



South Staffs Water

www.south-staffs-water.co.uk

David Black

Chief Executive, Ofwat

By email to [REDACTED]

8 December 2022

Dear David,

**Re: Supporting customers through cost of living pressures**

Thank you for your joint letter on the 17 October requesting details on our plans on how will be supporting customers through cost of living pressures.

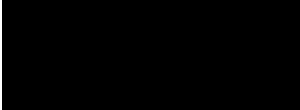
As you will be aware, we already have one of the lowest bills in the industry. However, we recognised at an early stage the difficulties many of our customers were facing. As a result, when we set our charges for 2022-23, we decided to defer the majority of under recovery of 2020-21 revenues which helped to keep bills lower. For 2023-24 charging, we are proposing a similar approach and will be deferring £1.2m of revenues to keep bills around 1% lower for all customers.

Alongside this, we have increased the income threshold of our social tariff; "Assure", which provides discounted water bills, so that more customers can benefit from financial support. We are already the third-highest provider of social tariffs among the water industry and now, recognising the issues that the cost-of-living crisis is causing, we want to ensure that anyone who needs help is aware of the support available. The Assure tariff was available for households with an income of less than £17,005 per year but this has now been increased to £19,050. By increasing the income threshold, more customers are eligible for a 60% discount on their water charge in the first year and 40% in the second year.

We continue to explore innovative ways to proactively identify and support vulnerable customers, we have trialled open banking through Equifax early this year which resulted in 70% of approved Assure applications supported by open banking. We continue to review and build from the learning and will be looking to undertake further trials to seek new ways to support customers. We are also leading a proposal as part of the Ofwat innovation fund to better understand how water is used differently in diverse faith communities, which also aims to open doors to new channels of engagement and communication to support hard-to-reach vulnerable customers.

We recognise that there is always more to do to support those customers struggling to pay their water bill and will continue to update you and your team on our progress over the next few months.

Yours faithfully,



Andy Willcott,  
Managing Director,  
South Staffordshire Water PLC

Cc: Emma Clancy, Chief Executive CCW