say that?*

- *What kind of information would you look for to help you make an informed decision about switching or renegotiating? What kind of benefits would you like to see?*
- *How easy or hard do you think it might be to make an informed choice or decision about switching? (If multi-premises: Does having multiple premises affect how easy or difficult it is to be informed?) Do you think there would be any difficulties based on your experience of other utilities?*
- *Do you think price comparison sites and brokers have a role to play in informing customers of their options? Are these services you'd consider using?*
- *If you'd used a broker for other utilities, would you be more inclined to use one for water? Why do you say this? What would you want from a broker in terms of reassurances?*

- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Do you think you'd need to look for different types of information due to the fact you have more than one premises?*

(vi) Acting – Unaware – related to quant questions I14 and I15

- *Is there anything that would encourage you to switch or move to a better deal with your existing provider, or think about doing this?*
- *How much of a bill reduction would be enough to tempt you to look to switch or renegotiate? On what basis do you say this amount of saving?*
- IF CUSTOMER HAS MORE THAN ONE PREMISES: *Does the fact that you have more than one premises impact on your view of wanting to switch/renegotiate at all?*

(x) Contact with your provider – related to quant questions J1, J3, J4, J5, J6, J8, J11, J14, J12, J13

- IF CUSTOMER HAD PROBLEM:
  - *Could you tell me a bit more about the problems you've faced? What were the nature of these problems or issues? How long did they go on for?*
  - *Did your provider, in dealing or attempting to deal with your problem, redirect or try to redirect you to another firm or organisation? Did this help or hinder?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT / DIDN'T FIND IT EASY TO RESOLVE ISSUE: *Could you tell me a bit more about the issues you faced when trying to resolve your issue and what, if anything, went wrong? Did you resolve your issue? How satisfied or dissatisfied were you with the process of trying to resolve the problem? What would have improved the process? (If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*
- IF CUSTOMER HAS BEEN PASSED FROM ONE PERSON OR ORGANISATION TO ANOTHER:
  - *What happened when your issue was being passed from one person or organisation to the next? Did your retailer tell you to talk to your wholesaler or vice versa? Did that help or hinder? Was it clear to you which organisation could or would take responsibility for the issue you were pursuing?*
  - *Were any of the people you dealt with from consumer organisations or support organisations?*
  - *(If multi premises – how did the fact that you have multiple premises affect trying to resolve the problem?)*

- IF CUSTOMER MADE ENQUIRY WITH PROVIDER *- What was your enquiry about? Did your provider, in dealing or attempting to deal with your enquiry, redirect or try to redirect you to another firm or organisation? Did this help or hinder? Did you get satisfactory answers to the questions you were asking?*
- IF CUSTOMER DISSATISFIED WITH THE CONTACT THEY HAD WITH ENQUIRY: *Could you tell me a bit more about the contact you had about your enquiry and what, if anything, didn't quite go right? What would have improved this?*
- *Has any contact with your retailer influenced the way you feel about the possibility of changing retailer or more generally about what the market or your provider might offer you, or be able to do for you?*

(xi) Satisfaction with your current retailer – related to quant questions D1, D2 and D3

- IF THE CUSTOMER IS PARTICULARLY SATISFIED OR DISSATISFIED: *Could you tell me a bit more about why you are very satisfied/dissatisfied with your retailer?*
- *What, if anything, do you think your current retailer could do better?*

IF CUSTOMER PARTICULARLY DISSATISFIED: *Given that you've been particularly dissatisfied, why have you not looked into the possibility of changing retailer or more generally about what the market or your provider might offer you, or be able to do for you?*

(xii) Satisfaction with the market as a whole – related to quant questions I11, I12, I13, K1 and K2

- *How do you feel the market has changed and developed for you since 2017? From your perspective, are things better or worse now, why?*
- *Ideally, what do you want and need most from the water market or your water services provider? In your view, to what extent is this currently being provided, or is the market able to provide this? If not, why? What are you not able to get currently that you would like to see?*
- *To what extent do you feel services are improving and retailers are offering new and/or innovative services? Or do you feel little has changed, or got worse, with the opening of the market?*
- *Overall, do you feel the market is offering good services at good prices?*
- *How satisfied or dissatisfied are you with the market as a whole? Any closing comments on what you would like the market to provide in future and how it can build on what it currently does?*

This project has been completed in compliance with ISO20252