

Qualitative research to explore  
what support customers need:  
Focusing on customers struggling to  
pay and those dealing with mental  
health challenges.

Prepared for Gemma Rosenblatt | Ofwat | March 2021 | V1  
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# The purpose of the research.

## Aims and objectives.

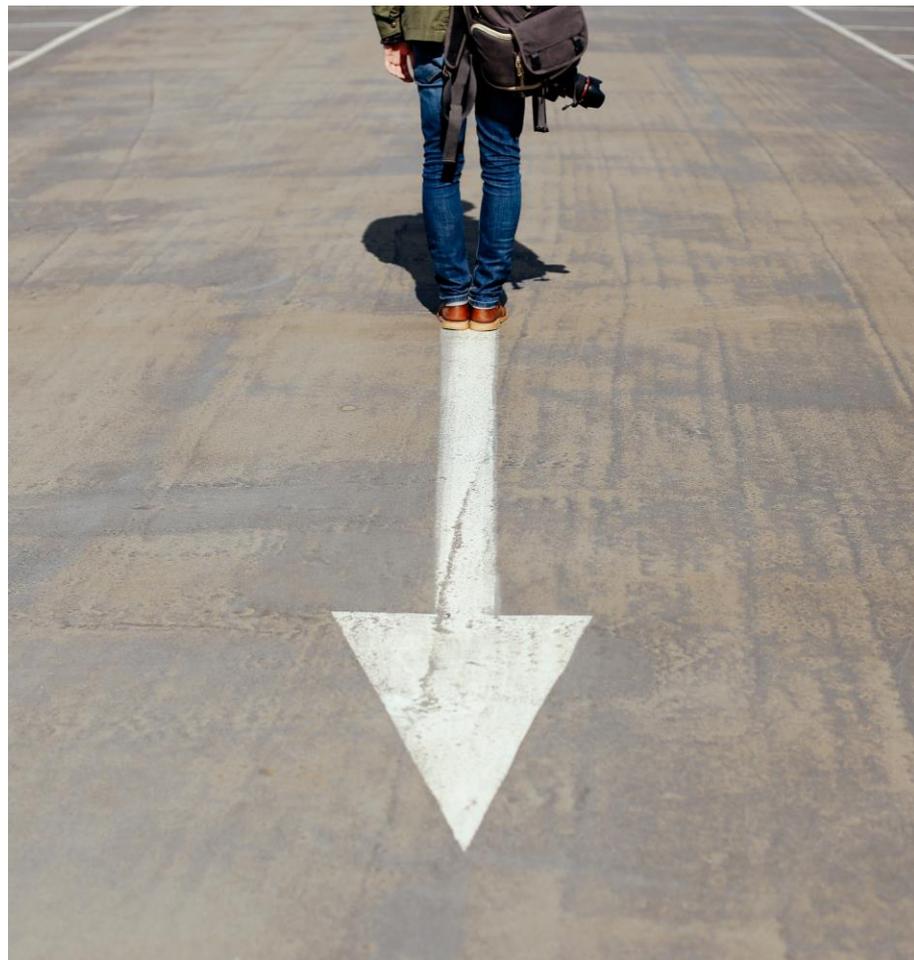
The overall aim of this research is to provide fresh evidence on the situation facing vulnerable water customers, particularly in the context of the COVID-19 pandemic.

Specifically, to:

Consider and compare the **experiences of longer-term and newly vulnerable customers in accessing support** for water and other essential bills

Highlight **patterns and good practice in the water sector and beyond** in order to understand what support customers need.

Ultimately, this research will support Ofwat with understanding the current and future needs of a significant population of water customers, who arguably require the most support.



# Who we spoke to...

## 15 participants...

- Aged between 18 to 65 years old
- 10 women, 5 men
- Spread across England and Wales
- All were sole or joint decision makers and / or bill payers for their water bill
- A mix of different water suppliers

We set particular quotas on the following as these were specific demographic groups of interest in relation to those who could have been particularly impacted by the CV-19 pandemic:

- 3 x 18 to 34 years old
- 3 from diverse ethnic backgrounds
- 3 x parents with young children (>11 years old).

## Participants had to fall into either of these:

### Vulnerability category

- Struggling to pay household bills e.g., water, electricity, gas
- AND...
- Those living with mental health challenges within the last 12 months e.g., feelings of stress, low self-esteem, overwhelmed, sadness or anxiety

### Affordability category

- Struggling to pay household bills e.g., water, electricity, gas
- AND ONE OR MORE...
- Low-income household (<£16,000)
- Receiving Universal Credit (UC), Income Support, Job Seeker's Allowance, Housing Benefit, Pension Credit
- Temporarily not working e.g., furloughed, made redundant, self-employed but unable to work, on sick leave, unemployed but seeking work
- Receiving irregular income e.g., zero hours, casual or temporary contract

## And then either of these criteria:

### Currently receiving support with HH bills

Currently receiving or support came to an end within the last 3 months:

- Payment breaks from utility bills e.g., water, electricity, gas
- Reduced tariff/bill or other financial contribution from supplier or company
- Moved to a meter e.g., water or energy meter
- Mortgage/rent holiday
- Credit card consolidation loan/debt advice

### Receiving no support with HH bills

Included:

- Have not received any support with paying any household bills in the last 12 months (excluding support such as UC)
- Some have tried to access support in the last 12 months but didn't receive any
- Those looking for support within the next 3 months
- Mix of those aware and not aware of support available

# Understanding the sample.

In essence, we spoke to four broad groups of people, albeit on a small qualitative scale, who had all been impacted by the pandemic in some way.

## Classification

Support	VULNERABILITY, WITH SUPPORT  2 PARTICIPANTS	AFFORDABILITY, WITH SUPPORT  6 PARTICIPANTS
	VULNERABILITY, NO SUPPORT  5 PARTICIPANTS	AFFORDABILITY, NO SUPPORT  2 PARTICIPANTS

## What we can learn from the recruitment:

- Even with a rigorous screening process, a couple of participants who stated they had not received support in the last 12 months, had actually received support. This can happen when people are juggling a lot in their lives but may also reflect the idea that **'support' is complex** and may not always have the same meaning to different people.
- We were unable to recruit more participants to the 'vulnerability, with support' group. Whilst we can only hypothesise why this is the case, a number of the people we spoke to were 'newly vulnerable' and reflect the fact that **looking for and accessing support is novel**, suggesting they are a smaller group of the population, but one that likely needs additional guidance.
- These groupings mask a fluid set of circumstances: for instance, some participants in the 'affordability' group were 'new' to this classification – losing their job or going on Universal Credit as a result of the pandemic – whereas others would be deemed 'longer-term' – with on-going financial challenges outside of the pandemic. The group of people included in this research are complex, and unique. Therefore, where possible **we reflect their individual journeys and circumstances** to provide a deeper sense of understanding; **ultimately mirroring the type of support that they are themselves looking for: tailored, empathetic and personal.**

# Methodology.

## ONLINE COMMUNITY

### 3-day online community.



**Day 1: Engagement.** Getting to know the participants and their experience of the last year.

**Day 2: Support.** Feedback on support journeys / reasons for not accessing support.



**Day 3: Learners.** Learning about best practice from the water and other sectors.

## DEPTH INTERVIEWS

### 6 x 30-min telephone depths.



**Depth interviews** to explore individuals' experiences in more detail.

- Single mother, unemployed, payment break from her car finance company
- Single mother, unemployed, support from water company
- Father of a disabled child, unemployed, receiving support from council / water supplier
- Single male, living alone, in work but struggling with bills, received support from water, gas and electric suppliers
- Single mother, furloughed, support via IVA, no knowledge of support from water companies
- Mother, living with children and husband, in work but struggling to pay bills, looking for support in the next 3 months

The research took place from 16<sup>th</sup> to 20<sup>th</sup> March 2021, during the third lockdown in England (on 5<sup>th</sup> Jan) and Wales (on 28<sup>th</sup> Dec).

Throughout the online community and depth interviews, moderators provided **continual signposting to different types of support and advice** around some of the challenges and struggles that participants mentioned.

# What this research will tell you...

## KEY TAKE-OUT

A diverse group of people who have little to no interaction with their water company.

The triggers to support are a result of drastic, life-changing situations.

Water companies should look to take a person-centric approach to support.

The long-term impact of the last year is still an unknown for most.

## THE DETAIL

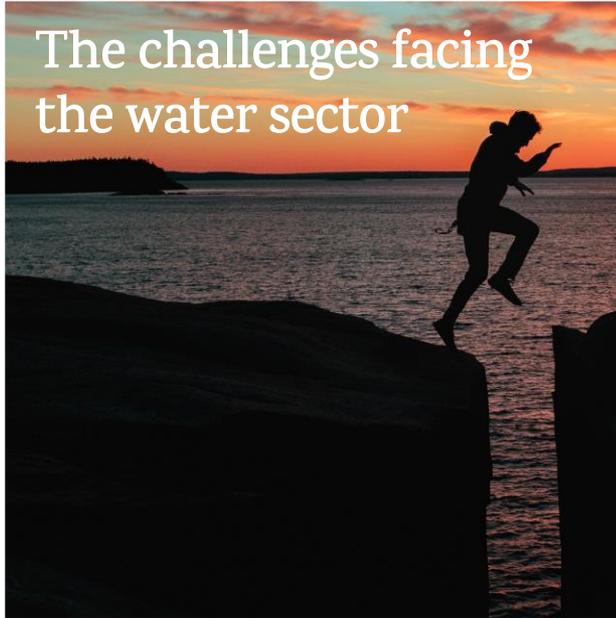
Water companies can appear distant and 'faceless' to many. Coupled with the fact that water companies haven't been seen to be proactive during the last year (when others have) means few are aware of the support on offer. A large-scale awareness and engagement piece is required.

Many newly vulnerable participants have had to deal with novel, challenging situations they have never experienced before, as have those in the affordability category. Thus, participants are looking for myriad types of support in often uncharted waters. It means they need real clarity of what's available with good levels of detail. They're also looking for something more holistic and part of this is about signposting to other sources of advice and support and being aware of their broader needs and circumstances.

Positively, many are delighted with the support on offer from water companies – it's just they didn't know it existed. But the learning for water companies is to be more proactive along the support journey; even engaging before people get to 'crisis point' and get into arrears.

Many do see a light at the end of the tunnel once the lockdown begins to lift, however this does mask the financial uncertainty that they still face. It's likely that support will continue to play an integral role in managing their finances and supporting themselves and their families.

## The challenges facing the water sector

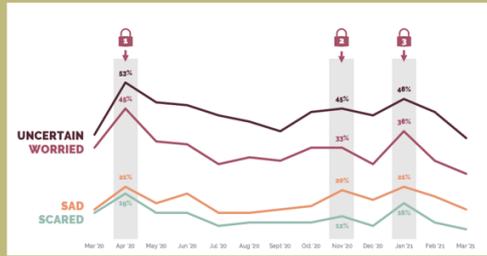


T H E   C O N T E X T

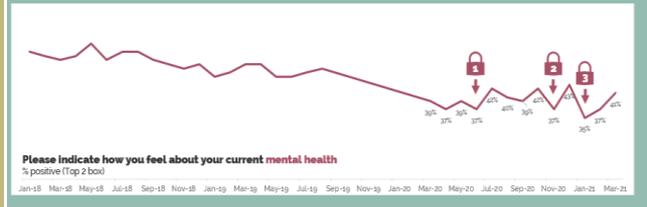
Low awareness of the support water companies offer.

# It is understatement to say it has been a challenging year.

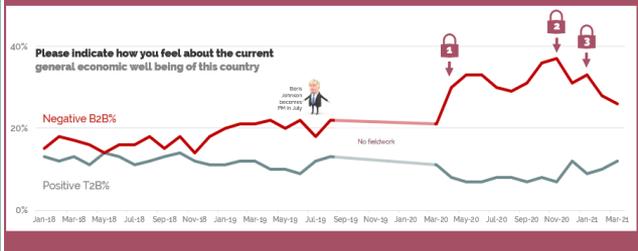
## NEGATIVE EMOTIONS HAVE DOMINATED THE LAST YEAR.



## MENTAL HEALTH POSITIVITY REMAINS LOWER THAN PRE-PANDEMIC.



## THE ECONOMIC DIVIDE WIDENS



And whilst there has been some upturn in positive sentiment and feelings of hope as we move out of lockdown, many are still left in financially and emotionally challenging and uncertain situations.

# And certain groups of society have been hit hardest – emotionally and financially.



## A deepening chasm amongst those already struggling...

The pandemic has had a disproportionate impact on Black and other diverse ethnic communities.

And the Resolution Foundation found those in the lowest income quartile have borrowed in recent months to cover everyday costs such as housing or food.

## ...with a cumulative impact

Our work with Citizens Advice shows that millions are behind on payments; and those who have fallen behind on energy bills have also fallen behind in other areas: 62% also behind on water bills, 62% on council tax, 50% on rent, 48% on broadband bills.

Furthermore, those already struggling have been hit even harder, as UCL researchers highlighted: those already finding things 'very difficult' before lockdown were more likely to report things were 'much worse' (Nov '20).



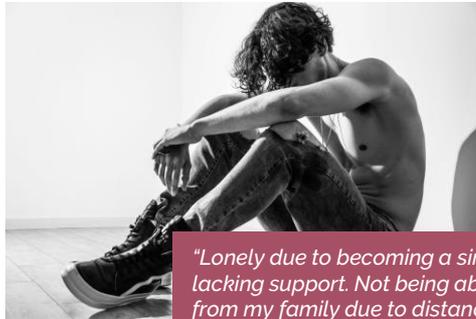
## Those plunged into new circumstances of struggle

Groups of people previously seen as financially stable have been pushed to the financial precipice as a result of furlough, redundancies and on-going financial uncertainty.

We have seen young people and families particularly impacted by this, for instance young people have been most hit by unemployment rises (Resolution Foundation).

# Our participants reflect those groups.

Throughout the online community, the emotional toll on participants was clear; especially in how stress, depression and anxiety intertwined with their need for support and decision-making processes.



*"Lonely due to becoming a single parent and lacking support. Not being able to access support from my family due to distance and limited social interactions made me feel isolated." (Female, No Support)*



*"Felt like I have been drowning in bills and struggling with lockdown mentality it's been hard on my self and I think the children too I know my son found it hard not seeing friends and Socialising with others" (Female, No Support)*



*"Not sleeping....anxiety, kids driving me mad, worrying about them and money." (Female, Support)*



*"How I felt at times during lockdown drained the worry of everyone." (Male, Support)*



*"It seems like a never ending road. Worrying about making ends meet and trying to do it alone. Trying to make everything as normal as possible for my son" (Female, Support)*

# Some sectors have responded to this situation, potentially activating a change in customer engagement...

There has, understandably, been a wealth of media coverage and communications around these initiatives and whilst this has not necessarily resulted in a set of expectations from customers, it has made customers realise that companies or organisations are able to support them during difficult times and it is acceptable to ask for help.

This could be the start of a changing social norm in terms of how customers interact with suppliers: such as increased engagement, interaction and potential scrutiny. It is likely, therefore, that sectors left behind will be noticed.



 **the Money Advice Service** | Free and impartial money advice

## A guide to coronavirus mortgage payment holidays

Mortgage lenders have announced support if your income has been affected by the coronavirus outbreak, including a repayment holiday of up to a maximum of six months. The deadline for applying for a repayment holiday is 31 March 2021.

- [Applying for a mortgage payment holiday](#)
- [What your lender will discuss with you](#)
- [Information your lender should provide for you](#)

UK telecoms regulator Ofcom has also worked with providers to establish a number of measures to help children access their online classes while learning from home:

- Data caps removed from all major UK broadband providers' packages for free unlimited use
- Special affordable 'essential' tariffs run by a number of providers for vulnerable customers and those on low incomes
- For those without a broadband connection, mobile data caps have been lifted to allow unlimited access to the internet on mobile devices

 Energy | Broadband & TV | Mobile phones | Personal finance | Insurance |

Uswitch.com > Broadband > Guides > **Broadband providers help during covid 19**

## What broadband providers are doing to help customers during COVID-19

## Help With Utility Bills During The Coronavirus Crisis

 **Kevin Pratt**  
Editor Published: Apr 8, 2020, 6:02am

The government and the energy industry have agreed to provide support to those in financial difficulty as a result of the coronavirus pandemic.

Those who are struggling with money problems or who are repaying a debt to their energy provider are being offered options that include:

- a review of bill payment plans, including debt repayment plans
- payment breaks or reductions in how much is payable
- an increase the time to pay bills
- access to hardship funds.

For those concerned about not being able to afford the cost of the extra gas or electricity they're using because they're having to self-isolate at home, support will be available through their energy supplier.

Suppliers will take into account each customer's financial circumstances.

No-one with a standard credit meter, where bills are paid in arrears each month by direct debit or each quarter by cash or cheque, will be cut off during the crisis.

Energy companies are working to ensure that those with prepayment meters are provided with the necessary credits, with top-up cards sent in the post if required.

No credit meters will be disconnected during the outbreak.

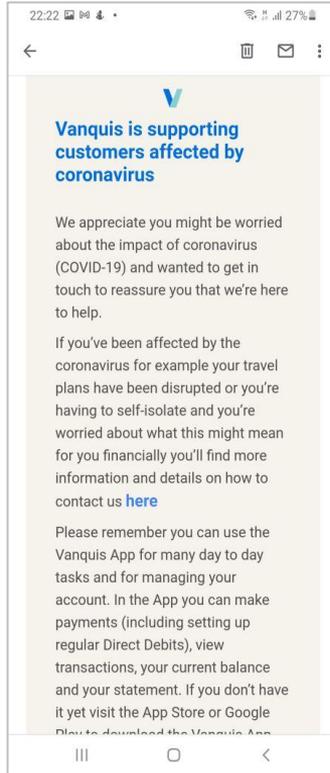
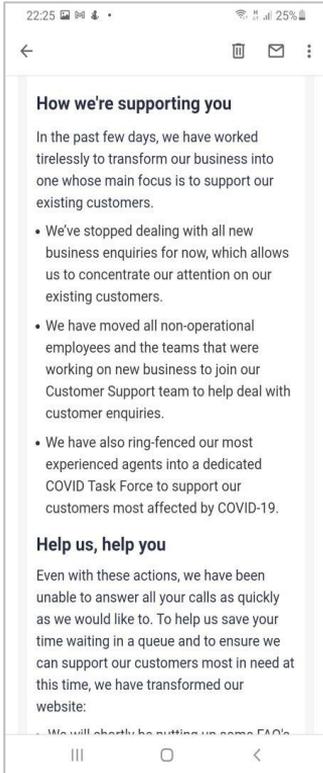
## TAXING TIMES How to get £150 off your council tax bill due to coronavirus

**Alice Grahns**, Digital Consumer Reporter  
12 Nov 2020, 15:11 | Updated: 13 Nov 2020, 10:16

   **33 Comments** 

**MILLIONS of struggling households can get their council tax bills reduced by £150 this year due to the coronavirus crisis.**

The council tax hardship fund, which was [first announced in March](#), is  council tax support.



...And have proactively reached out to customers.

Left: some examples from the online community of communications from other suppliers.

# However, most of our participants were unaware that support from the water sector was available.



There is good awareness of what other sectors are offering in terms of support, although predominantly financial:

- Council tax
- Car finance
- Mortgage
- Credit cards
- Other utilities



Other sectors have sent initial check-in emails, letters, and had phone calls with customers to let them know of the support available. This provides an element of reassurance and stability easing some of the emotional strain on participants but also boosts trust and connection with a brand.

The majority of our participants were unaware that they could get support from their water company even though they needed it.



*In May last year when I really needed support, I did expect my water company to contact me to see how I was, but I didn't receive any emails or texts last year. I could have done with the help at the time! I just didn't know it was available! (Female, No Support)*

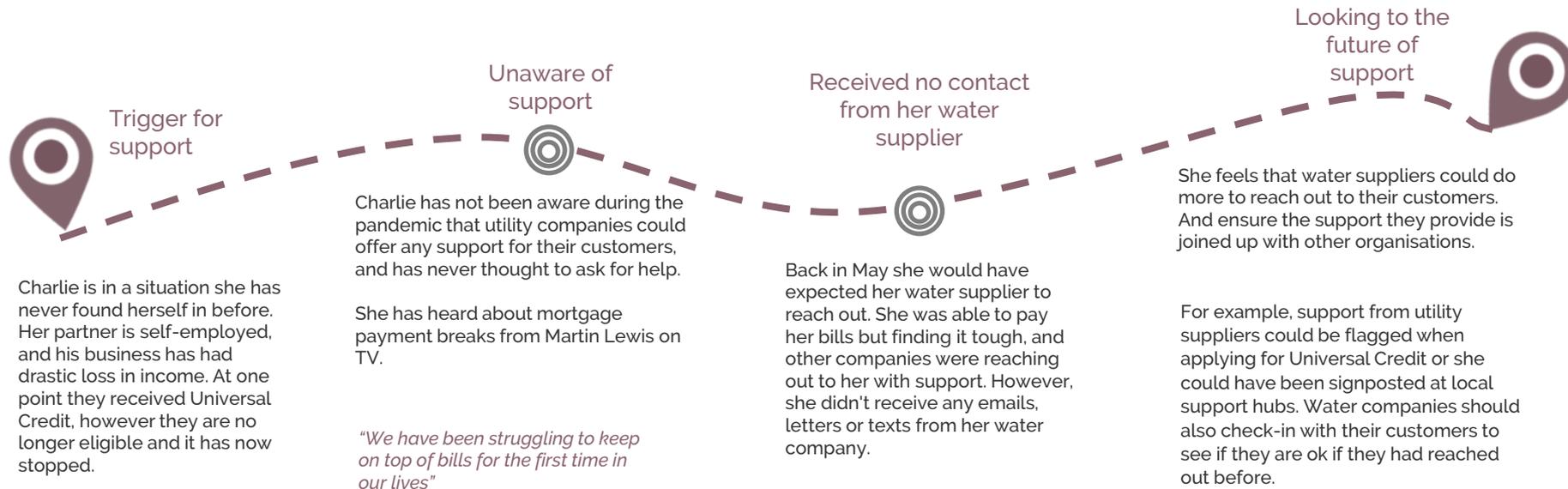
*I haven't received anything from my water supplier. I have just never even thought about asking what support they can offer. (Female, No support)*

*Never tried or heard of help with utility bills, especially water, never even thought to ask! (Female, No Support)*

*I was only aware that mortgage providers were offering mortgage holidays. I wasn't aware of any other financial help from water companies. This is probably because it isn't advertised enough and as we've never been in this situation before I wouldn't know where to look. (Female, No Support)*

## Case study: Charlie is looking for support in the next 3 months.

Charlie, 27, lives in the North of England. She has 3 young children which she has home schooled throughout lockdown.



T H E   C O N T E X T

Few actively engage with their water company.

# Customers are not engaging with their water company beyond paying their bill.

## Bills are 'set in stone'

Customers receive the 'same' bill over and over again, so they don't question it – the behaviour becomes habitual. It leads them to believe there's little flexibility in engagement.

*We all know you need to pay utility bills like gas, electric, etc. They send you pages and pages of spiel that no one understands. No one goes through it and actually understands it. You just accept it and say yeah, that's fine, and go with it. Whatever they tell you, you need to pay. (Female, No Support).*



*I didn't think they could help as it's a set price monthly, unlike gas and electric that goes on usage. (Female, Support)*



### Behavioural Science Principle: Status quo bias

If all customers expect from water companies is a bill, then why think that there is anything more to the relationship?

Predominantly water companies are seen to be providers of a service, with a set price, rather than an organisation customers can talk to. Changing this perception will open up the dialogue and support with developing a relationship with customers.

# So the relationship is seen as ‘transactional’ and ‘distant’.

## Perceived as transactional

It seems to participants that water companies do not seem to get to know their customers or ask for additional information.

*They just changed my address and didn't check whether I am still in priority group, e.g. am I still a single mum, still earning this much, how you dealing with COVID situation etc....? All they want to do is rush, rush, rush and get you off the phone.*  
(Female, No Support)



*They're not like other bills or utilities. I'm not even sure who my supplier is, never mind if they offered any support.*  
(Female, No Support)



### Behavioural Science Principle: Personalisation

Humans respond to personalised appeals as it makes us feel important, in control and as if our time is valued.

Taking a more personalised approach to communications and engagement with customers will help to tackle this issue.

# Water is important but not always an essential bill to pay.

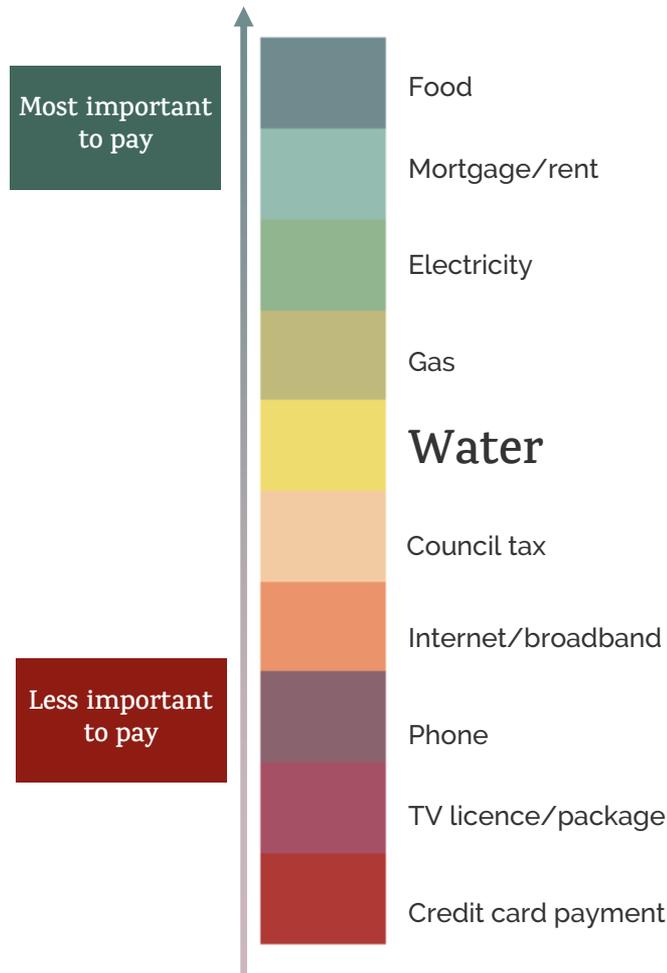
Most prioritise the necessities: food, keeping a roof over their heads and staying warm.

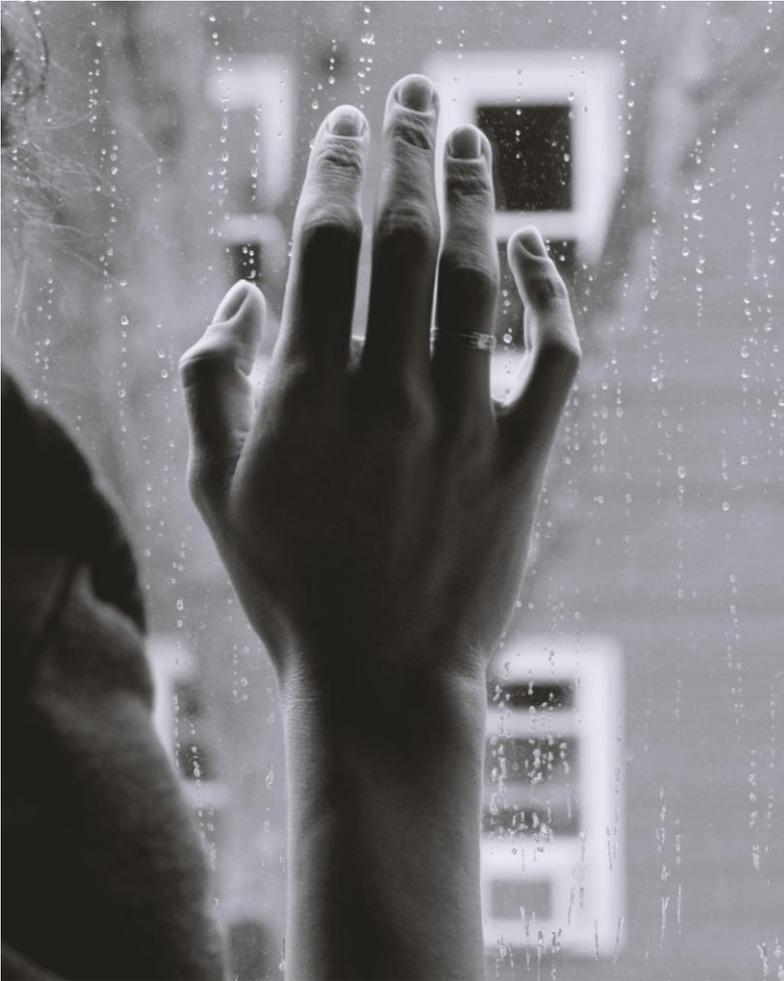
Water was rated the fifth most important bill to pay signifying the tricky position it is in: it's deemed as one of the necessities but just not as important as electricity/gas. Furthermore, as there are fewer ramifications for not paying a water bill – water won't be cut off – there is more wiggle room in not paying.

*"Water is something that has to be provided to us. It is a necessity and cannot be stopped." (Female, Support)*

*"As long as we have food, gas, electric, and water we can survive. They are the basics and anything else is a luxury." (Female, No Support)*

*"Council tax and TV licence can be paid at some point later on and they can't cut my water off." (Female, Support)*





## Water companies can be seen as 'faceless'.

Water companies are felt by some to be faceless - perpetuating a sense of confusion and inaccessibility. They can be seen as 'money making machines' who put profits first, rather than reinvesting that money into infrastructure or systems that ultimately help their customers.

“ *Public perception and how the companies run is key. [Water company] for example is a non-for-profit organisation so everyone knows that money is going back into company and the system to make them better. [Water company] has a really good rating publicly because of this, people know they are not paying “fat cats” while their customers pipes are disintegrating like many other water companies.* (Male, Support)

“ *People stereotype utility companies as they are usually not very helpful and don't ever mention they help.* (Female, No Support)

# So, why do so few people engage?



T H E   C O N T E X T

Ultimately water companies need to drive increased awareness and engagement for people.

## Most will respond well to hearing from their water company.

No participant spoke of having negative interactions with their water companies...

...And when they were made aware of the types of support available, from water companies, all were resoundingly positive.

*The outcome of my water company phone call was great! It was very helpful, they explained what I was entitled to because of my income and having young kids....brilliant service, great customer service.*

*(Female, No Support)*



*I was quite shocked! I didn't realise you could get support. I didn't realise if you rang up and they would sort out payment breaks for you.*

*(Female, No Support)*



# But key barriers of embarrassment and fear need to be addressed.

Water companies should proactively reach out to offer support to customers to mitigate feelings and misconceptions which prevent current engagement.



# Customer's suggestions to utilities companies on how to tackling low awareness focus on...



## Shout about it

Customers would like you to shout about the support available. Many felt frustrated that they remained unaware of available help when they needed it most.



*It would of been great if the support was better published. Maybe in magazines, newspapers or on the news. This could of helped us possibly to have money to spend elsewhere where needed" (Female, No Support)*

But remember for many this is new, so they need simple but detailed information.



*Before last year I never had to look into any of this. It all felt really daunting (Female, No Support)*



## Use multiple channels

Customers collectively provided an exhaustive list of channels for utilities companies to increase awareness, ranging from social media to bus stop campaigns. It's all about getting the greatest reach possible.



*I think advertisement on social media, TV and newspapers would probably target most possible service users and yes I would approach them if I saw an advert offering the service (Female, No Support)*



## Provide a personal touch

But a blanket approach for all will not always work, so tailoring contact and making it personal is also important to add to the mix.



*I think maybe an annual call or 6 monthly text? I'm sure lots of family's would of appreciated a call in lockdown especially if it could save money" (Female, No Support)*

# Learning from how other sectors communicate: when executed poorly it lacks understanding and compassion.

Key criticisms that emerge are

- ✓ Impersonal or lacking empathy
- ✓ Show no interest in personal circumstance
- ✓ Provide no information on the offer of support
- ✓ Unclear calls to action
- ✓ Confusing and unclear language.



next

**Miss Chadha**

This is just a quick reminder that we still haven't received all of the minimum monthly payment requested on your last statement. To bring your account up to date, please pay the overdue payment of £31.00 immediately.

There are lots of easy ways to pay – and they're all outlined on the last page of your statement or online at [help.next.co.uk](https://help.next.co.uk). For sheer convenience, we'd recommend getting it sorted online at [next.co.uk/account](https://next.co.uk/account).

If you're having difficulty making this payment, please give us a call on **0333 777 8610**.

Finally, if you've beaten us to it and made your payment in the last few days, please accept our apologies and ignore this email.

Thanks  
The Next Team

[Take me to Next.co.uk](https://next.co.uk)

- **Lacks understanding and empathy** which instantly makes the reader want to disengage.



*It's a bad example as it lacks empathy. It's direct but at a time when someone is struggling they are more likely to reach out the letter was worded differently. (Female, No Support)*



You can use the Capital One mobile app or call **0800 952 4966** to see the options for getting your card ending 3051 back on track. We're here to help.

- Directs customers to payment only, it **doesn't provide any options** such as a payment plan.



*This is a bad example as it only gives you options which will help get your card on track. it doesn't say if they are offering support to arrange something or will help you with offering a payment plan. (Female, No Support)*



**We're concerned about the COVID-19 situation, please note we're here to help.**

We're taking a lot of calls right now, which means you may be waiting longer than usual to contact us. We do understand this is frustrating and thank you for your patience.

To make things easier, we're trying to make sure you can do as much as possible through our award-winning Vanquish App. You can use the App to securely manage your money anytime, anywhere from setting up a Direct Debit payment to viewing your statement and so much more.

If you don't have the App yet, visit the App store or Google Play to download it today.

**Top tips to help you manage your finances...**

- Use contactless

- **Onus is put on the individual** not the company.



*They basically say stay on the phone and wait for us rather than if you need us let us know and we will come to you. They seem very focussed and repetitive about setting up direct debits and downloading an app. Even all their top tips were about how to spend money rather than helping during a hard time. (Female, Support)*

# Learning from how other sectors communicate: when executed well it's empathetic.

Key qualities for engaging communication are:

- ✓ Feels personal
- ✓ Demonstrates empathy and attempts to reduce feelings of shame
- ✓ Seeks to understand personal circumstances
- ✓ Language is clear, concise and easy to understand
- ✓ There is a clear call to action
- ✓ The support provided is varied and tailored

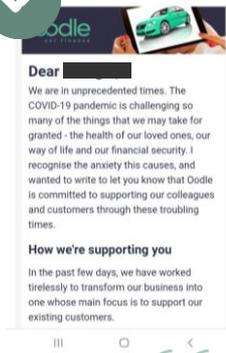


...abab, this is a quick update to say we haven't received your payment of £100 that's due. We know things don't always go to plan but we're here to work with you while you get back on track. To make a payment today, follow this link: <https://amigo.me/SVXNRWWW> Alternatively if you do not have the funds today, but you are able to pay on or before your next due date, please follow the link to complete a short form to arrange your payments <https://amigo.me/VTXK5BDL> For more information on making payments, head here: <https://www.amigo.co.uk/existing-customer/payments> Thanks Lewis, Amigo Loans

- ✓ Personalised and empathetic. It put the customer at ease as it addresses potential shame with understanding and compassion.



*They are saying that there is support available and help to make you feel comfortable with asking. It's showing that they know things don't go to plan which makes a customer feel at ease as they are showing they know what its like. (Female, No Support)*



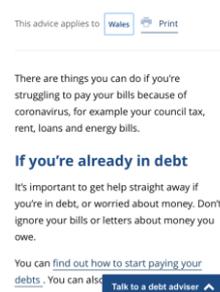
- ✓ A good example of personal and genuine comms.
- ✓ It provides realistic and helpful support whilst providing reassurance.



*I think oodles email was outstanding. It was very personable. It was clear that the company cared and set out realistic expectations from the start. Seemed very supportive and made the reader feel more at ease at a stressful time (Female, Support)*



## If you can't pay your bills because of coronavirus

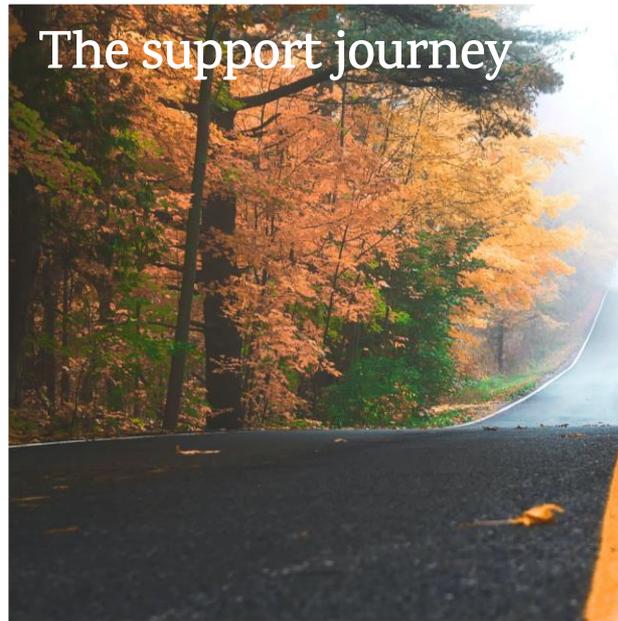


- ✓ Clear, concise and easy to understand.

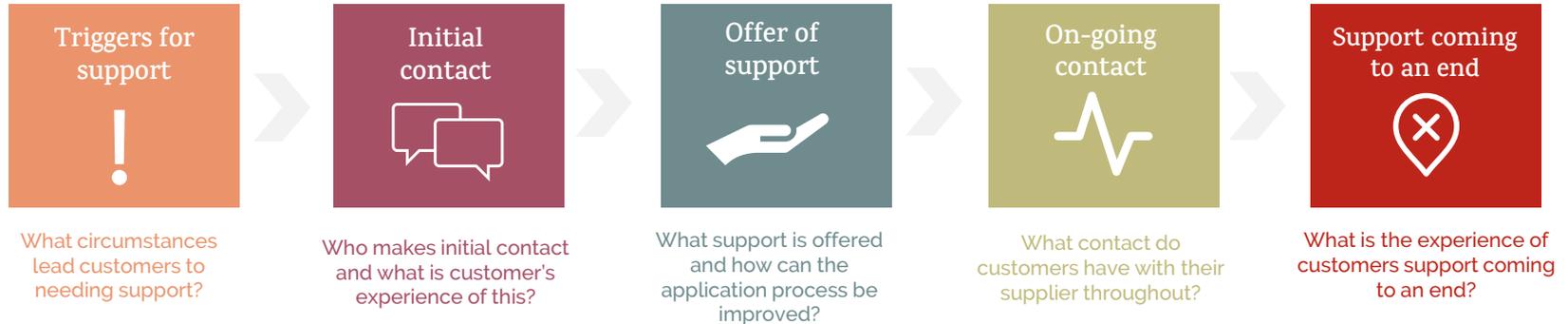


*This is the best one I found. It's very clear and it offers everything you could need and was easy to find. (Female, Support)*

## The support journey



# For customers, the support journey consists of the following key stages.



We will explore the following aspects of the support journey, understanding customer experiences, challenges faced and suggestions for improving and streamlining the process.

T H E T R I G G E R S

The triggers were drastic changes due to CV-19.



# COVID-19 has placed significant stresses on all aspects of customers' lives, but most particularly on finances.



**Job insecurity**

Majority of our customers had experienced a job loss or loss of income in some way e.g. furloughed, redundancy, reduced hours or irregular hours or loss of business.




**Home life stresses**

Alongside financial strains, this had added to mounting pressures from their home life such as; from home schooling and working from home. For many it has had a negative impact on their mental health.




**Existing struggles exacerbated**

For our families and individuals who were already facing multiple struggles, COVID-19 has made it difficult to access specialist support of services they need,

*With the pandemic I have not been able to work and it has changed our lives a lot being in lockdown and put a strain on our financial needs as well as stressing our relationship out. (Male, Support)*

*My husband and I separated after 15 years of marriage and are currently in the middle of a divorce. His business, a pub was forced to shut its doors. (Female, No Support)*

*I don't have a job. I was on leave from work then was sacked before lockdown. I was on a temporary contract so nothing I could do. (Female, No Support)*





# They have coped with the increased financial strain in various ways.

## Cut back on household budgets

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Many have had to cut back on expenses such as takeaways, TV packages, entertainment for their children and food shopping costs.



*My finances just manage to now cover what needs to be covered. I have had to reduce pleasures for only necessities and reduce packages etc to help get the cost down. (Female, Support)*

## Applied for Universal Credit

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Others have applied for Universal Credit for the first time, and claim other benefits they never thought they would have to e.g. free school meals.



*I am now claiming universal credit free school meals and free NHS prescriptions. I wasn't eligible before but now all our savings have gone. (Female, No Support)*

## Used personal savings

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Individuals have resorted to using their personal savings to cover this period, or relied on family to provide financial help.



*I've had to borrow money off family until I was financially stable. (Female, Support)*

## Fallen behind on bills

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For those with no other alternatives, they have had to miss payments and accrued various debt.



*The pandemic has left us in a load of debt and we had to struggle throughout it. (Male, Support)*

INITIAL CONTACT

Making contact before 'crisis point' would be welcomed.



# For those that received support from their water supplier, they were often the first to get in touch.

1

**Water supplier is often not the first port of call for support**

For many getting support from their water supplier was not seen as an option. Often they were signposted by other organisations such as Citizens Advice or their local council when seeking support.

3

**They often get in touch via phone to speak to a person**

There is a preference to talk to someone on the phone to explain their situation and ensure they are getting the best solution for support. They will go to their water supplier website to find a helpline or their bill.

2

**Water supplier is considered among a network of support**

By and large, customers are reaching out to multiple suppliers and companies, alongside their water supplier, instead of purposely seeking out support from one supplier alone.

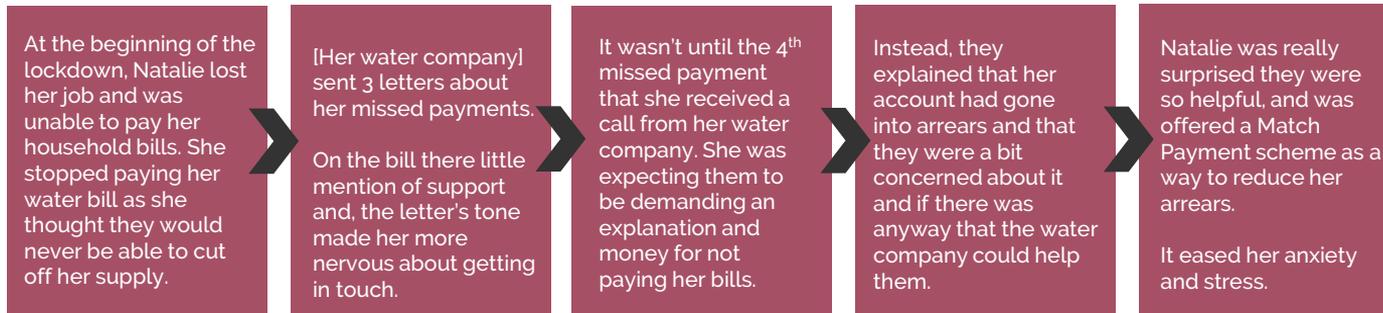
4

**Come away with positive experiences and solutions for support**

Most are really surprised with the support on offer, and come away with a positive experience with a plan in place, and understand what next steps are needed e.g. paperwork, proving income and benefits.

# When water suppliers did get in touch this was often after several missed payments.

**Case study:** Natalie, a single mum, was only contacted by her water supplier after 4 missed water payments, meaning she had already accumulated a great deal of debt before getting any financial help.



*"I felt like [water company] was just going to ask me to pay it, and I didn't have the money to. I preferred to just miss the payments, I knew they couldn't cut your water bill off."*

*"When I received the call I found it very nerve wracking. I was expecting them to be quite aggressive in their approach and demanding an explanation."*

# There is a need for water suppliers to identify and contact customers early on.



'Check in' with customers after their first missed bill and assess where immediate support is needed.

Where possible, try to speak to customers on the phone to ease anxieties, and build rapport and trust,

If letters or emails are sent, these need to reassure customers that their issue is solvable and not cause any more stress or deter them from getting in touch.

When missed bill letters are sent, have support details or signposting to alternative organisations clearly on the front.

**Behavioural Science Principle: Avoidance** 

Ultimately, aim to reduce stigma and worry attached to missing payments. Show that it can be resolved quickly with simple steps so customers don't 'bury their head in sand'

# Case study: Sam's support journey started with Citizens Advice.

Sam, 48, lives in Wales with his wife who is a full time carer for his stepdaughter who has Cerebral Palsy. They are currently receiving support from their council and their water company.



T H E   S U P P O R T

Support offers are well received, but participants want a person-centric approach to delivery.

# Customers have received a range of support from water companies in the last year.

## Reduced bills

The most common support that was offered was reduced bills. This took the pressure off individuals who were on reduced income.

*"My water supplier reduced my bill to make it more manageable for me to pay weekly. It has made my life easier."  
(Female, Support)*

## Clearing bill arrears

One customer had received a one-off grant to pay off their debt on their water account.

*"They paid some money in our account so we could get out of arrears. It was a one-off payment."  
(Male, Support)*

## Match payment scheme

One customer was offered a match payment scheme to help reduce debt on their account.

*"I received a match payment scheme where I paid a reduced bill each month and my water supplier paid the same to clear my debt"  
(Female, Support)*

## Capped bills

Some customers' water bills were capped for the year to ensure they could manage monthly payments.

*"We were put on a water bill cap as our daughter is disabled. It has really helped us."  
(Male, Support)*

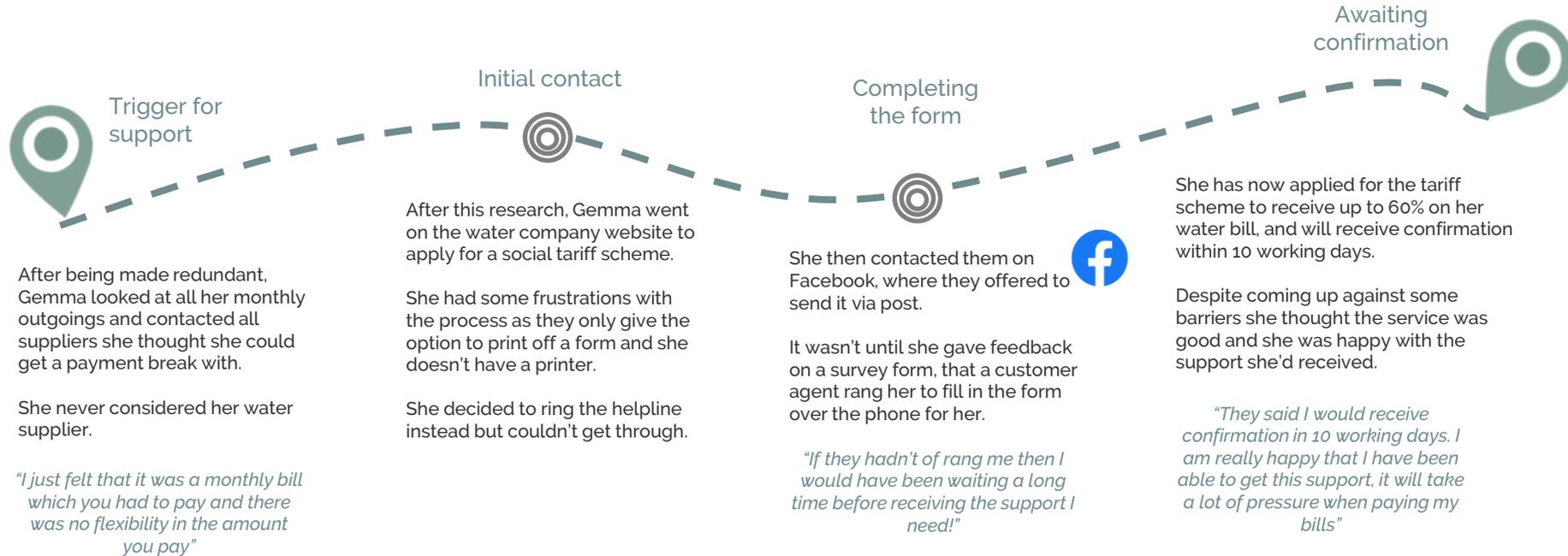
## Payment breaks

For those where there has been sudden changes in their income, payment breaks helped to relieve some financial pressure.

*"When I was furloughed, I was put on a 3 month payment break with my water supplier."  
(Male, Support)*

# Case study: Gemma's recent application process with her water supplier.

Gemma, 28 is a single mum living in England. She was made redundant before Christmas, and had got a payment break from her car finance company.



# Current support from water companies is commended but does raise some particular questions.



## Favourable response to support on offer

Participants were positive about the support options provided by various water companies (when asked to review them).



*I'm impressed, I didn't know they offered all this. I wish I had known earlier. (Male, No Support)*

## But be aware that ...



Payment breaks may offer a short-term helping hand – but the challenge of paying it back later creates stress. Many customers are concerned about the next 3-6 months. Ensure support matches circumstance and needs.



Customers are not aware of how effective saving water / going onto a water meter support is. Some are concerned that it will cause water bills to actually increase. Ensure clear messaging to address misconceptions.



When payment breaks or reductions in water bills are offered as support, it can lead some to question whether bills could just be lowered for everyone.

# Customers have received or sought financial help from other suppliers and companies.

Much of the support they received was similar to the support that is on offer from water companies.

## Payment breaks

Payment breaks was a common form of support for those that had suddenly lost their jobs or been furloughed.

*"I got a 2 month break from paying my electric due to being furloughed, I also delayed my council tax for a month until I got my furlough payment."  
(Male, Support)*

*"I have had a payment holiday on my car finance with oodles car finance. This was for 6 months starting December."  
(Female, Support)*

## Payment plans

Payment plans were helpful for customers to take control of their bills and slowly reduce their debt.

*"Our council tax - that reduced our payments and our water supplier put us on a payment plan"  
(Male, Support)*

*"My bank told me to look into IVA's. I sorted it with a company called creditfix, very helpful, went through everything and gave other options bankruptcy loans etc."  
(Female, Support)*

## Clearing bill debts

For those who had fallen behind significantly on payments, suppliers offered to wipe their debts.

*"Leeds City Council wiped £2000 debt from my account".  
(Female, Support)*

## Financial advice

Some were given advice from organisations on money management and how to handle debt.

*"I was in a lot of debt with my loan repayments and they told me what support packages I could get to help"  
(Female, Support)*

*"I spoke to Citizen's advice regarding my bills when I became unemployed, and they were really helpful in giving me a plan of action going forward."  
(Male, Support)*

# Some aspects of the application process for support from a water company could be streamlined.



## Difficulties with only printed forms

Make sure to give options of both online and printed forms for individuals who do not have a printer, or who struggle with forms, as this can delay or put customers off applying.



## Provide flexibility for eligibility forms required

Universal Credit applications can take up to 6 weeks to complete, and may stop customers from getting the (water) support they need. Consider offering different ways for customers' to prove or meet the criteria e.g. redundancy or furlough letter.



## Provide a named support contact

Assign a named support contact to each customer, to make the application process feel more personalised, and begin building a rapport with their water supplier.



## Provide confirmation of support as soon as possible

Awaiting approval of support can be a stressful time, particularly if they are applying to multiple places for support. Try to provide confirmation of support as soon as possible. e.g. some non-water suppliers gave confirmation the next working day.

# Two customers were given the option to have water payments deducted from Universal Credit.

However, there is a lack of awareness amongst customers that this option is available.

Linking water payments to Universal Credit payments was a preferred option for customers who were on limited budgets and wanted to avoid further debt.

This option was often given when setting up their support plan or when reviewing their support scheme.



However, some customers were not aware this options is available or that they could ask for it at the beginning of their support journey.

*"It was only at my 6-month review of my water scheme, that they mentioned that they can take the water payments directly from my benefits which I asked them if they could do so it would make it easier to ensure I was paying on time"*  
(Female, Support)

# Consider the emotional context in which people are engaging with support.



## Consider making financial help consistent

There is clear difference in the support made available across different water suppliers. This can result in a postcode lottery of financial help. Consider levelling up across suppliers.



*The difference I noticed was that one company [...] didn't seem to mention the tariff for low income families. Yes [water company] provided much more detail into help available for families that are struggling. (Female, No Support)*



## Consider tweaking support package names

The names given to the various support options by water companies lack clarity and would benefit from simplification and greater clarity.



*I don't think the names they give them are very clear. You have to read a lot about it first to get an idea of what they're offering (Male, No Support)*

Inconsistent offers across suppliers or confusing terminology can be particularly jarring when these audiences are trying to navigate the various support on offer.

# When offering support, water suppliers should be transparent and take a person centric approach.

## 1. Empower customers to make their own support decisions

For some customers this will be the first time they are seeking support. They want to know they have made the right choice and are in control of their support decisions.

Ensure all potential options are discussed with customers in detail, and they can decide which is best for their situation.



*I would advise companies to make sure people are fully aware of all the support on offer and they understand it clearly and get advised professionally to which one would suit the customer best. (Female, No Support)*

## 2. Be upfront about support T&C's

Make sure customers understand the terms attached to their support plans.

For example:

- Whether it is a 6-month or 12-month support plan?
- How often is their support reviewed?
- What happens if their eligibility / income changes and how they should tell their water supplier?
- What happens if they cannot meet payments?



*I thought regardless of what happens I would be entitled to the scheme for the 12 month. (Female, Support)*

## 3. Signpost to additional support

There is often not a singular factor contributing to financial difficulties. Customer service should aim to understand their whole situation, and signpost to other organisations who can provide help or advice.

This can help to identify any individuals who may more long-term vulnerabilities or need unique support offerings.



*I'm not always unable to pay my bills, but I can just want some advice on how best to cope with it all. (Female, No Support)*



# Where possible, support should be tailored for nuances between groups.



## Young people

Young renters, or those recently living alone may have less experience managing their bills, or have never encountered missed payments debt before.

Focus on providing more advice around finance and bill management, and signposting to other organisations.



## Families and single parents

Young families, renting families or single parents may be dealing with lots of outgoings and life stresses during this time.

Their support is likely to be more urgent, signifying the need to identify vulnerable families early on.

Support could focus around helping to cut household costs, save water or how to manage multiple finances at once.



## Mental health challenges

Those experiencing mental health challenges may be more likely to 'bury their head in the sand' when it comes to financial strains.

It's important that water suppliers are proactive with this group, taking an empathetic and gentle approach. Consider more general check-ins throughout the support journey.

O N - G O I N G   C O N T A C T

Check-in is essential, but a one-size fits all approach won't work.



# Ongoing customer contact throughout the support journey should also be personalised.

Situations for customers can change quickly, particularly if they have unstable income. It is important that water suppliers acknowledge these and offer a 'check in' plan throughout their support journey.

1

Agree with customers before their support plan begins how often they would like to be checked in, and at what points in their support journey, and via what channels e.g. phone, email, text, letter.

*If they were contacting me every month it would feel a bit of pressure that you need to have pay. However, I am fine for them to check in at 5/6 months to see that everything is OK. (Female, Support)*

2

Get in touch as soon as they miss a payment to see if their payment plan needs to be reviewed, This will avoid customers falling into further debt.

*My advice to all utilities companies is that they should always keep in touch with their customers and check they are not getting in to debit (Male, Support)*

3

Build an honest and open rapport, so that customers feel they can get in touch if their circumstances do change e.g. increase/decrease in hours.

*They are a lot of people struggling silently. As soon as you miss a payment, they should contact you. (Female, Support)*

E N D O F S U P P O R T

**Aim to continue the relationship after support  
has finished.**

# Even when support is coming to an end, water suppliers need to remain proactive and present.

Many customers will be receiving multiple types of support alongside their water supplier. Therefore, if their income does increase it is likely they will no longer be eligible for support from a range of suppliers. This sudden increase in bills can be difficult to manage particularly if they are on payment breaks and have bills to pay back. The following steps could be implemented to avoid customers falling into arrears, and communicated at the beginning of the support journey.

## 1. Final 'check in'

Check in with customers prior to their support coming to an end (e.g. 1 month before) to understand whether it needs to be extended or whether they need to be offered an alternative plan.

## 2. Consider a 'grace period'

Offering a 'grace period' if they are no longer eligible to ease themselves back into paying the full amount for bills. This will avoid them missing payments if they are behind on other bills too.

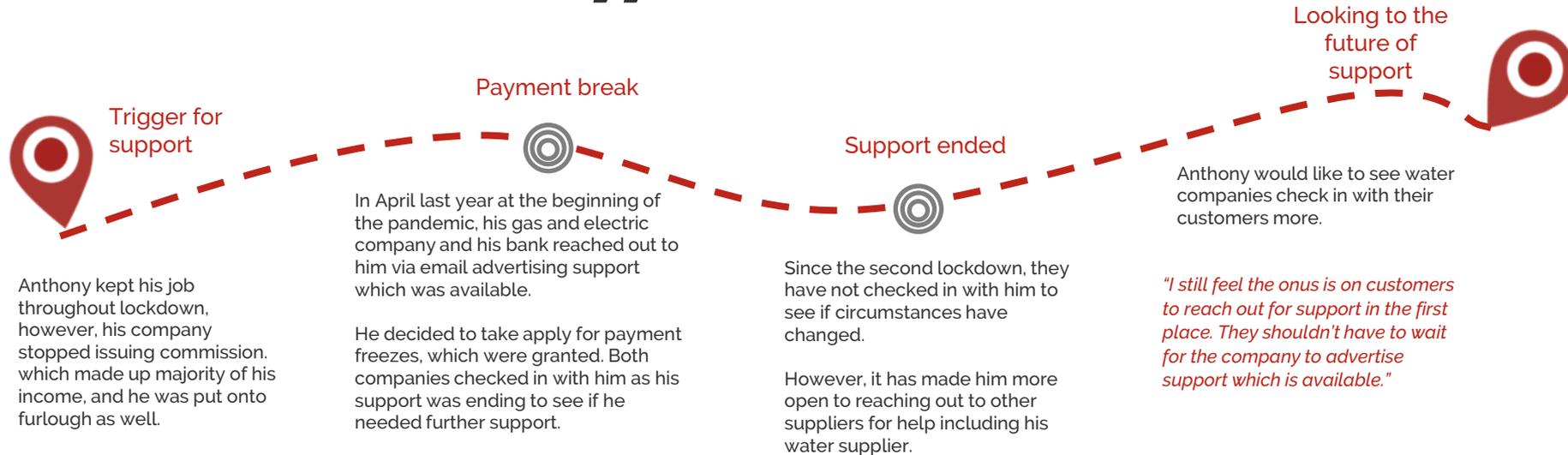
## 3. Support 'aftercare'

Try to keep that rapport with customers going. Once they are no longer receiving support, consider checking in further down the line and contacting them immediately if they miss any payments to avoid any arrears.

*I haven't looked for more support because the only real support is waiving the bill. Delaying or postponing doesn't help as the debt is still there and you have less money to pay that debt because you didn't earn it. Where are you expected to get it from? (Male, Support)*

## Case study: Anthony has received no check-ins since his support ended.

Anthony, 54, lives in Wales. He was classed as a key worker throughout lockdown.



*"It's better if customers can talk on the phone as they can cover everything and gauge how worried etc. that is better for the customer compared to webchat were it is harder to convey".*

*"I still feel the onus is on customers to reach out for support in the first place. They shouldn't have to wait for the company to advertise support which is available."*

What the future looks  
like...



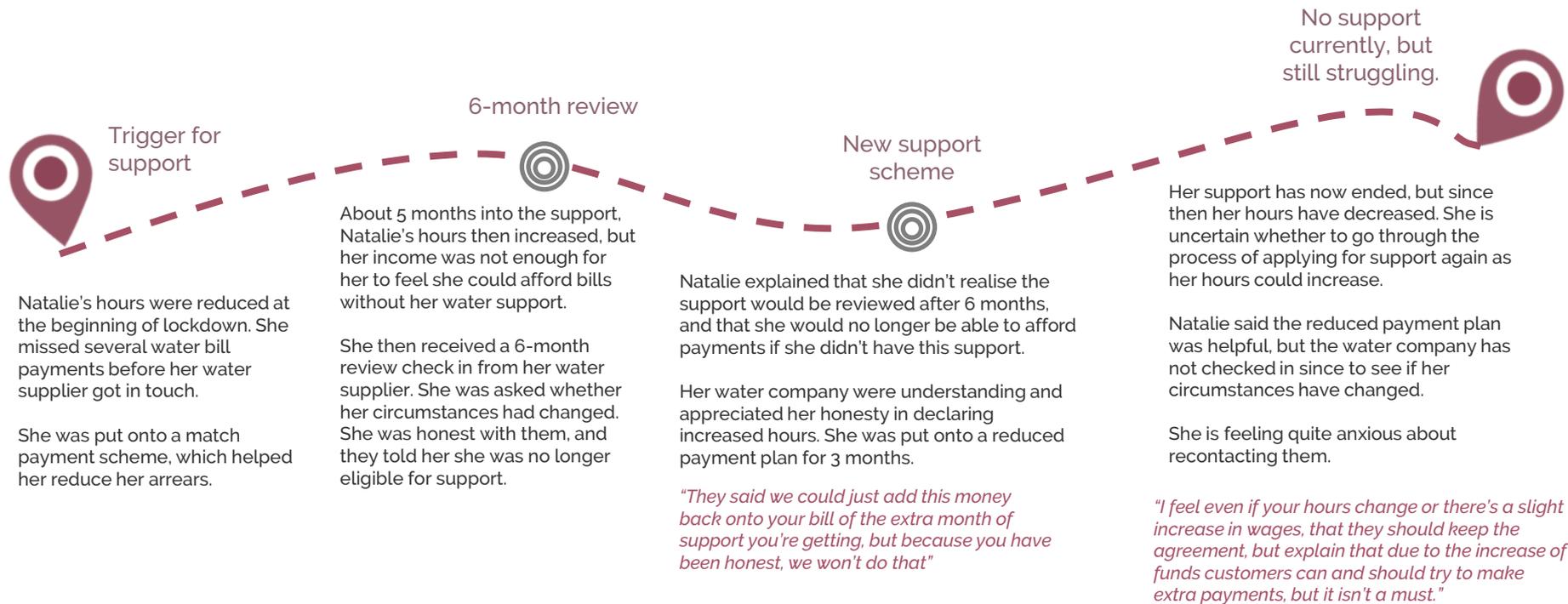
# There is a real sense of uncertainty about the future.



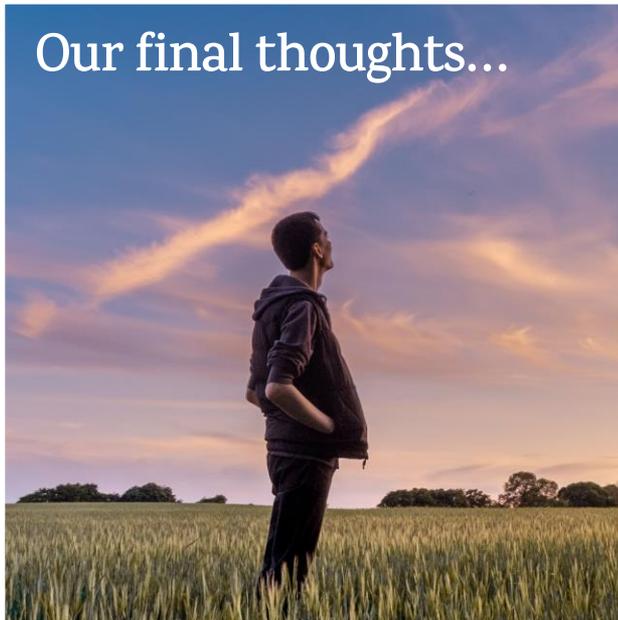
Participants were not always in a position to think about this themselves, but the impact of the last year has been considerable on their financial and emotional states. Thus whilst many were positive about the imminent future (and coming out of lockdown) this probably masks an on-going need for continual support and advice around their bills.

## Case study: Natalie is still concerned for the future.

Natalie, 34, is a single Mum, living in the North of England. Her hours are unstable and change frequently. She needs a support scheme which is flexible and responsive to this.



Our final thoughts...



# Key recommendations.

## Provide a range of support

In order to suit everybody's needs provide a range of support.

## Take a long-term view

Consider the cumulative impact of multiple payment breaks coming to an end.

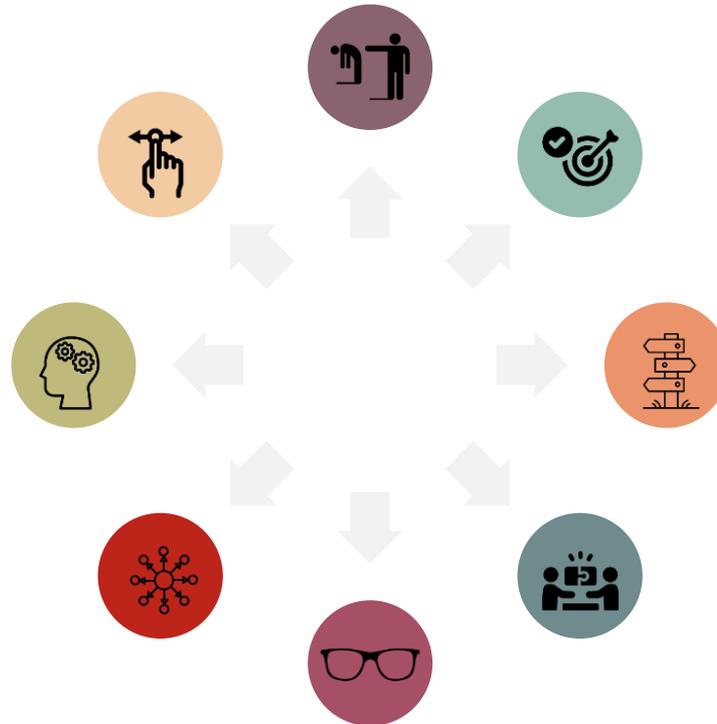
More broadly, it's likely these groups will need on-going support.

## Spread awareness

A campaign to spread awareness among target audience. Use a range of channels so not to alienate vulnerable customers e.g., ensure not all online.

## Ensure clarity of messaging

Empower customers with knowledge. But make sure that all information is provided in a clear, concise and digestible way.



## Tackle feelings of shame

By empathizing with customers, feelings of shame and embarrassment can be reduced.

## Proactively reach out to your customers

If customers enter into arrears, proactively contact them to offer appropriate support before 'crisis point' is reached.

## Provide clear signposting

Falling into debt with a company rarely happens in isolation, rather it will be symptomatic of other problems, therefore provide signposting to other organisations for issues such as mental health, debt management, etc.

## Type and duration of support should match customer circumstances

Support that does not match customer needs can exacerbate problems.

# Recommendations in action.

## 1. Consider a broader communication piece

To help customers understand what support is on offer and to feel that the water sector is 'there for them'.

How information is **anchored** is key.

- We rely on heavily on the first piece of information given (the anchor).

### What this means in practice...

- Clear messaging will mean that the first piece of information they hear resonates easily – this empowers customers with knowledge.
- Continual communication about the support available will be helpful to keep it top of mind.
- Communications that talk about the wider experiences of 'vulnerable' groups will help to make participants feel that companies understand them.

## 2. Proactivity works

Reaching out to customers before, during and after their support journey can help to tackle feelings of shame.

Understand the role of **social proof**.

- We tend to follow the patterns of similar others in new or unfamiliar situations.

### What this means in practice...

- Engaging before 'crisis point' can address barriers before they arise.
- Use case studies to highlight how support has helped others like them.
- Signposting to other sources of advice and support in a holistic approach shows that water companies understand customer's lives.

## 3. Take a personalised approach

Be person-centric, not provider-centric, and think about the type and duration of support on offer to match customers circumstances.

- We crave **customised experiences** because it makes us feel more in control and stops information overload.

### What this means in practice...

- Taking a long-term perspective with newly and long-term vulnerable customers with continual 'check-ins'.
- Communication should be empathetic, and support should be flexible to the individual.



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