

Companies set out further support for UK households

Although water bills comprise less than 1% of household expenditure, water companies continue to help all hard-pressed UK households by charging stable and affordable prices.

Over the next five years, companies will be providing greater support than ever, more than doubling the number of people who benefit from financial support to an estimated 1.8 million by 2020.

Through 2017-18 water companies are providing a package of a wide range of measures worth to support customers who are struggling to pay or in debt, including working with partners to provide debt and financial advice.

As part of their package of affordability support measures, all water companies currently either have social tariffs already in place, or are on track to implement one in 2017.

Helping customers pay their bills

All water companies set aside funds to help hard-pressed customers with their bills.

One way companies help is to regularly contribute to the independently-run social funds and charitable trusts that they have set up. These funds help lift people out of a spiral of debt and get back on their feet again.

Monies from these funds are used to help clear customers' water or sewerage debts and provide support and advice on how to manage debt in the future.

These funds have helped hundreds of thousands of customers in need.

Many water companies also look to relieve the pressure on hard-pressed households and get them back on their feet by accepting payments as low as a few pounds, and with schemes to match customers' payments to reduce arrears by writing off some or all of their debts. Around 100,000 households are benefitting from these schemes and companies have proposed to increase this.

Companies are also spending millions of pounds to ensure customers are aware of the potential support on offer. Companies have invested in specialist staff and training so that they proactively seek customers who are struggling. Companies also donate hundreds of thousands of pounds to Citizens Advice and other regional debt and advice charities.

Customers on water meters get extra help from companies to bring down their bills even further. For example, some companies install free water saving products such as dual flush convertors, tap inserts and shower adapters that help customers use less water so they save money.

Companies also target and promote metering to the customers on low incomes whom they expect will benefit both from a lower bill and from greater control of their bill.

Social tariffs

As part of a package of affordability support measures, almost all water companies now have social tariffs in place or are on track to implement one in 2017. These tariffs help customers who are struggling to pay to reduce their bills – but are just one of the ways in which companies provide help for customers who are struggling.

All companies in England provide the national social tariff Watersure, which caps bills for more than 95,000 metered customers who are on means-tested benefits, and water companies will be carrying out further promotion to increase uptake. Some companies have had additional social tariffs for several years, providing assistance to many thousands more customers.

In Wales, over 50,000 households are either on the Welsh Water Assist tariff, which is based on the Watersure tariff but set at a lower rate and extended to unmeasured customers, or benefit from other forms of social assistance – and this total is planned to increase to 100,000 by 2020.

Reducing customers' bills by cutting bad debt

Customer debt adds £21 on to everyone's water bill. By far the biggest source of bad debt is the tenants of rented properties who leave before settling their water bill.

Unlike other sectors, water companies have no contracts with their consumers as they supply water on a statutory basis and do not cut off supply to customers who do not pay their bill. Consumers are not obliged to inform their water company when they move in and out of a property.

The water industry has set up the website www.landlordtap.com for landlords to provide voluntarily basic contact information about their tenants, so water companies can register them for billing and tackle this major source of water debt.

But to make a real difference to the cost of bad debt, water companies need information on all their customers, not just some of them. So it is essential that the provision of information by landlords is mandatory and covers all rented properties, whether in the private or social sectors or smaller or larger enterprises.

The Welsh Government has made it mandatory for landlords to give their tenants' details to water companies.

Better debt management practices to help customers

Water companies are stepping up their efforts to provide even better debt management methods and services for their customers. They are working with Citizens Advice to share good practice in debt management from within and outside the water sector and to build further their understanding of the implications of welfare reform and Universal Credit. This work is part of companies' customer-focused approach to providing services.

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