

Date: 6 September 2024

By e-mail: Andrew.White@ccwater.org.uk

Dear Andrew

Call for Input – Improving the WaterSure Financial Support Scheme

Thank you for the opportunity to provide comments regarding the evolution of WaterSure to ensure it effectively meets our customers' needs, now and in the future.

WaterSure is an important part of South West Water's Affordability Toolkit and a key contributor in enabling our goal of removing all of our customers from water poverty. It has a clear remit in helping support low-income customers by protecting them from high bills, even if they need to use large amounts of water. This review will help safeguard the purpose of WaterSure and ensure that it is consistently applied across all our companies. Whilst it has its limitations, we can use a range of support in our Affordability Toolkit, to help support customers who need to lower their bill. Our Affordability Toolkit is one part of our wider plan to provide affordable bills for all, such as our progressive charges trials which are underway this year. Our [draft Customer Care strategy](#) provides demonstrates how we will ensure that our customers remain out of water poverty, providing help for those who need it through social tariffs, and WaterSure.

Of the broad range of items listed in the Call for Input, we have identified the following that we would consider helpful to be reviewed to support with the evolution of the WaterSure scheme. And they are:

- Medical Conditions
- Bill support - Metered cap
- Bill Support - Single Occupier

Overall, we consider that the current format of WaterSure is beneficial, especially when used alongside a wider range of financial support. Significant changes to it would run the risk of changing its purpose and make the customer journey harder for customers to understand.

In addition, several of the changes discussed in this review have the potential to increase the provision of cross subsidy and increase the administration costs. It is worth noting, that we have completed a survey with customers in 2023 asking their willingness to contribute to the cross subsidy and that did not include consideration for these changes.

We have provided our response, with evidence where applicable to the points you raise, and we welcome any further questions.

Yours sincerely

A handwritten signature in black ink that reads "S Clarke". The letters are cursive and slightly slanted to the right.

Sue Clarke

Head of Customer Strategy and Research

D: 5th September 2024

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Metered bill

We support WaterSure eligibility, including customers to be on metered water usage, as this is a key element of the scheme and its purpose to help protect customers from high bills driven by costly but essential water usage. Our broader Affordability Toolkit provides additional support for customers not on a meter, including those who are anxious about having a water meter. For example, in the Bristol Water region we have a social tariff that provides a 20% discount off the bill for customers who are in receipt of Pension Credit. This applies for those who are also on a rateable value charge.

Low income

We would like to see the eligibility for customers to receive WaterSure, to continue to be based on income-related benefits. WaterSure is a very established tariff, well understood by customers and staff and this clear eligibility helps the scheme to be managed effectively. For customers who do not qualify for WaterSure, we can help support those customers out of water poverty through our wide range of help available in our Affordability Toolkit

We do not recommend removing the requirement for claimants to be in receipt of benefits, as it could result in customers who can afford their water bill, having a capped bill, and therefore diminishing the incentive for being efficient with their water usage and increasing the cross subsidy, which would negatively impact those customers who are just about managing their water bill. It is also likely to increase the overall cost of running the WaterSure scheme.

Our data share with the Department for Work and Pensions (DWP) is evolving to help make the renewals of WaterSure more efficient and this change would negatively impact on that project, so based on these reasons, we are not supportive of this change.

The idea of replacing a benefit entitlement with a household income level threshold, increases the risk of significant additional costs to help run the WaterShare scheme and additional cross subsidy. It is likely that there will be customers just above the threshold, who may have previously been entitled to be on the WaterSure scheme and are now not eligible, WaterSure is known to both customers and staff as a scheme where claimants must be on benefits in order to receive it, and it has been that way for a number of years. We believe that moving away from that criteria would be hard to communicate and justify to our customers, and we do not believe the move to a household income level threshold is worth the additional risk of confusion and sense of unfairness for our customers.

Customers who are struggling to pay their bill and are in receipt of a Disability benefit, would be eligible for support to help lower their water bill, through our Affordability Toolkit. For example, our WaterCare and Assist social tariffs can help customers out of water poverty. As the benefits they receive are not necessarily income dependant, adding this to the WaterSure scheme would increase the risk that they are receiving a discounted bill they could previously afford, and that other customers are paying for that additional cost through an increased cross subsidy.

Family size

We have considered the proposal of changing the requirements for what defines family size, and we recommend keeping the current criteria. The alternative examples provided, such as families who have multi-generations in a single household and families struggling to afford their water bill and have less than three children would be helped out of water poverty by all the support, we provide across our Affordability Toolkit. Fair charging is a key element of our wider affordability strategy, as seen with our progressive charging trials. We feel it is important to maintain a benefit assessment for WaterSure and family size to ensure that customers are fairly charged for what they have used.

For families with less than three children but are finding their usage too expensive, we would first recommend water efficiency advice, and then investigate whether additional financial help is available to them. Families with multi-generations in a single household are likely to use a large volume/amount of water, and if they are also a low-income household and in water poverty, we can help support them through our social tariffs WaterCare and Assist.

Medical Conditions

We support the idea of amending the criteria of medical conditions. Allowing our customers to tell us their medical condition requires more water usage would help our contact centre support those customers more effectively. We help customers who are not on benefits and use high amounts of water due to medical conditions through water efficiency advice, and other aspects of our Affordability Toolkit.

Based on previous CCW guidance, customers applying for WaterSure due to medical needs are asked to self-certify their medical condition. Therefore, we accept a broader range of illness than the current list, and all that use more water. We welcome a change in this area, and that the concept in how eligibility for the WaterSure scheme is clearly communicated to those customers.

Bill support

We welcome amending the cap to the average metered bill; this is our approach with our WaterSure+ scheme, with the additional difference funded through the cross subsidy F We believe this is the right thing to do as it provides a better discount for those customers on water meters. The additional cost is funded from the cross subsidy, and we have customer support for this discount.

Replacing the cap with a fixed percentage discount increases the uncertainty for customers on the annual cost of their water bill. We would not recommend a fixed percentage discount, as the certainty of the cost of a water bill is particularly helpful for those low-income customers who have a requirement for high water usage.

We welcome the idea of considering a cap for a single occupier, but would need more information to understand how this could be administered and monitored, to ensure it continued to be accurate. It would also impact the cross subsidy. At present we do not have the data that could let us implement this, whilst the idea is welcomed the impact of implementing it is unknown.

Conversations with our customers have shown that this is an area which would benefit those eligible for this water bill cap, however, we have recently conducted cross subsidy research, which would need to be revisited in order to introduce any significant changes to the WaterSure scheme.