



Customer Engagement

Research with vulnerable customers

August 2022



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Objectives & Methodology

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Background & Objectives

Portsmouth Water wanted to understand the views of their vulnerable customers in order to ensure its are meeting their needs in the business planning process.

The goal of this study is to understand:

- **Vulnerable customers and their circumstances**
- **What vulnerable customers expect Portsmouth Water to address in the next 5-25 years**
- **Responses to the priorities Portsmouth Water have proposed to tackle in the next 25 years**
- **Reactions to Bill Support, Metering (including Smart metering and variable tariffs) and Bill Profile**



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Methodology

18 in-depth interviews via Zoom or telephone
(30-45 minutes long)

- **To understand their circumstance and the implications for dealing with service providers**
- **To understand what they think the priorities for Portsmouth Water should be**
- **Responses to topics relevant to Portsmouth Water’s business plan, including:**
 - **Portsmouth Water’s Priorities**
 - **Bill Support**
 - **Metering (including Smart metering)**
 - **Bill Profile**

Who we talked to

	Economic vulnerability	Ongoing health condition or disability	Recent circumstances
Criteria	Households in economic hardship	Households with one or more occupants living with conditions that could put them in harm	Individuals experiencing changed circumstances that puts them in potential harm
Sample	8 depth interviews	6 depth interviews	4 depth interviews
Recruitment	<ul style="list-style-type: none"> • The sample includes a subset of 3-4 digitally excluded (who will conduct the interview with a supporter on their technology) • The sample covers a breadth of age and socio demographics 		



We conducted fieldwork from the 25th July to the 16th August, 2022. During this period, we experienced hot weather throughout the UK, including in Portsmouth. This may have increased respondents' awareness and sensitivity towards climate change and water scarcity compared to other times of the year.

2 out of the 18 interviews were conducted after the hosepipe ban was imposed in the surrounding areas of Hampshire and the Isle of Wight (5th August, 2022). Water-related issues may have been more top of mind than for other respondents.

Drought was declared in some parts of the UK on 12th August, 2022. This may have affected the responses of the 1 respondent we interviewed subsequently.

We bore these events in mind as we wrote this report and have marked with an asterisk (*) where responses may have been influenced by these factors compared to conducting this research at another time.





Customer context

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Vulnerable customers generally do not see themselves as 'vulnerable'

Many vulnerable customers are unlikely to believe they are eligible for financial assistance from utility companies as **'there is always someone worse off'** than themselves

Low awareness of support from utility companies

Hesitant to apply for financial assistance from Portsmouth Water, to ensure that people worse off can access the support

Uncertainty about the criteria to receive support. One respondent left irritated as they felt they deserved support (despite not being obviously financially vulnerable)

"I would use them [bill support schemes] if I really needed to but I wouldn't if I could help it. It's for people who really hit hard times"

(Male, Younger, Financially vulnerable, On going health issues)

"Me and my husband don't work, and we don't claim any benefits. I'm not saying that people shouldn't claim benefits but I do feel people on benefits earn more in benefits than we do working so I feel cheated"

(Female, Older, Financially vulnerable)



There is some anxiety about cost of living, but the focus is more on energy bills than water bills

Rising cost of living top of mind for most respondents, but financially vulnerable customers felt particularly nervous. However, there was consensus that everyone would be impacted negatively by this

Budgets need to be managed more strictly, needing to prioritise bills and less discretionary spend

Resentment about potential change in lifestyle (e.g. needing a dual income to support basic needs)

“Not doing as many nice treats”

(Female, Younger, Financially vulnerable, Anxiety)

“We're happy and want to remain at this level and the goal post get shifted and that's what annoys me more about the cost of living than the actual prices going up”

(Male, Younger, Financially vulnerable)



Customers are more focused on the rising cost of energy bills as it has been featured prominently on the news and the anticipation of the price increases later this year



Water bills are often perceived as the cheapest out of all utility costs (and with a flat rate for those on an unmetered plan)



Vulnerable customers' impression of Portsmouth Water echo findings from earlier research

- Most were **neutral or positive** about Portsmouth Water. They had minimal interaction with Portsmouth Water as they **rarely encountered issues** with their water services
- Those who had moved houses said **switching to Portsmouth Water was a smooth transition** without issues (compared to other utilities, like broadband)

- Some **confusion between Portsmouth Water and Southern Water's** responsibilities
- Vulnerable customers had **bad customer service experiences with Southern Water**
- Some people were clear about the distinction between Portsmouth Water and Southern Water made **comparisons which reflected positively on Portsmouth Water**

Generally, impressions of Portsmouth Water are positive

Knowledge of Portsmouth Water is limited; customers and future customers know they supply their water but **aren't aware of much** beyond this

Interactions with Portsmouth Water are **minimal**; rarely need to get in touch beyond circumstances related to bills

As customers don't have a choice, Portsmouth Water **falls under less scrutiny** than companies in other industries where you can 'shop' for better service

Key strengths for Portsmouth Water include:

- ✓ **Doing the basics well:** providing clean, good quality water at a reasonable price
- ✓ **Good customer service:** specific mention of twitter account interacting with customers
- ✓ **Affordable bills:** awareness that their bills are comparably cheaper than other water supplies
- ✓ **(For some) a nice website:** easy enough to use

Where there's room for improvement:

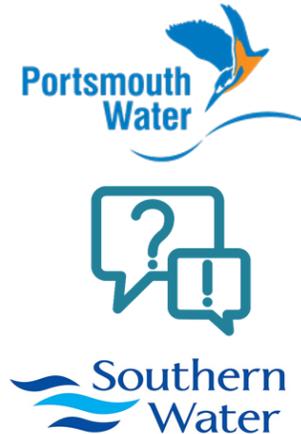
- A few mentions of long wait times on the phone lines
- Suggestion of a mobile app as an easy way to manage bills

Service expectations are **higher for NHH customers:** want to see better communication e.g. keeping customers better informed about switching to metered charging

11

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Some are still confused by the relationship between Portsmouth Water and Southern Water



A number of customers still struggle to understand the difference between what Portsmouth Water is offering and what Southern Water is offering.

A few assumed they were being charged twice for their water when they saw two bills come through

WATCHOUT: customers are alert to negative media coverage around Southern Water and issues with sewage water flowing into natural water sources.

"Southern Water is a very bad case in point. Dumping of raw sewerage in our rivers and coastal waters. In my view, this because of under investment ...they were content to pay out huge management bonuses and high return on shares. It's only in recent years that they have stopped these profligate pay outs"
(HH customer, Older ABC1)

13

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We asked vulnerable customers what makes for excellent customer service and found there is a lot of crossover with the responses given by other customers in previous research



Green tick denotes where findings from our previous research have been validated in this study

Understanding of the issue and fast resolution are at the heart of good service

Customer expectations for excellent service:

Quick

- ✓ **Solve the problem** as quickly as possible, and preferably during **first contact** if the problem is small
- ✓ **Quick response times** for emails or returning calls (less than 24hrs is great, less than 48hrs is expected)
- If the issue is urgent, expect someone to **deal with the problem on the day** e.g. in scenarios where service is cut off
- ✓ **Don't want to be left on hold** for a long time

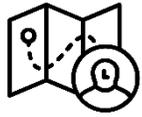
Effective and efficient

- ✓ Deal with someone who can **quickly understand** the problem and **knows how to solve it**
- ✓ Show you care and **take the time to talk to customers** and let them explain their problem and have their say
- **Rectify mistakes** with minimal disruption to the customer and ensure that issues are dealt with appropriately
- ✓ Where possible, **websites or online services** should be designed to cater for straightforward issues

Offer easy communication

- ✓ **Keep customers in the loop** by providing regular updates on progress for ongoing issues
- ✓ **Provide a choice of channels** – email, phone and live chat are expected
- **Long opening hours** for phone lines to suit all work patterns
- Offer **social media communications** as a bonus e.g. responsive Twitter or Facebook page

Upon asking vulnerable customers about good and bad customer service, many of their points related to an easy customer journey with good communication to minimise stress



Easy customer journey

- Customers want to know by the end of their call that **their problems will be taken care of and don't need to chase for updates/completion**
- Customers express frustration when **they have to explain their situation/issues multiple times** to customer service due to **poor record keeping**
- Generally, customers prefer **speaking to people as opposed to live chat**. Often the issue is too nuanced to describe adequately through automated responses, especially non-tech companies. One respondent with ADHD said that they forgot the reason they called after going through the automated chat (e.g. 'Press 1 for...')



Good communication

- Customers are positive about companies who **proactively seek feedback** (e.g. at the end of calls)
- Tone of written communications is particularly important, as it can add to stress / aggravate pre-existing mental health conditions communications. Such customers want their utility providers to **come across more understanding of personal circumstances** that they might be going through
- There is negative feedback about oversea call centres as customers find themselves having to **repeat themselves multiple times due to language barriers**, leaving some customers frustrated and distressed



Portsmouth Water specific mentions

- ✓ Customers currently have **minimal interaction with their utility services unless there is a problem** and they want to maintain such a relationship. This is what the customers we interviewed liked about Portsmouth Water
- ! Receiving **adverts alongside paper bills can be anxiety inducing** for vulnerable and older customers (e.g. insurance for pipes etc.). Other customers mention that they tend to not trust companies/brands that sell beyond what is necessary
- ! Customers would like the option of completing **simple tasks (e.g. downloading bills) online**



Positive and negative interactions with utility services are noted



Proactive communications can help ease anxiety if issues arise

“You know we had electricity go off, it was for an hour or so, but **straight away I got a text message, to say that the power is off and they hope to resolve it quickly and if you have any problems please call this number, which I thought was pretty good.** That reassured me that it wasn't something in my house that my fuse had gone off and that everybody had the same problem, not just me”

(Female, Older, On going health issues)



Being flexible in accommodating customers' circumstances

“They made a special parking spot for me (so my elderly mother wouldn't have to walk far) and they didn't work at 8am on Monday, they started at a reasonable hour, they finished at a reasonable hour and they got most things done as quickly as they could and they cleaned up. From the customers point of view they did a really good job. **You can't help that it suddenly happened but the fact that they fixed it and tried to think of everybody's needs as much as they could**”

(Female, Younger, ADHD, Depression, Anxiety)



Written comms should give the benefit of the doubt to their customers

“It would be good to have someone speak to you and ask you why in a certain way rather than be immediately accusatory. To give you an example – I got my electric put in but because I'm not at home a lot because I take care of my mother. I then got a letter from EON asking me why haven't I didn't use electricity.

It felt really accusatory - almost asking me 'what are you up to'. I know there's a rise in electricity theft, but that doesn't mean I'm one of them. **You don't need, when you have problems, someone sending you a letter asking you why you haven't done this and that**”

(Male, Older, Anxiety)



Vulnerable customers largely rely on social circles for support but a minority mentioned specific national and local organisations in this context

We asked people where they get support in relation to their vulnerabilities. Awareness and relationships with specific organisations were limited - reliance on friends and family for informal support

“We do Facebook pages. We can talk to people on there. They give good advice. We have joint zoom calls every so often with normally the same people. We have discussions about how he’s and they are doing and get tips that can help and they share their feelings and that’s quite nice”

(Female, Older, Financially vulnerable, Asthma, with Husband with Leukaemia)

A minority of people are connected to relevant organisations, often at a very local level to mitigate feelings of isolation and feeling part of a community. Organisations mentioned included:

Leukaemia Care
YOUR Blood Cancer Charity

Leukaemia care

Bloodwise
The blood cancer charity

Bloodwise

THE **TRASH CAFE** NETWORK 

Trash Café

 **Frame of Mind**
Picturing a brighter future

Frame of Mind



Citizens Advice





Expectations of Portsmouth Water in addressing future challenges

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Unprompted, customers told us that they wanted PW to focus on the following issues, which are in line with what is proposed by Portsmouth Water

UNPROMPTED RESPONSES

Ensuring a sufficient water supply*

- Maintaining a steady water supply now and for future generations is key
- Climate change top of mind
- The growing population in Portsmouth is at the forefront of customers' minds

Being environmentally friendly

- Ensuring current practices do not negatively impact the environment
- Customers feel that water companies should be responsible for reducing its carbon footprint and ensuring wildlife is in tact
- However there is less of a connection between environment and energy and environment and water

Keeping bills affordable

- Ensuring water charges are affordable to all

Reducing leaks

- This is considered easier and tangible problem to solve for Portsmouth Water than larger environmental issues



When we showed customers the priorities, these were generally viewed positively and the list was seen as comprehensive

PROMPTED RESPONSES

We asked our respondents to read through each of the 4 priorities in turn and ask for their thoughts

Then we asked them what they thought of the priorities overall and whether anything from missing from the list

Secure sustainable water supplies for our customers, which protect and enhance our environment in a changing world	Be at the frontier of delivering high-quality, resilient, net-zero services – for our customers, environment and region	Co-create solutions which deliver our customers', communities', and stakeholders' priorities	Affordable water for all. Always.
<ul style="list-style-type: none"> Provide enhanced regional drought resilience by bringing Havant Thicket reservoir into service on schedule by 2029 Reduce leakage by 50% by 2040, 10 years ahead of government's expectation Support customers to reduce personal water usage by 25% by 2050 Deliver 100% domestic smart metering by 2040 No customers will experience restrictions on their water use, even in a severe drought We will enhance the quality of the environment on our sites 	<ul style="list-style-type: none"> All schools and homes to have access to water with no exposure to lead by 2050 We will be fully carbon neutral by 2050 No customers will be without water for over 3 hours by 2030 Maintain the lowest levels of bursts in the industry We will collaborate with key stakeholders to ensure all chalk streams in our area are classified as in good health We will adopt industry-leading innovation to protect our corporate and operational network against cyber-attack 	<ul style="list-style-type: none"> Customers have a choice of tariff based on their needs, priorities and ability to help the environment We will be consistently recognised by the UK Institute of Customer Service as one of the best performers in the country across all sectors 100% of our customers will know where their water comes from and their impact on the environment We will work with all non-household customers and their retailers to reduce water use and achieve 100% smart metering 	<ul style="list-style-type: none"> Eliminate water poverty by 2030 Ensure we are always the most efficient water company in England and Wales to keep customers' bills as low as we can 100% of vulnerable customers to be supported 24/7

Overall, priorities well received

- ✓ Positive reaction to priorities overall
- ✓ Customers note that it is similar to what they mentioned spontaneously
- ✓ Pleasantly surprised by comprehensiveness - the only issues customers mentioned that were not in the list were:
 - Desalination top of mind given Portsmouth's geography
 - Hard water is an issue that would be good to resolve

Some feel that timescales need reviewing

- ! Timescales not ambitious enough
 - Carbon net zero
 - Lead pipes
- ? Participants believe that leak reduction will be solved by pipe replacement and as such, should the lead pipe and bursts issue be solved at the same time?

More details are needed with certain goals to gain full buy-in from customers

- ? On a surface level the objectives look fine, however further information needed on how each of the goals will be executed
- ! Some are ambivalent about certain objectives as they require the customer to make changes – what will the impact be on the customer?



Priority 1: Vulnerable customers were positive about the goal of ensuring sustainable water supplies, particularly the goal about leak reduction

Positive feedback

Secure sustainable water supplies for our customers, which protect and enhance our environment in a changing world

- Provide enhanced regional drought resilience by bringing Havant Thicket reservoir into service on schedule by 2029

- Reduce leakage by 50% by 2040, 10 years ahead of government's expectation

- Support customers to reduce personal water usage by 25% by 2050
- Deliver 100% domestic smart metering by 2040
- No customers will experience restrictions on their water use, even in a severe drought
- We will enhance the quality of the environment on our sites

Audience **largely receptive** to this priority and goals, particularly as all customers saw sustainable water supply as an important matter

Customers particularly positive about **leak reduction** as this is perceived to greatly help with water conservation

Priority 1: On the surface these objectives seem like good ideas but some vulnerable customers want further information in order to be fully onboard with the highlighted objectives

More info needed

Secure sustainable water supplies for our customers, which protect and enhance our environment in a changing world

The **Havant Thicket reservoir** an area of **controversy**, especially for those who live nearby.

Communications should highlight the benefits of having the reservoir and summarise impact on community/nature

Many in support of reducing water usage for **environmental** reasons. However, some pushbacks include:

- Scepticism about the **impact of individual contribution**
- How they can **further reduce their water usage** (as many perceive themselves to be mindful of usage already)

On the surface, **this sounds positive but some customers wanted more information** on how exactly Portsmouth Water means by 'enhancing the quality' of their sites?

- Provide enhanced regional drought resilience by bringing Havant Thicket reservoir into service on schedule by 2029

- Reduce leakage by 50% by 2040, 10 years ahead of government's expectation

- Support customers to reduce personal water usage by 25% by 2050

- Deliver 100% domestic smart metering by 2040

- No customers will experience restrictions on their water use, even in a severe drought

- We will enhance the quality of the environment on our sites



Priority 1: There is some nervousness around smart metering and 'drought' elicits negative emotions for a few vulnerable customers

Customer concerns

Secure sustainable water supplies for our customers, which protect and enhance our environment in a changing world

- Provide enhanced regional drought resilience by bringing Havant Thicket reservoir into service on schedule by 2029
- Reduce leakage by 50% by 2040, 10 years ahead of government's expectation
- Support customers to reduce personal water usage by 25% by 2050
- Deliver 100% domestic smart metering by 2040
- No customers will experience restrictions on their water use, even in a **severe drought**
- We will enhance the quality of the environment on our sites

Many supportive of concept of smart meters

- Helps to **keep track** of water usage
- May help to **reduce water usage**
- Those who had it felt their **bills were cheaper**

Some concerns include:

- May incur larger bills for **larger families**
- Having a constant reminder **may trigger anxiety** in financially vulnerable or older customers
- Scepticism of **100% uptake** (due to infrastructure)

For a few, 'Drought' **elicits concern** for the near future



Priority 2: Vulnerable customers felt positive about the goals and objectives. Whilst most did not understand how cyber protection was important to Water companies, they were not against it

Positive feedback

Be at the frontier of delivering high-quality, resilient, net-zero services – for our customers, environment and region

Audience **on board** with the need to reduce negative impact on environment

- All schools and homes to have access to water with no exposure to lead by 2050
- We will be fully carbon neutral by 2050

No pushback or reservations on these goals, even when prompted.

- No customers will be without water for over 3 hours by 2030
- Maintain the lowest levels of bursts in the industry

Customers had a great appreciation for the chalk streams as a water source. **However hard water is top of mind when 'chalk' mentioned,** which almost all customers wanted addressed

- We will collaborate with key stakeholders to ensure all chalk streams in our area are classified as in good health

Whilst most customers are **neutral about this, there is no pushback.** There were a few customers more aware of the potential dangers of cyber attacks and therefore see it as a priority to address

- We will adopt industry-leading innovation to protect our corporate and operational network against cyber-attack



Priority 2: The existence of lead exposure surprised customers and they felt it was an urgent issue to address – some questions about timelines and financial impact of pipe replacement

Be at the frontier of delivering high-quality, resilient, net-zero services – for our customers, environment and region

- All schools and homes to have access to water with no exposure to lead by 2050
- We will be fully carbon neutral by 2050
- No customers will be without water for over 3 hours by 2030
- Maintain the lowest levels of bursts in the industry
- We will collaborate with key stakeholders to ensure all chalk streams in our area are classified as in good health
- We will adopt industry-leading innovation to protect our corporate and operational network against cyber-attack

Customers are shocked to discover lead exposure still exists. Customers are **concerned about the impact on health** and express this needs to be addressed **more urgently**

Customers believed the solution to resolving the lead exposure issue was to replace the pipes. As such, customers had follow up questions:

- *Who is responsible for the **costs of pipe replacement?***
- *Why can't the **timelines be in line with the reduction of leaks goal** if it's a matter of replacing pipes?*

More info needed

Customer concerns



Priority 2: Carbon neutral targets were divisive –some believed it was an urgent issue to address, many were sceptical of what could be achieved and perceived it as a virtue signalling exercise

Mixed feedback

Be at the frontier of delivering high-quality, resilient, net-zero services – for our customers, environment and region

- All schools and homes to have access to water with no exposure to lead by 2050
- We will be fully carbon neutral by 2050
- No customers will be without water for over 3 hours by 2030
- Maintain the lowest levels of bursts in the industry
- We will collaborate with key stakeholders to ensure all chalk streams in our area are classified as in good health
- We will adopt industry-leading innovation to protect our corporate and operational network against cyber-attack

Support for carbon neutral targets **not unanimous**.
Those in support:

- Needs to be addressed more urgently than 2050

Those not in favour of it:

- Many companies claiming to do the same thing
- Sceptical of what Portsmouth Water will deliver on this goal
- Too late

Priority 3: Goals uncontroversial with little pushback but there was no sense of urgency to achieve these objectives, compared to others (e.g. lead exposure and becoming carbon neutral)

Positive feedback

Co-create solutions which deliver our customers', communities', and stakeholders' priorities

- Customers have a choice of tariff based on their needs, priorities and ability to help the environment

- We will be consistently recognised by the UK Institute of Customer Service as one of the best performers in the country across all sectors

- 100% of our customers will know where their water comes from and their impact on the environment

- We will work with all non-household customers and their retailers to reduce water use and achieve 100% smart metering

Whilst striving to be recognised by the UK Institute of Customer services is commendable, it doesn't mean much to customers who are **more concerned about the actual customer service provided than recognition**

Generally keen to **learn more about where their water comes from**

- Perhaps to add to existing comms, like bills or accompanying pamphlets
- More fruitful to engage younger customers/children

Most neutral about working with NHH customers to reduce water usage – one participant said it was crucial as it is cheaper for businesses to leave taps running than fix leaks if businesses are charged a flat rate



Priority 3: Some terms need further explanations in the context of water suppliers

More info needed

Co-create solutions which deliver our customers', communities', and stakeholders' priorities

- Customers have a choice of tariff based on their needs, priorities and ability to help the environment
- We will be consistently recognised by the UK Institute of Customer Service as one of the best performers in the country across all sectors
- 100% of our customers will know where their water comes from and their impact on the environment
- We will work with all non-household customers and their retailers to reduce water use and achieve 100% smart metering

Portsmouth Water will need to adjust language to make this more customer facing

- Who are the '**stakeholders**' in this context?
- What does '**co-create**' mean in this context?
- No one recognised the significance of the UK **Institute of Customer Service**



Priority 3: Mixed reactions to tariffs. Whilst most agree with the concept that one should pay for what they use, there is a worry that it can potentially create more problems for the individual

Co-create solutions which deliver our customers', communities', and stakeholders' priorities

- Customers have a choice of tariff based on their needs, priorities and ability to help the environment
- We will be consistently recognised by the UK Institute of Customer Service as one of the best performers in the country across all sectors
- 100% of our customers will know where their water comes from and their impact on the environment
- We will work with all non-household customers and their retailers to reduce water use and achieve 100% smart metering

Whilst most **agree with the concept** that you should pay for what you use and see the benefits, others are **hesitant about variable tariffs** for the following reasons:

- *Variable tariffs make it **harder to budget***
- *More choice of tariffs makes it more **complicated***
- *Will it **incur a larger bill** than their current bill?*
- *Unfair for **large families** who need more water than smaller HH*

Caution needed



Priority 4: Goals viewed very positively. However some clarification needed on 'Water poverty', 'vulnerable customers' and how Portsmouth Water plans to deliver support to these customers

Affordable water for all. Always.

This priority generally elicited positive responses and there was agreement that it is something to strive for

Positive feedback

More info needed

Many **unsure of what 'Water Poverty' means** in this this context and whether it exists in the UK. However, it seems like a noble cause

Uncertainty of what constitutes a 'vulnerable customer'. One customer became upset due to feeling economically vulnerable but believe they would be rejected if they asked for help as they are not on benefits

Need **clarity on how vulnerable customers will be supported 24/7 and how it will be delivered.**

Some ideas include:

- *24 hour crisis hotline where vulnerable customers were prioritised*
- *Updates of water outages/other issues in the area*

- Eliminate water poverty by 2030

- Ensure we are always the most efficient water company in England and Wales to keep customers' bills as low as we can

- 100% of vulnerable customers to be supported 24/7





Deep Dive on bill support, metering and bill profiles

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Most unaware of the bill support schemes and felt they were not eligible for them

We introduced how Portsmouth Water could help with bills and gathered vulnerable customers thoughts and reactions to them.

Arrears Assist: if you have arrears on your account of £300 or more and have not been making regular payments to your account it may be possible for you to apply for help under the Arrears Assist Scheme.

Helping Hand – Social Tariff: Helping hand is a tariff for customers who have a low income or are in receipt of certain benefits. If your application is successful, your water bill will be capped at the minimum charge for the year.

WaterSure: WaterSure is a capped tariff for customers who have a water meter and meet the requirements (receive certain benefits and either have 3 or more children at home or a member of the household requires use of significant amounts of water due to a medical condition).

Payment holiday: You can apply to have a three month payment holiday where no payments need to be made within that period.

“Everyone of them seems good but again, people need to know and how do you find that out? That would be better to put in the paper bill, a leaflet about the help”

(Female, Older, On-going health issues)

“I wasn’t aware, and I think I might actually see if any of them actually pertain to us”

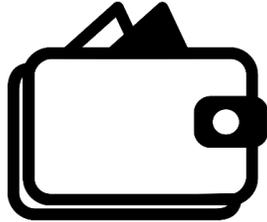
(Female, Younger, On-going health issues)

- Majority were not aware of schemes or how many schemes there were.
- Some assumed there would be schemes in place but unclear of what they would be
- Minority felt negative towards Portsmouth Water as it was perceived that the company was deliberately hiding the schemes
- There is an opportunity to advertise these schemes more (e.g. pamphlets, bills etc.)
- Would use if needed, however
 - Perception that someone else is worse off
 - Unsure they are eligible for schemes
 - Worry about stigma involved in receiving help
- Further clarification needed on what help you would receive under the ‘Arrears Assist’ scheme



Most open to idea of paying more to help others and pleasantly surprised by Helping Hand Tariff

We introduced the Helping Hand Tariff and its positive impact and how much an average person's bill payment goes towards funding the Helping Hand Tariff



"Right, that's really good. 83p is nothing to most households. Everyone could afford that. That surprises me that it's so little to help so many people"

(Female, older, On-going health issues)

"Imagine what they could do with £5. they could wipe debts out and who would miss £5? Two Starbucks a year. Make it £7 a year. 83p a year is nothing"

(Male, older, On-going health issues)

- Most customers relatively **happy to pay 'a bit more'**
- Willing to pay £2-5 more per year
- Happy to round up to the nearest pound (e.g. Supermarket charities)
- **Surprised about how 83p goes towards Helping Hand Tariff**
- Would like to have **clearer breakdown of how their money is being used** – however not currently too concerned as water bills are relatively cheap compared to electricity bills



Customers generally agree with the concept of paying for what you use, but there are caveats

We introduced traditional and smart metering to our respondents and gathered their thoughts on it and whether they thought metering should be rolled out universally

Many **supportive** of concept of metering

- ✓ Helps **to keep track** of water usage
- ✓ May help to **reduce** water usage
- ✓ Only **pay for what you use**
- ✓ Those who had it felt their bills were **cheaper**

Some concerns include:

- ! May incur larger bills for **larger families**
- ! Worry that it incurs a **larger bill** than current bill
- ! Having a constant reminder may **trigger anxiety** in financially vulnerable or older customers

Not a top priority relative to other priorities mentioned, but customers can see how it could help with the water conservation challenge

"If I had a meter, I'd be watching all the time"

(Female, younger, Financially vulnerable)

"Fine as long it doesn't cause a massive increase in cost for me"

(Male, younger, Financially vulnerable)

"If you've got a big family it's very difficult to reduce your water capacity whereas me living on my own I can manage with less water and water restrictions. But a family when you've got children and even elderly that have health issues, I'm not quite so sure about that"

(Female, younger, Financially vulnerable)

"I think that's a very good idea. I think that's a must. I think that everyone should have a meter, like their electric and their gas as it's an essential service"

(Female, Older, On going health issues)



Existing knowledge of smart meters for electricity but confusion about traditional vs smart meters

We introduced traditional and smart metering to our respondents and gathered their thoughts on it and whether they thought metering should be rolled out universally

- Some HH have smart meters installed for electricity
- A few customers were unaware it was available for water
- Some demand for smart meters as it appears to be a natural transition as it's available for electricity
- There is some confusion between traditional and smart meters

Preference for traditional meters first :

- There is a perception that traditional meters are more robust than smart meters and worry there would be more issues with a smart meter
- There is a misconception that smart metering only benefits the company and did not realise they could use it to track their own usage

"I think that everyone should have a meter, like their electric and their gas as it's an essential service"

(Female, Older, On going health issues)

"I didn't expect to see it reduce usage by so much and I didn't really think they would help to identify leaks so maybe they've got more value than other meters"

(Male, younger, on-going health issues)



Customers open to variable rates and will adjust routine to benefit from cheaper rates

We explained that smart metering would allow Portsmouth Water to set variable tariffs for those who have smart meters. We gauged customers' reactions and asked them to suggest tariffs that would benefit them

- Most open to variable rates (e.g. on peak/off peak) but could be unfair to
 - Those with large families
 - Those with inflexible schedules
- Customers claim to be willing to adjust their routine to benefit from cheaper rates
- Customers would like to see clear communication of when the on peak/off peak times are in order to make adjustments
- Customers struggled to think of other variable tariff plans apart from on-off peak times

“As long as it's not extortionate and during peak times like 4-5 which is like a regular day for an office worker and school”

(Male, Younger, Financially vulnerable)

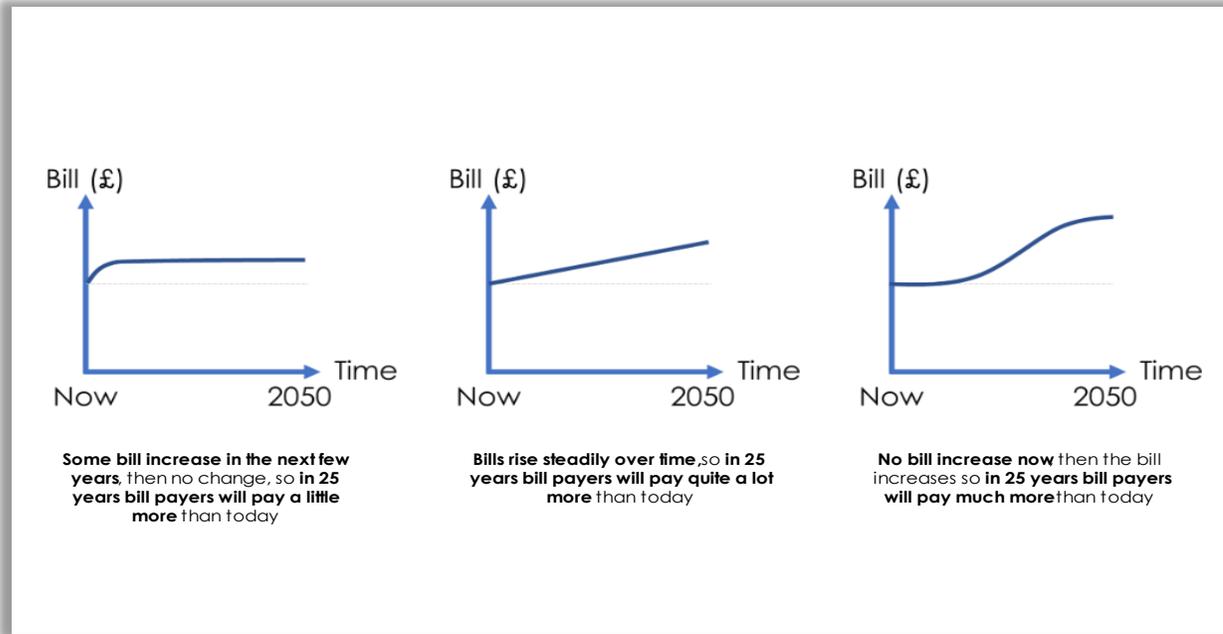
“As an early riser, I can have all my jobs done on a lower rate. I would be quite happy to do that and leave the day time where I don't use as much water”

(Female, Older, On going health issues)



Customers do not want to burden future customers and would prefer a steady increase in bills as it is seen to be easier to manage finances as opposed to a sudden increase

We introduced the ways in which bills could potentially go up in the future and asked customers to state their preference and why



“You're not giving one set of generation the responsibility of paying the chunk of the money and the other generation doesn't have to or vice versa. I think it's fair if it's a bit more steadily as that time the generation is used to paying that kind of amount”

(Female, Younger, Financially vulnerable)

- There is a general acceptance that water bill prices will increase
- There is a willingness for their bills to be invested into delivering the priorities, as long as the benefits are tangible and communicated
- Option three is least preferable
- It is a toss up between options 1 and 2 – more information needed about the actual price increases to determine a preference
- Option 2 preferable for some as they rather have gradual increase as opposed to a sudden increase (to cope with rising cost of living or in line with wage growth)





Executive Summary

Photo by pure julia on Unsplash



BLUE MARBLE

1

Generally, vulnerable customers do not see themselves as vulnerable

- Many noted that 'there are others worse off' than themselves and as such would be hesitant to ask for assistance they might be eligible for
- There is low awareness of how utilities can support them further
- Rise in cost of living is top of mind for all customers, particularly financially vulnerable customers, but most note that most people are in the same position

2

Vulnerable customers' perceptions of Portsmouth Water and expectations of customer service are similar to other customers'

- Many of the views voiced by other customers in earlier research (Feb 2022) were validated by vulnerable customers
- However, there is a greater demand for more thoughtful messaging (e.g. tone of voice, proactive notice etc.) and making the customer journey as easy as possible (e.g. better record keeping, options for online services etc.)

3

Portsmouth Water's priorities were generally viewed positively and felt these addressed their concerns (esp. about water supplies)

- Many felt the timelines were too long and some goals needed to be addressed more urgently, particularly lead exposure
- However, vulnerable customers want further detail about how Portsmouth Water plans to execute these plans, with some scepticism about what Portsmouth Water could actually deliver



4

Customers were not aware of Portsmouth Water's bill support schemes

- There was an assumption that there would be bill support schemes, but all respondents were pleasantly surprised to see so many options
- However, some felt negatively towards Portsmouth Water because it was 'hidden' and seen as not well advertised
- None of our sample had used these before. There is some hesitation as a) they were not sure if they would be eligible and b) they want to ensure that those 'worse off' than them would be able to access these schemes
- All were surprised that on average 83p of their annual bill goes towards the helping hand scheme and almost all were open to paying 'a bit more' (£2-£5)

5

Customers on board with the concept of metering, but there are exceptions

- Customers agreed with the idea that you should pay for what you use, like gas and electricity and can see how it can help reduce water usage
- However customers were concerned about it prompting a larger bill and for larger families who need more water than smaller households
- Most open to variable tariffs (on/off peak) and would adjust their routine to benefit from cheaper rates, but concerned about those with large families or those with inflexible schedules

6

There is an understanding that bills would go up and a preference for them rising very gradually

- Option 3 (a delayed rise in bills) was least preferred as it puts a huge strain on future generations
- Option 2 (a gradual rise) was most preferred as people did not want a sudden increase which would create additional strain on top of the pressures associated with the rising cost of living



46. Portsmouth Water_Vulnerablecustomerssummer2022_Presentation_FINAL

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This project was conducted to understand the views of their vulnerable customers in order to ensure PW is meeting their needs in the business planning process. The research was designed to touch on many of the 'big conversations' identified as key tenets of the 'golden thread' (to cover expectations, priorities, views on bill support and smart metering). For respondents, they were provided with stimulus materials to help understand the question context and in some cases, to help them articulate their preferences.
Fit for purpose	<ul style="list-style-type: none"> • Clear objectives that sat within the wider research and engagement programme agreed at the outset • Purposefully recruited sample to reflect all types of Portsmouth Water customers: across all ages, gender, life stage. This project covered the needs and priorities of Households in economic hardship; Households with one or more occupants living with conditions that could put them in harm; Individuals experiencing changed circumstances that puts them in potential harm • Sample size proportionate for a qualitative project focusing on specific groups in the population • Method to reflect the nature of the objectives: in-depth interviews via Zoom or telephone (30-45 minutes long)
Neutrally designed	Blue Marble designed research materials including the discussion guides and stimulus. These are all designed with impartiality.
Inclusive	<ul style="list-style-type: none"> • Stimulus produced in plain English – all mediated by a research moderator • The sample included a subset of 3-4 digitally excluded (who will conduct the interview with a supporter on their technology) who were paid an incentive
Continual	While this was a one-off project it forms part of an ongoing commitment to conduct research with a wide cross section of customers.
Shared in full	Portsmouth Water to publish this report and supporting appendices on its website.
Ethical	Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.
Independently assured	This report assured by Sia Partners



Appendix: Stimulus materials used in this research

Photo by pure julia on Unsplash



BLUE MARBLE

List of potential priorities for Portsmouth Water

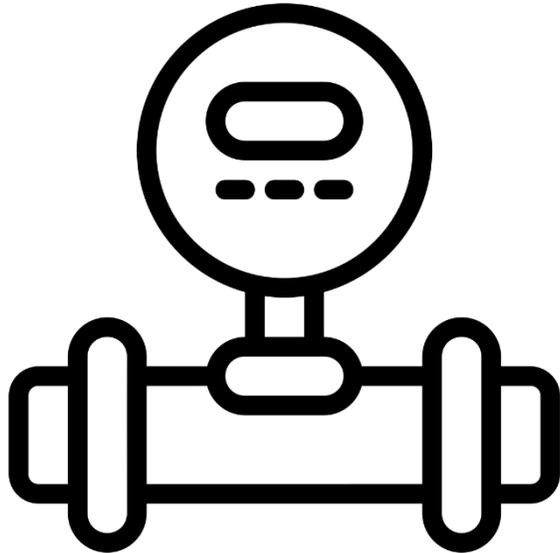
Secure sustainable water supplies for our customers, which protect and enhance our environment in a changing world	Be at the frontier of delivering high-quality, resilient, net-zero services – for our customers, environment and region	Co-create solutions which deliver our customers', communities', and stakeholders' priorities	Affordable water for all. Always.
<ul style="list-style-type: none"> • Provide enhanced regional drought resilience by bringing Havant Thicket reservoir into service on schedule by 2029 • Reduce leakage by 50% by 2040, 10 years ahead of government's expectation • Support customers to reduce personal water usage by 25% by 2050 • Deliver 100% domestic smart metering by 2040 • No customers will experience restrictions on their water use, even in a severe drought • We will enhance the quality of the environment on our sites 	<ul style="list-style-type: none"> • All schools and homes to have access to water with no exposure to lead by 2050 • We will be fully carbon neutral by 2050 • No customers will be without water for over 3 hours by 2030 • Maintain the lowest levels of bursts in the industry • We will collaborate with key stakeholders to ensure all chalk streams in our area are classified as in good health • We will adopt industry-leading innovation to protect our corporate and operational network against cyber-attack 	<ul style="list-style-type: none"> • Customers have a choice of tariff based on their needs, priorities and ability to help the environment • We will be consistently recognised by the UK Institute of Customer Service as one of the best performers in the country across all sectors • 100% of our customers will know where their water comes from and their impact on the environment • We will work with all non-household customers and their retailers to reduce water use and achieve 100% smart metering 	<ul style="list-style-type: none"> • Eliminate water poverty by 2030 • Ensure we are always the most efficient water company in England and Wales to keep customers' bills as low as we can • 100% of vulnerable customers to be supported 24/7

Arrears Assist: if you have arrears on your account of £300 or more and have not been making regular payments to your account it may be possible for you to apply for help under the Arrears Assist Scheme.

Helping Hand – Social Tariff: Helping hand is a tariff for customers who have a low income or are in receipt of certain benefits. If your application is successful, your water bill will be capped at the minimum charge for the year.

WaterSure: WaterSure is a capped tariff for customers who have a water meter and meet the requirements (receive certain benefits and either have 3 or more children at home or a member of the household requires use of significant amounts of water due to a medical condition).

Payment holiday: You can apply to have a three month payment holiday where no payments need to be made within that period.



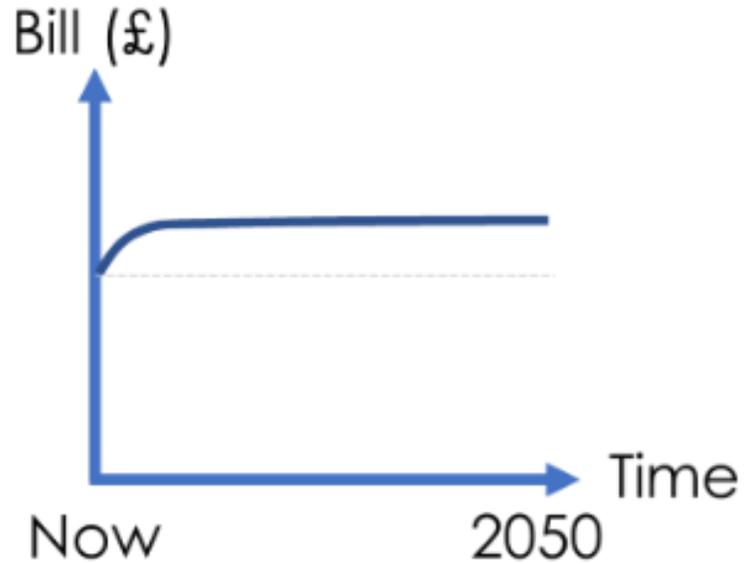
Metering means that customers only pay for the water they use (as oppose to paying a flat rate). This should encourage customers to be more careful with water, therefore helping to reduce the pressure on water resource for the region as a whole.

Smart meters offer additional benefits in dealing with the water supply challenge. They provide information on how much water you're using in real time.

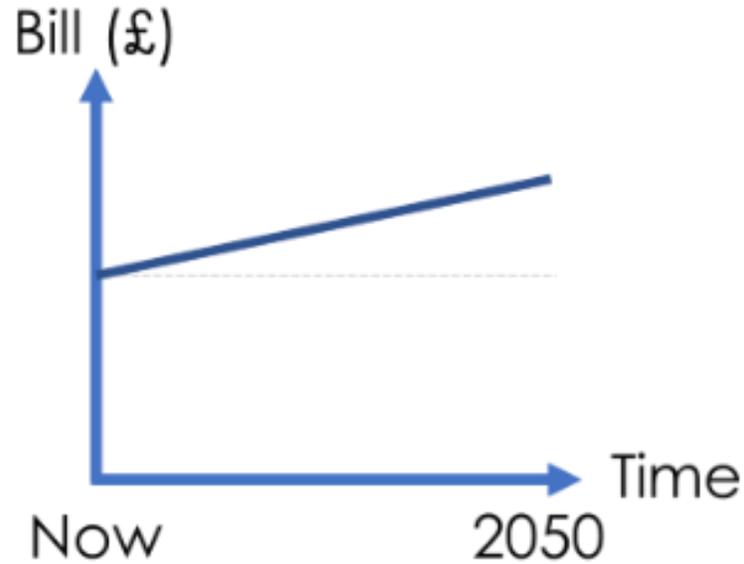
The key benefits to smart meters are:

- They help customers understand their usage in even more detail, helping them to be more careful with the water they use
- They help the water company see how water is being used across the network and can help identify leaks that may be difficult to find as they are not above ground

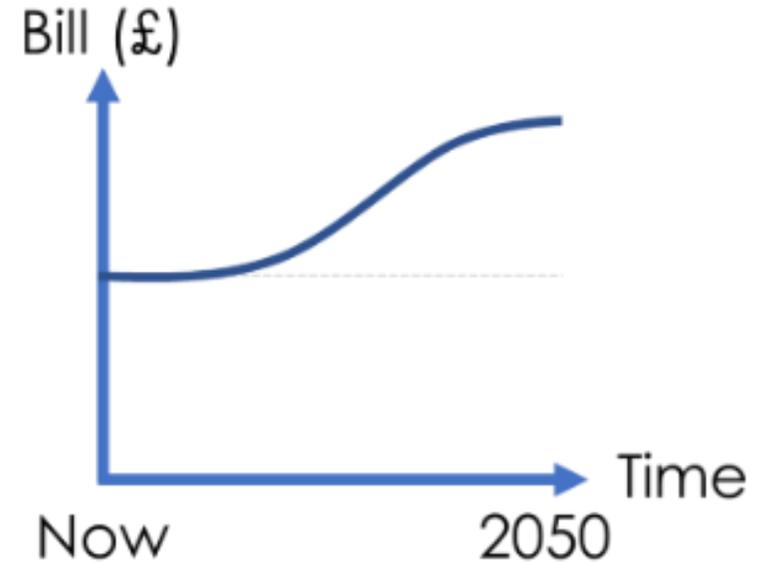
Smart metering typically reduces water usage by about 15-20%.



Some bill increase in the next few years, then no change, so in 25 years bill payers will pay a little more than today



Bills rise steadily over time, so in 25 years bill payers will pay quite a lot more than today



No bill increase now then the bill increases so in 25 years bill payers will pay much more than today