

Independent Age Submission to the Consumer Council for Water call for input – Improving the WaterSure Financial Support Scheme

About Independent Age:

Independent Age is a national older people's charity that supports people facing financial hardship in later life. We offer free and impartial advice and information and give grants to community organisations. In addition, we use the knowledge and understanding gained from our frontline services and research to improve policy for the older people we support.

For more information about Independent Age, please visit: www.independentage.org.
Registered charity number 210729.

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Introduction:

Around two million pensioners in the UK are living in poverty, with many more living in financial insecurity. Every day Independent Age hears from people in later life who are struggling financially. The people we engage with – through our services, grant-giving, campaigning, research, and volunteering – tell us about the anxiety they feel when they receive their water bills and their worries about how they will survive living on a low income¹.

Independent Age welcomes the opportunity to respond to the Consumer Council for Water's (CCW) *Call for Input – Improving the WaterSure Financial Support Scheme*. As a national charity that supports older people living in poverty, we are pleased to see that the Call for Input recognises that there are areas where the WaterSure support scheme can be improved. Our response will focus on the CCW's suggested changes to the eligibility criteria of WaterSure and on changes to the bill support provided by the scheme. We would also like to draw the CCW's attention to the lack of awareness that older people on a low income have of WaterSure and the steps needed to address this.

This response is based on research conducted by Independent Age looking at older people's experiences of meeting the cost of their water bills. This submission draws upon the following pieces of research:

- A Nationally representative YouGov poll conducted in July 2024ⁱ,
- A Nationally representative YouGov poll conducted in April 2023ⁱⁱ,
- A survey carried out in May/June 2023, 1,689 people in later life completed this survey, and of these respondents 755 were on a low household income of below £15,000ⁱⁱⁱ.

This submission sets out several recommendations for changes to the eligibility criteria and the level of financial support offered by WaterSure, in addition we have included recommendations related to issues of complexity for the WaterSure scheme as well as the need for a single social tariff for water.

Independent Age recommends that:

1. The current means-tested benefits eligibility criteria for WaterSure are replaced with a household income level threshold. This should be updated in line with inflation annually.

¹ The Hidden Two Million, Independent Age, 2023, see https://www.independentage.org/sites/default/files/2023-06/Hidden_two_million.pdf

2. Analysis is undertaken to identify an appropriate household income level at which customers would benefit from the WaterSure scheme. This could be conducted by organisations such as the CCW, Ofwat and DEFRA.
 - a. This analysis should explore whether alternative income thresholds are needed to ensure larger households such as intergenerational households are adequately supported.
3. The CCW conduct focus groups and engagement to test changes in the language of the regulations around medical conditions and eligibility. The views of customers currently receiving WaterSure, as well as those who may be eligible but who are not receiving the support, should be engaged as part of this process including older people on low incomes with high water usage.
4. The CCW further explores the implications of changing the form of bill support to either: a cap at the company average metered bill level; or a cap set at the lower of either the local average metered bill or industry average metered bill.
5. Alongside any changes made to the WaterSure scheme, the CCW, Ofwat and water companies work together to produce joined up approaches to increase awareness and uptake of WaterSure.
6. Customers are consulted with so that any changes to the WaterSure scheme that create additional complexity can be communicated clearly so that uptake of support is not adversely affected.
7. The UK government work with Ofwat, water companies and the CCW to introduce a single water social tariff for England and Wales. WaterSure and the water social tariff should be joined up, so that when someone applies for the social tariff, they have their eligibility for WaterSure checked and vice versa.

Changing the low income eligibility criteria of WaterSure:

Independent Age supports changes to WaterSure's eligibility criteria so that the scheme is extended to a larger number of people on low incomes with a disability or long-term health condition which results in unavoidably high water usage. **We support, in principle, replacing the current means-tested benefits eligibility criteria with a household income level threshold.** We support this change because it would confer eligibility to additional households who just miss out on means-tested benefits but still struggle with their bills. The Independent Age advice team often hear from people in this situation who don't have enough money to live on. It would also help those who are eligible for, but not currently receiving, means-tested benefits. We do not suggest a level that the household income level threshold should be set at, but acknowledge there will be a balance to be struck so that households which are just above the threshold are not excessively burdened by cross subsidy costs.

Throughout our research, we found that many older people with a disability or long-term health condition which might make them eligible for WaterSure, but with a household income above the current threshold for means-tested benefits, are struggling to pay their water bills. For example, we have heard from many older people with a household income of £15,000 to £19,999 who are worried about being able to afford their water bills, but who would be unlikely to qualify for Pension Credit which has an approximate household income threshold of £11,000 for a single pensioner².

In our April 2023 nationally representative YouGov polling we found that in England, 37% of those aged 65 and older with a household income of below £15,000 and a disability or long-term health condition were cutting their water spending either 'a great deal' or 'a fair amount'. This percentage stayed the same for those older people with slightly higher incomes, with 37% of people aged 65 and older with a household income of between £15,000 and £19,999, and a disability or long-term health condition, saying that they were cutting their water spending either 'a great deal' or 'a fair amount'. We have also found that the percentage of older people on low incomes cutting their water spending has persisted between April 2023 and July 2024. When we re-ran the same question in our July 2024 nationally representative YouGov polling we found that in England, 45% of those 65 and older with a household income of below £15,000, and with a disability or long-term health condition, were cutting their water spending either 'a great deal' or 'a fair amount'. And that those older people on slightly higher incomes and with a disability or long-term health condition were also making similar levels of water spending cuts.

We support changing the eligibility criteria for WaterSure from the current requirement that a customer is in receipt of means-tested benefits to a household income threshold. However, we do not make a suggestion for the level that this household income threshold should be set at, instead **we recommend that further analysis is conducted to identify an appropriate household income level at which customers would benefit from the WaterSure Scheme.** This could be conducted by organisations such as the CCW, Ofwat and DEFRA.

As the Call for Input discusses, any household income threshold should be adjusted for inflation so that the scheme can continue to support customers who need it. **We suggest that the uprating of any household income eligibility threshold could be done on the same cycle as the uprating of means-tested benefits so that a level is decided upon in the autumn and then applied to the new eligibility criteria the following April.**

² [Government, 2024, Pension Credit: Eligibility.](#)

Replacing the current means-tested benefits criteria with a household income level threshold avoids one of the barriers to WaterSure uptake, which is low uptake of the means-tested benefits that currently make someone eligible for WaterSure. This is the same reason that we would prefer the introduction of a household income threshold to the alternative suggestion of extending the current eligibility criteria to include non-means tested benefits. It is well documented that the uptake of means-tested benefits is low, including among older people in financial hardship. The most recent Department for Work and Pensions (DWP) statistics show that only 63% of those entitled to Pension Credit were receiving the payment³. The people not receiving these benefits they are entitled to could also be missing out on receiving WaterSure. In addition to this, non-means tested disability-related benefits also have low uptake, with Policy in Practice finding that “approximately 1.2 million people of pension age in Great Britain may be missing out on entitlement to Attendance Allowance” and that in England the “current claims for disability benefits represent 68.6%⁴.”

With so many older people missing out on the social security payments that they are entitled to, extending WaterSure’s eligibility criteria to include non-means tested benefits still may not have a positive impact on ensuring all those who need WaterSure will receive it. Whereas by changing the eligibility criteria to an income level threshold this barrier would be bypassed, as application to WaterSure would not first require an application to a separate benefit.

We believe replacing the current eligibility criteria with an income level threshold produces a fairer water bills support scheme than the suggestion of removing a low income indicator from the eligibility criteria altogether. It is vital that those who can’t afford their water bills and have a disability or long-term health condition receive the financial support they need. Widening the eligibility criteria to include those on high incomes could place unfair strain on those households who are just about managing but still live on low incomes, yet due to not having a health condition or disability are not eligible for WaterSure, as they would have to contribute higher cross-subsidy payments.

In our research we have found that many older people on a low income are extremely concerned about their ability to meet an increase in their water bills. In our July 2024 nationally representative YouGov polling, we found that 76% of those 65 and older with a household income of below £15,000 a year would find it either ‘fairly difficult’ or ‘very difficult’ to afford a 40% increase in their water bills. In the same polling we also found that 67% of those 65 and older, with a household income of between £15,000 and £19,999, would find it either ‘fairly difficult’ or ‘very difficult’ to afford a 40% increase in their water bills. In our non-representative 2023 survey, we heard first hand from older people on a low income about the actions they are taking to afford their water bills.

*“I keep my water bill down by using as little as possible.. not flushing the toilet ... shower once a week... strip washes in the sink with just a few inches of water... wearing clothes multiple times before washing and washing bedding once a month or longer..”
(Anonymous)*

“I try to ration water use, don’t flush the toilet after just having a wee. Limit showers though it is difficult during the summer” (Joan, 73)

“I am just about able to afford my water bills, but any further increases in costs would mean I would need to make savings on other things, such as food bills.” (Anonymous)

³ [Department for Work and Pensions, 2024, Income-related benefits: estimates of take-up: financial year ending 2022.](#)

⁴ [Policy in Practice 2023, People of pension Age may be missing out on £5.2 billion.](#)

An additional consideration that must be made when changing the eligibility criteria to an income level threshold is around the impact family size would have on these criteria. In principle we support the proposed change to the family size eligibility criteria to include larger multigenerational households as it is important that WaterSure covers all larger households living on low incomes who are struggling with their water bills. However, additional considerations will need to be made when adopting this change, because the combined incomes of pension age people and working age adults living in the same household may push them over any introduced income level threshold. Yet due to higher water usage in their household they may still be struggling with their water bills despite this higher income. Because of this we recommend that **any analysis of income thresholds should explore whether alternative income thresholds are needed to ensure larger households such as intergenerational households are adequately supported.**

Changes to communication of the medical conditions eligibility criteria:

In principle, we support changing the wording of the medical condition eligibility criteria so that more people with disabilities and long term health conditions understand that they may be eligible for WaterSure. However, we note that many older people with a disability or long term health condition may not know that their condition causes them to use significant additional water compared to the average person.

Additionally, while the removal of the existing list of disabilities and long-term health conditions could allow more people to see their personal situation as one that makes them eligible, we suggest that the language around medical conditions could still include examples of specific eligible mental and physical disabilities so that customers have a sense of the range of conditions that could make them eligible for support. For example, a list could include incontinence, eczema, OCD and dementia. The wording must be clear that this list is not exhaustive and that there are many health conditions or circumstances which could make one eligible for WaterSure.

We recommend that **the CCW conduct focus groups and engagement to test changes in the language of the regulations around medical conditions and eligibility. The views of customers currently receiving WaterSure, as well as those who may be eligible but who are not receiving the support, should be engaged as part of this process including older people on low incomes with high water usage.**

Changing bill support:

Independent Age supports changing the level of bill support offered through WaterSure. We share the concern of the CCW that the current form of support, where eligible households have their bills capped at the level of that company's average bill, may mean that households living in areas with more expensive water aren't able to access the levels of support available to households in areas with a lower cost of water.

We would support, at a minimum, that the cap is changed to the company average metered bill level. The option of changing the cap to the lower of either: the local average metered bill; or the industry average metered bill could be even more effective at supporting households on a low income with high essential water use. **We recommend that both options are explored as part of the CCW's further thinking on WaterSure.**

Additionally, we find that older people living alone spend on average more on their household costs including water than those that live in a multiple occupancy home. We

would be keen to see the suggestion of a single occupancy cap being added to the bill support offered by WaterSure being explored further by the CCW.

The option of replacing the cap with a percentage of a fixed amount discount may be less appropriate for the WaterSure scheme, as it could result in households with high essential water usage receiving less support than they would receive under the current cap system. For those in need of additional bill support due to their financial situation, a standardised social tariff could play this role, as noted below.

Other considerations around WaterSure:

While not a focus of the CCW's Call for Input, we also wanted to draw attention to low awareness of the WaterSure scheme, which may result in customers missing out on support.

In our 2023 non-representative survey we found that only 33% of those 65 and older, with a household income of below £15,000, were aware that all water companies offered some form of financial and accessibility support. This shows that approximately two thirds of older people on a low income were unaware of any financial support offered by their water company. Subsequently, when those older people on a low income who were aware of financial support for their water bills were asked which specific forms of financial support they were aware of, only 34% said that they were aware of WaterSure. This shows a substantial lack of awareness for the WaterSure scheme which creates a major barrier for the scheme's uptake.

*"The charges are too much. They don't care whether I can afford it. There is no help."
(Anonymous)*

One way in which this awareness issue could be addressed is through a programme of coordinated awareness-raising activities focused on WaterSure and other forms of financial support such as social tariffs. In our 2023 non-representative survey we asked how water companies could raise awareness of either their water social tariff or WaterSure. We heard from many older people on low incomes of the different ways they thought that awareness could be raised amongst their demographics. We heard how they thought water companies needed to advertise more across all mediums including television, radio, and newspapers. Additionally, many older people spoke of how specific information about financial support schemes should be included on letters sent by the Department for Work and Pensions (DWP), included alongside their paper bills from their water company and in any additional correspondence from water companies.

"Contact customers directly, or put a leaflet in with bills" (Joan, 73)

"They should send literature out. Advertise this on radio/tv let local councils know" (Ros, 67)

"Make all over 65's, disabled and pensioners aware that these tariff exist. Include information with DWP payment information" (Anonymous)

Alongside any changes made to the WaterSure scheme, the CCW, Ofwat and water companies should work together to produce joined up approaches to increase awareness and uptake of WaterSure.

Our research indicates positive aspects of the application process for the WaterSure scheme. We have heard from a small number of older people on a low income about the process of applying for WaterSure, and most felt it was easy to understand and simple to undertake. This puts into perspective the lack of awareness, as once an eligible older person is made aware of WaterSure their ability to apply for it is simple. This is why we

recommend that **customers are consulted so that any changes to the WaterSure scheme that create additional complexity can be communicated clearly so that uptake of support is not adversely affected. This consultation should be conducted with customers who are currently receiving, likely to receive or eligible to receive WaterSure, including older people on low incomes.**

Single social tariff:

WaterSure serves a specific purpose: helping those on a low income with a disability or long-term health condition that results in high essential water usage afford their bills. Yet there are many older people on a low income who are not eligible for WaterSure because they don't have a long term health condition or disability. There will be others who are eligible for WaterSure for whom this financial support is not enough.

We have found that for older people on low incomes paying their water bills is a persistent issue. In our April 2023 nationally representative YouGov polling we found that in England 41% of those 65 and older with a household income of below £15,000 were either 'struggling from time to time' or found their water bills to be 'a constant struggle'. When we re-ran this question in July 2024, we found that 38% of those 65 and over in England with a household income of below £15,000 were either struggling 'from time to time' or found their water bills to be 'a constant struggle'.

In our non-representative 2023 survey, we heard first-hand from older people on a low income who didn't feel they had enough money to comfortably afford their water bills.

"I have kept bills down by not using the bath nor wasting water in general, less laundry etc. Not nice in the hot weather" (Judith, 77)

"I have a water meter and am frugal with use, but still the bills increase." (Anonymous)

Water companies in England and Wales all offer social tariff schemes to their customers who need help affording their bills, however the level of generosity and the eligibility criteria vary, resulting in a postcode lottery of support.

In order to ensure that customers can access a consistent and adequate level of financial support regardless of where they live in England and Wales, **we are calling for the UK government, alongside Ofwat, to introduce a national single water social tariff. WaterSure and the single social tariff should be joined up, so that when someone applies for the social tariff, they have their eligibility for WaterSure checked and vice versa.** This would ensure that these two schemes work in tandem with each other and that they fulfil their intended purposes to support those who don't have enough money to afford their water bills.

ⁱ YouGov survey, Independent Age, July 2024, Sample size was 1,098 adults aged 65 and over in England, 506 adults aged 65 and over in Wales. Fieldwork was undertaken 5th – 10th July 2024. This survey was carried out online. The figures have been weighted and are representative of adults aged 65+ from their respective nations.

ⁱⁱ YouGov survey, Independent Age, April 2023. Sample size was 1,150 adults aged 65 and over in England, 565 adults aged 65 and over in Scotland and 568 adults aged 65 and over in Wales. Fieldwork was undertaken 27th April – 3rd May 2023. The survey was carried out online. The figures have been weighted and are representative of adults aged 65+.

ⁱⁱⁱ Survey Monkey, Independent Age, May/July 2023. Sample size was 1,689 adults aged 65 and over in Great Britain. Fieldwork was undertaken between 22nd of May 2023 and 24th of July 2023. The survey was carried out online. These figures have not been weighted and are not representative of adults aged 65+.