

Water Affordability

Increased charges resulting from the 2004 water price review are reflected for the first time in bills reaching English and Welsh customers during February and March.

For most customers, even with the increase, water and sewerage charges will remain a relatively small proportion of their income; we shouldn't forget that in the current year (2004-05) average bills are still lower in real terms than they were in 2000. But this may not be true for households on low fixed incomes, especially in areas like South West England where charges are already above the average. What are companies and government doing to help?

Water company support

The industry is conscious of the impact rising bills may have on customers who can't easily afford, or are already struggling to pay, their present bills. To help these customers, companies offer a range of measures, including:

- Help lines - enabling customers to discuss any payment problems with the company and agree appropriate payment plans
- Flexible payment plans – customers can choose how frequently they pay, with weekly payment plans readily available for customers who need them
- Referrals to Charitable Trusts and hardship funds
- Free water meters – where this will reduce charges
- Help in applying for direct payment from tax credits and other benefits
- Advice on the Vulnerable Groups Tariff, ensuring that metered customers on benefits who qualify receive a reduced bill
- Promotion of debt advice agencies.

Special tariffs

From April 2005 all companies will have revised tariffs in place to help customers on certain benefits who have a metered water supply and have an above average use of water. These special tariffs apply where residents have particular medical conditions or if there are three or more children up to the age of 19 years living in the household.

The number of customers eligible for these special tariffs has increased with new qualifying criteria. Further details are available direct from water companies.

Payment plans

Water companies provide help to customers who can't pay or struggle to pay their bills. The most important action for anyone in that position is to contact his or her water company without delay. Companies will agree payment plans to suit individual circumstances; can refer customers to charitable trusts for grants; and can offer advice to reduce water bills and recommend other sources for further help.

Paying the water bill is a legal obligation

It is important to point out that these measures are aimed at customers who are genuinely finding it difficult to pay. Water companies are not a 'soft touch'. They will track down and take to court the small minority of customers who can afford to pay but do not and do not contact their company. These customers increase the level of water charges for all paying customers.

Government policy

The Department for Environment, Food and Rural Affairs published a review of Water Affordability in December 2004. Water UK believes the report could have gone further, but it recommends a local pilot scheme to target water affordability assistance to lower income households, running alongside the existing energy Warm Front scheme. The pilot will involve Government, South West Water and other stakeholders and should start in Spring 2005.

The objective of the pilot scheme is to assess the combined potential of benefits checks, water efficiency measures and having a meter installed in helping customers in genuine need to pay their water bill more easily.

Ends

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