

Dear Andy

**Wessex Water's response to improving the WaterSure financial support scheme**

Thank you for the opportunity to provide feedback on the potential changes to the WaterSure financial support scheme. WaterSure serves the critical purpose of protecting metered low-income customers from unavoidably high water bills.

While we understand the desire for consistency across the sector, it's important to maintain the scheme's original purpose. We should resist using WaterSure as a proxy for the proposed single social tariff (SST) or altering it merely to fill gaps in water companies' own social tariff provision.

As we transition into AMP8, it's important to note that any fundamental changes to WaterSure have not been factored into companies' business plans.

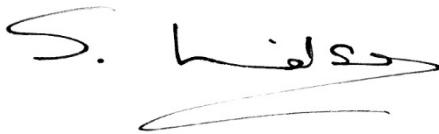
We have detailed our views on the eligibility proposals below and particularly support:

- clearer eligibility wording for customers with medical conditions
- setting the cap at the average measured bill
- further consideration of a single occupier cap.

We are also keen to keep working with CCW on a single social tariff, should the opportunity arise under the new Government.

We hope you find our response helpful. Please let us know if you have any questions.

Yours sincerely



Sue Lindsay

Customer Director

## **Metered bill**

We agree that the purpose of WaterSure should be to protect low-income households with a meter from unavoidably high water bills. For unmetered customers who cannot be metered, an assessed charge is available, along with discounted social tariffs for those facing payment difficulties. Finding a balance between fairness and feasibility is essential.

## **Low Income**

WaterSure is designed to protect customers with low incomes, ensuring eligibility is linked to their financial capability. Removing means-tested benefits without a suitable alternative to identify low income could lead to misuse and the 'just about managing' seeing a rise in the cross subsidy they would be expected to pay.

Focusing solely on an income-based approach raises concerns about winners and losers and prevents auto-enrolment. Without auto-enrolment and the ability to utilise data matching with the DWP, we risk increasing the administrative burden for companies and the associated cost and complicating the application and renewal process for customers.

Our preferred approach is to continue with means-tested benefits, complemented by companies' own social tariffs, to provide comprehensive support. Although not all companies offer social tariffs to those not on benefits, as we do, we encourage them to expand their eligibility criteria rather than complicate WaterSure.

Extending qualifying benefits to non-means-tested disability benefits is not appropriate. Customers with disabilities who are on a low income are eligible for discounted social tariffs. Non-means-tested benefits, such as PIP, DLA and attendance allowance, are designed to help customers with their additional expenses, including water bills. It is the government's responsibility, not that of water companies, to address any gaps in welfare support.

To ensure consistency across the industry, we believe companies should stop providing support via WaterSure to households receiving non-means-tested disability benefits.

## **Family size**

We support continuing the family element of WaterSure to protect larger households with unavoidably high water usage. We believe the qualifying number of children within the household should remain at three or more under the age of 19 and in full-time education, representing a large family. Smaller families can access support through discounted social tariffs.

We do not support extending assistance to larger multigenerational households. Older family members typically receive pensions, benefits, and other forms of support to cover additional expenses, such as Disability Living Allowance. For households experiencing financial difficulty, discounted social tariffs are still available.

## **Medical conditions**

We agree the current list of medical conditions is not comprehensive and may be misinterpreted by customers as definitive for scheme eligibility. As we already provide support for any medical condition requiring significant additional water use, we support the proposed new wording.

## **Bill Support**

WaterSure is a metered tariff, so it's appropriate to set the cap at the average metered bill rather than the average domestic bill. We made this change many years ago and believe it should be maintained for consistency in any future revisions to the scheme.

Additionally, aligning the cap with our company's specific average metered bill, rather than the industry average, ensures consistency with our charges. For customers requiring additional support, our discounted social tariffs offer greater discounts.

In principle, we support moving to a percentage or fixed amount discount, as it would preserve water efficiency incentives for customers on this tariff. However, we are concerned that this approach could introduce too much uncertainty for customers around their overall bill, which is one of the main benefits of the existing scheme.

We also believe there could be value in introducing a separate cap for single occupiers who qualify for WaterSure, which more closely reflects the average metered bill for this group. This would enhance the support provided by WaterSure without significantly increasing the required level of cross-subsidy. However, the feasibility of this change would partly depend on the number of additional single-occupier customers that would be brought into the scope of WaterSure. This requires further consideration before a specific proposal is taken forward.

There would also be additional administration for water companies to validate single occupier status. Before introducing a single occupier cap, it would be prudent to explore what evidence could be obtained to help auto-enrol customers, such as eligibility determined through the DWP or Councils.

## **Other Comments**

Our expert stakeholder vulnerability advisory panel has confirmed that our existing suite of support schemes is effective and fit for purpose. Members have also emphasised the importance of raising awareness and promoting the adoption of these schemes.

Water companies and CCW should work together to take greater advantage of the opportunities that an industry-wide scheme like WaterSure brings in terms of national promotion and consistent messaging.