

Consumer Panel Barometer – Wave 3 Report

Bill Affordability and Smart Metering

25th October 2022





Method

- **Wave 3** of the consumer panel took place between **20th September and 6th October 2022**
- A total of **601** Water Talk panellists took part
- All were Portsmouth Water **bill payers**
- Average time for completion was **9 minutes**

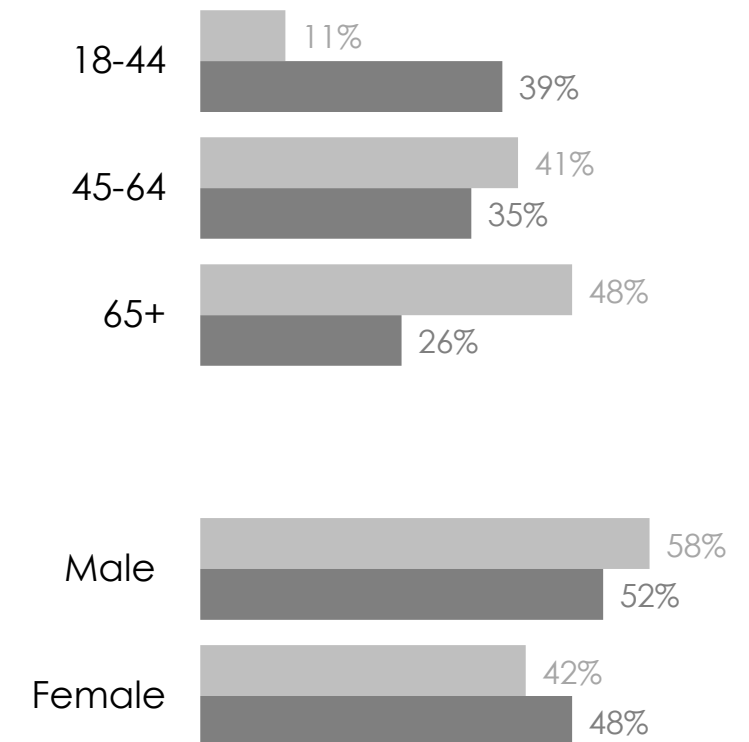
Topic coverage

- Customers' perceived financial situation and outlook for the next 6-12 months
- Water saving habits that customers are currently engaging in and would be open to doing
- Response to smart meters and related communication
- Water bill affordability and bill paying preference



- The data contained in this report is from customers who have joined Water Talk, the Portsmouth Water Customer Panel
- The total number of interviews (601) is robust for quantitative analysis (i.e. using percentages and comparing sub-groups)
- The data in this report is **weighted** to match the known demographic profile of Portsmouth Water customers (age & gender)
 - This is to compensate for the over-representation of older and male customers on the panel
- It is important to note that the panel is self-selecting, rather than purposively sampled to be representative
 - This means panellists may be more engaged with the water sector & knowledgeable about Portsmouth Water than customers in general
 - Interpretation of the data must bear this in mind. It should be used in conjunction with other data sources to understand different viewpoints and the wider picture.

- Unweighted
- Weighted to match bill payers in PW region*



* Based on 2011 Census data for the 18+ population of the Portsmouth Water region and nationwide omnibus data on water bill payers



57. Consumer Panel Barometer - Wave 3

The sample is made up of **household** customers who are **bill payers** and includes customers from a **full range of demographic groups** and those displaying **financial and non-financial indicators of vulnerability**. Sample sizes of key customer groups are detailed below:

		Unweighted total (actual number)	Weighted total
TOTAL (Household bill payers)	Total	601	601
Gender	Male	350	308
	Female	243	285
Age band	18-44	76	234
	45-64	244	210
	65+	281	156
Social grade	AB	295	263
	C1	120	133
	C2	68	87
	DE	56	46
	Not stated	62	72
Indicators of vulnerability?	Any vulnerability	195	187
	No vulnerability	406	414
Total water and sewerage charges affordable?	Agree	376	394
	Neutral / don't know	151	142
	Disagree	74	65
Household size (number of people)	1	170	150
	2	303	262
	3+	121	180



Affordability



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As part of this report we focus on 2 groups of interest:

1

Those with any vulnerability.



This includes those who exhibit **any of** the following indicators of vulnerability:

- Someone in home has long-term disability or chronic illness
- Living in social or council housing
- Claiming pension credit (not just state pension)
- Does not own a car AND lives in a remote location
- No Internet access at home
- On a discounted water tariff

2

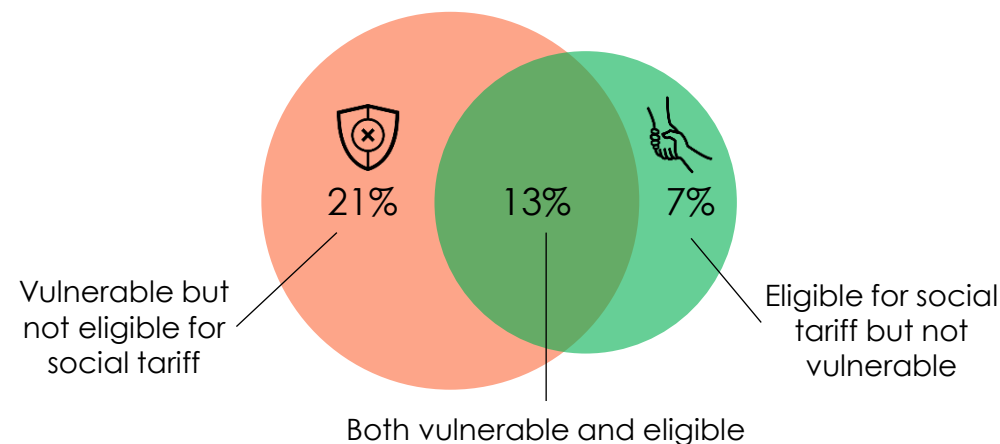
Those eligible for social tariff.



This is based on respondents with a household income (before taxes) of under £17,000.

- This reflects the sub £16,105 household income which is currently the threshold for the Helping Hand Social tariff

It's important to recognise that while there is substantial overlap between these two groups, they are not always the same people – 6 in 10 'vulnerable' customers have a HH income above the threshold for the social tariff.



NB %s of total sample **who gave their HH income**



Only a minority of panellists think they will be 'comfortable' over the next 6-12 months.

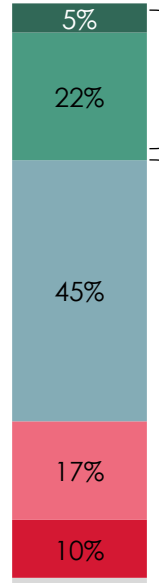
Even customers with higher incomes express some degree of worry about cost of living, but it's those with lower incomes and those with vulnerabilities who will most seriously struggle.

How comfortable do you think you will be affording things over the next 6-12 months?

Net: Struggle quite a lot/ a lot

27%

- Very comfortable
- Fairly comfortable
- Might struggle a bit but should be OK
- Will struggle quite a lot
- Will struggle a lot
- Don't know



Total
(601)

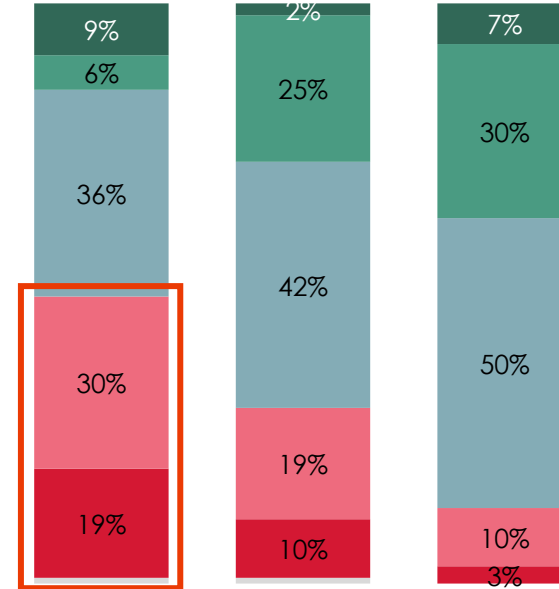
27% think they will be 'comfortable'

73% think that they might struggle to some extent

49%

29%

13%



<£21k (133)

£21k-60k (213)

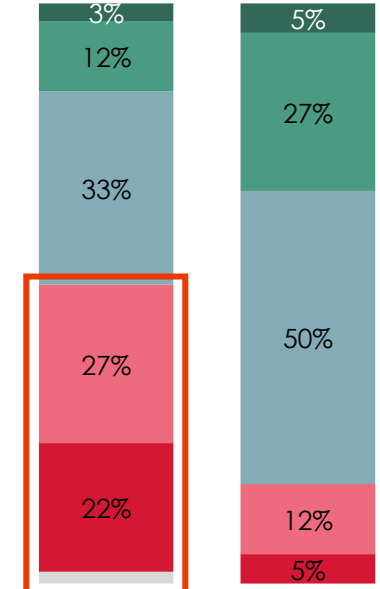
£60k+ (75)

Household income



49%

17%



Any
vulnerability
(195)

No vulnerability
(406)



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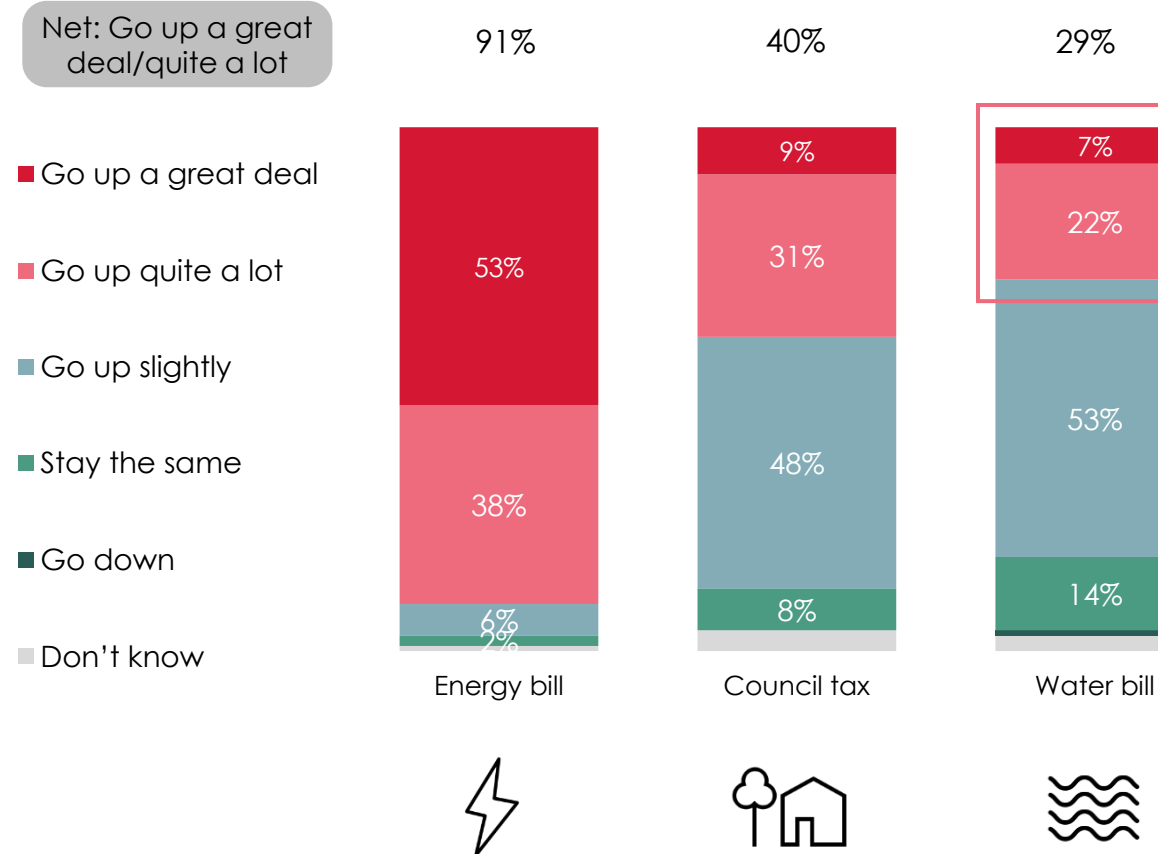
Q1 Firstly, thinking generally about the cost of living, how comfortable do you think you will be affording things over the next 6-12 months?

Base: All respondents (601)

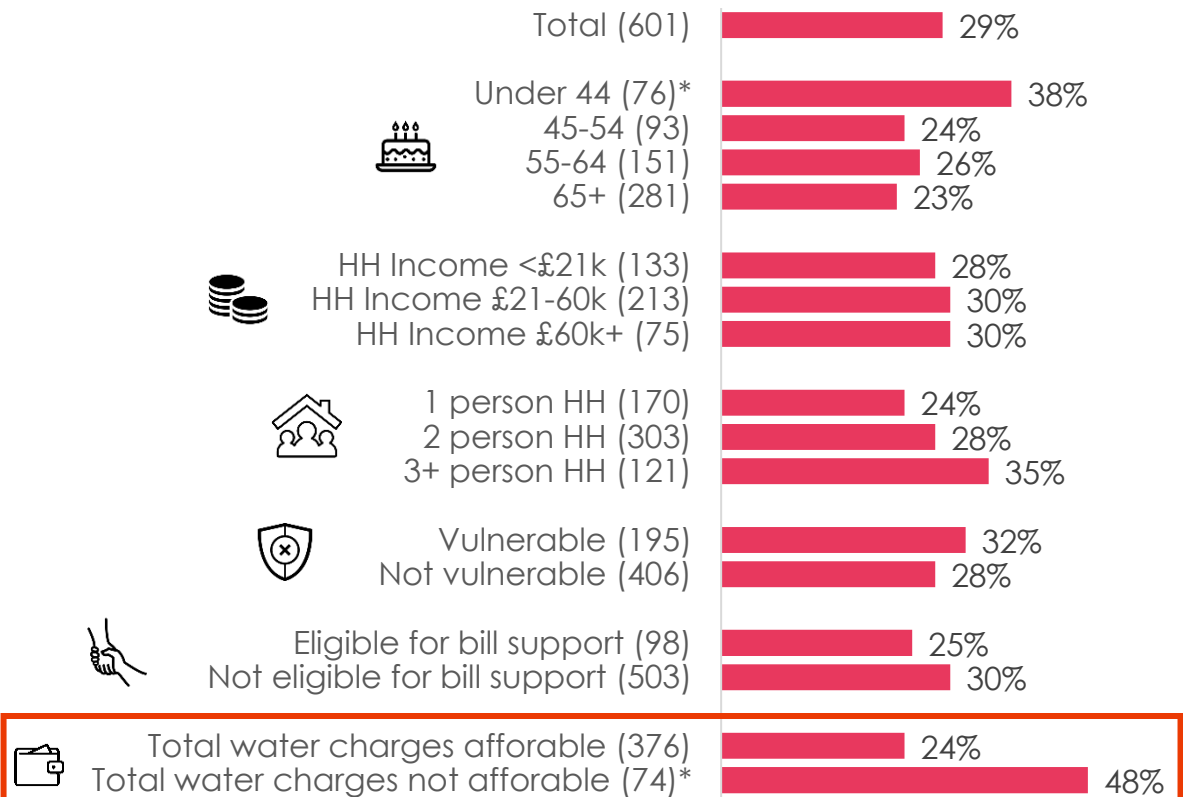
Most panellists expect that water bills will go up *slightly*, but by much less than energy bills.

Those who think charges are already unaffordable foresee a bigger rise in water bills – a particularly bleak outlook where they may feel caught in a vicious cycle.

How much do you expect each of the following bills will change over the next 6-12 months?



% of different customer groups who expect their **water bill** will go up 'a great deal' or 'quite a lot':



Q2 How much do you expect each of the following bills will change over the next 6-12 months?

Base: All respondents (601). * denotes CAUTION low base size

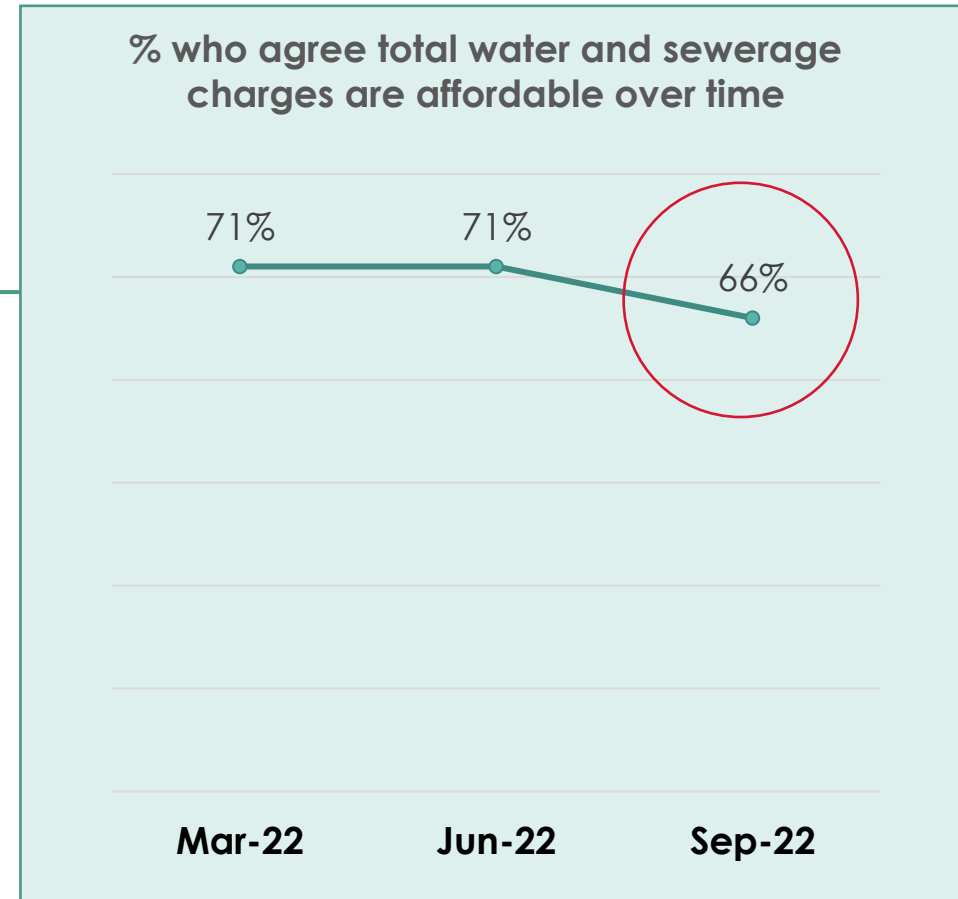
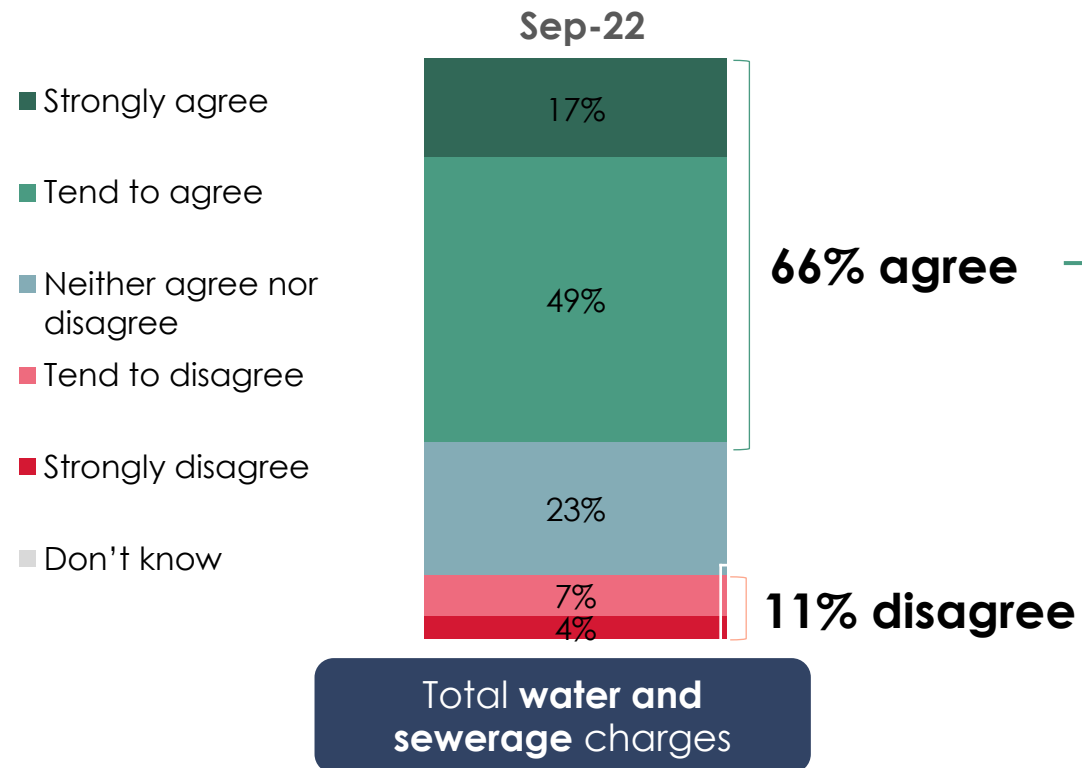


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Despite broader concerns, 2 in 3 do still find total water and sewerage charges affordable.

However, there are signs that perceived affordability of total charges has declined slightly since earlier in the year.

Total water and sewerage charges affordable?



Q11. How much do you agree or disagree that the total water and sewerage charges that you pay now are affordable to you?

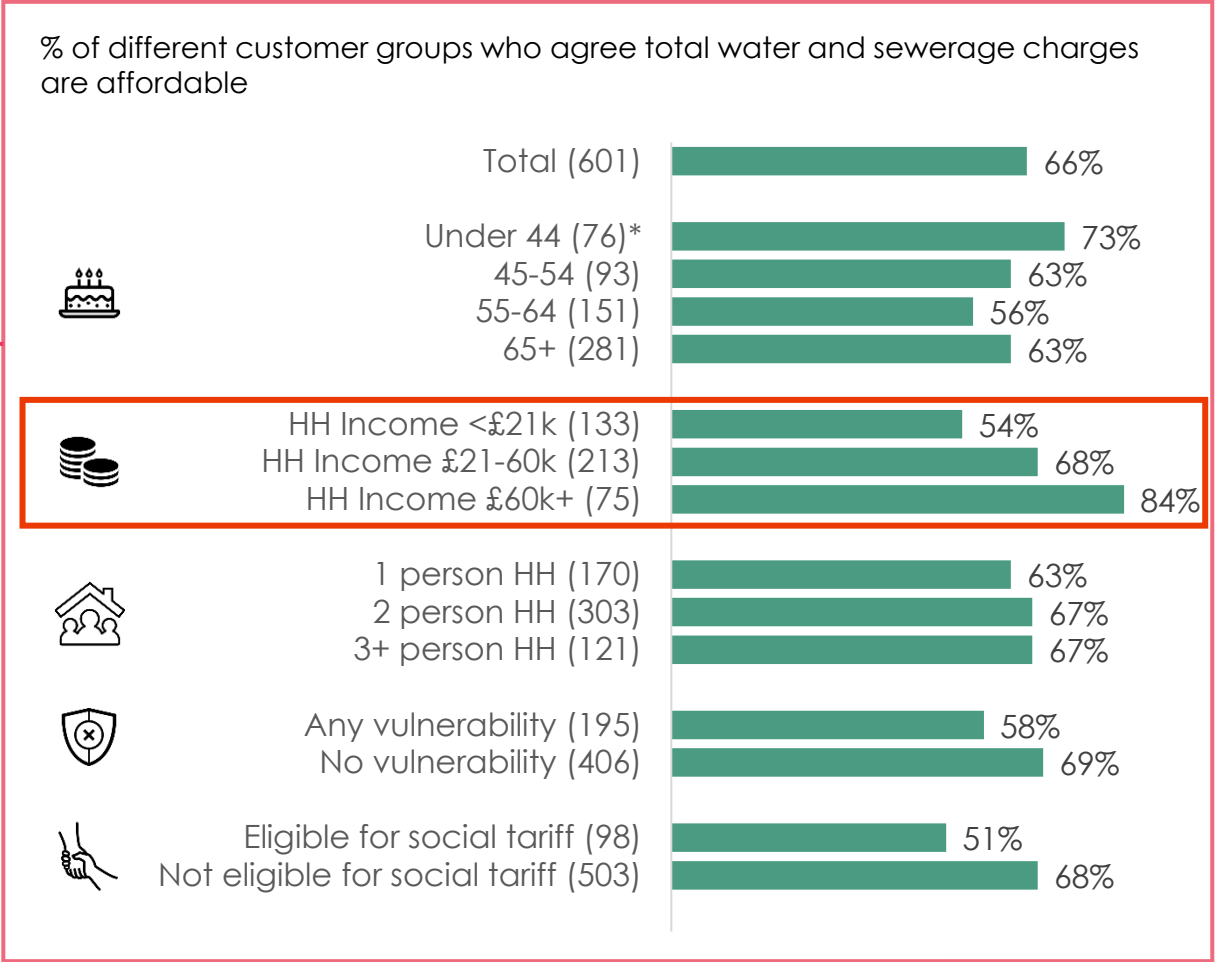
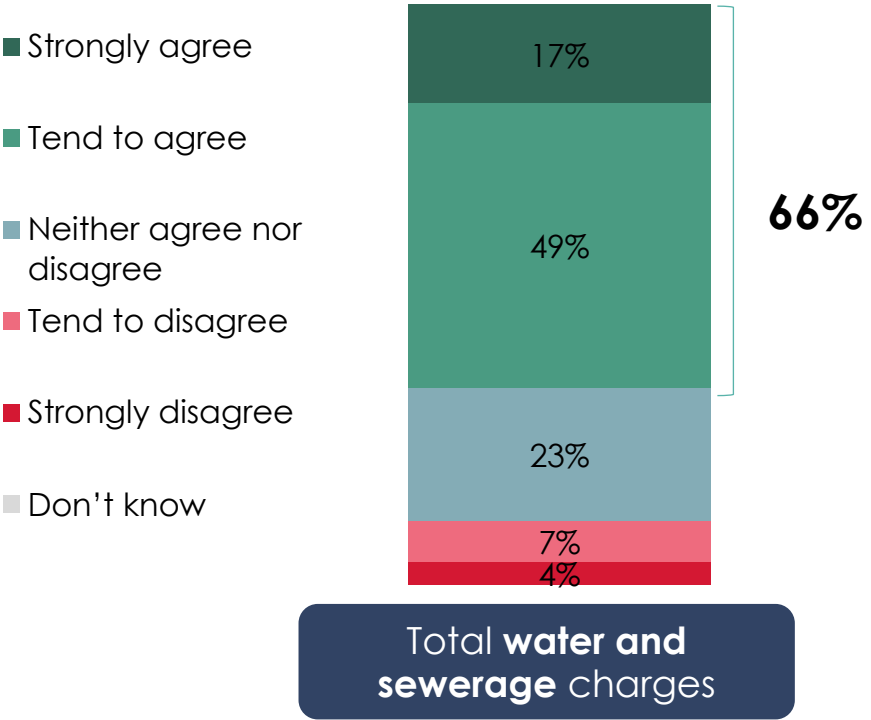
Base: All respondents (601) Wave 1 dates (11/3/22-27/3/22) Wave 2 dates (10/6/22-28/6/22) Wave 3 dates (6/9/22-20/9/22)



As we might expect, water and sewerage affordability is strongly related to household income. ¹⁰

Customers with vulnerabilities and those in the 55-64 year old bracket are also slightly less likely to find charges affordable.

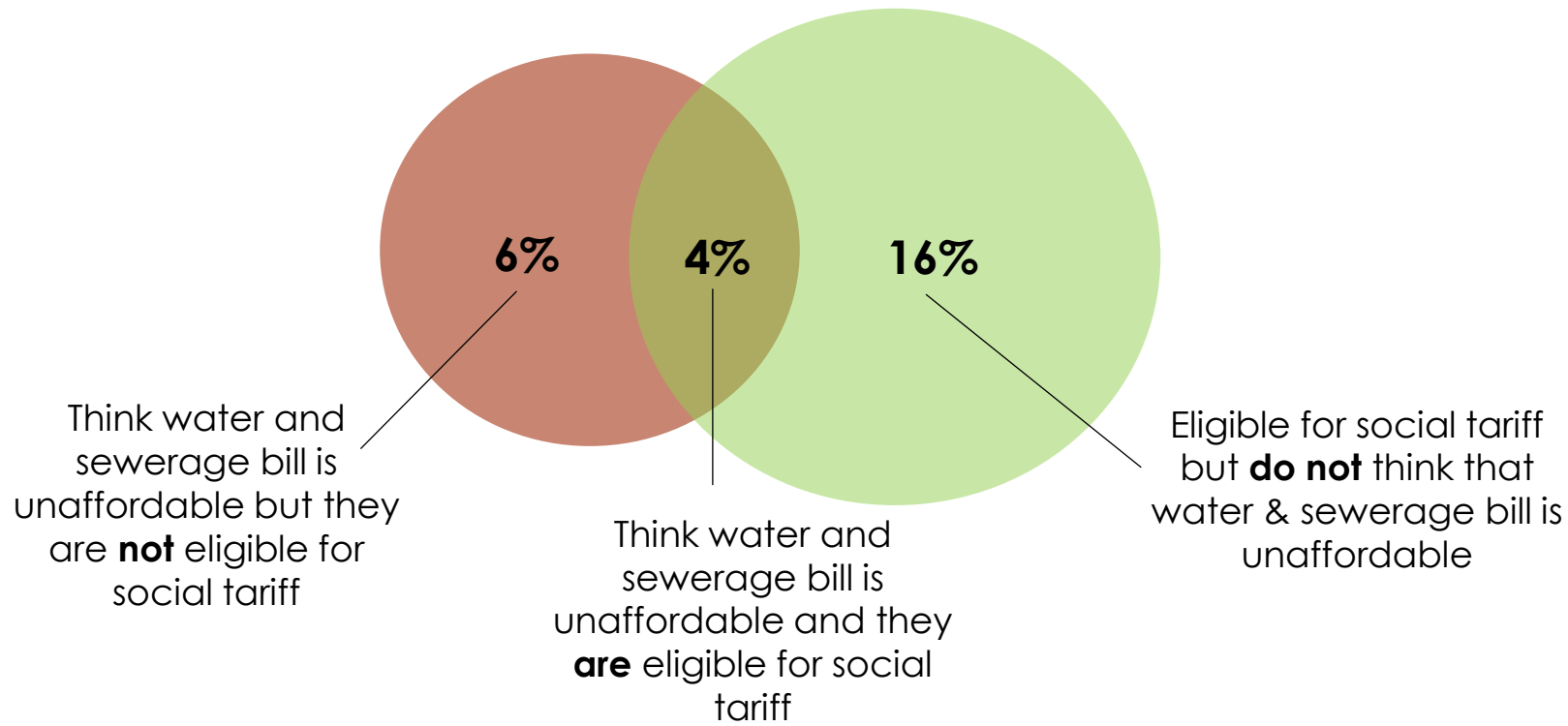
Total water and sewerage charges affordable?



Q11. How much do you agree or disagree that the total water and sewerage charges that you pay now are affordable to you?
Base: All respondents (601)

The majority of those who can't afford their total bill are not eligible for the social tariff.

On the other hand, most who are eligible for the Helping Hand social tariff don't currently feel that they have a need for it.



There is a mismatch between those who feel they can't afford their bill and the eligibility criteria for the social tariff.

Those who say they think their water and sewerage bill is unaffordable are more likely to exhibit non-financial vulnerabilities – is there a need offer the social tariff to those with other vulnerabilities who may be in slightly higher income brackets?

Q11. How much do you agree or disagree that the total water and sewerage charges that you pay now are affordable to you?

Q12. How much do you agree or disagree that the water supply bill from Portsmouth Water that you pay now is affordable to you?

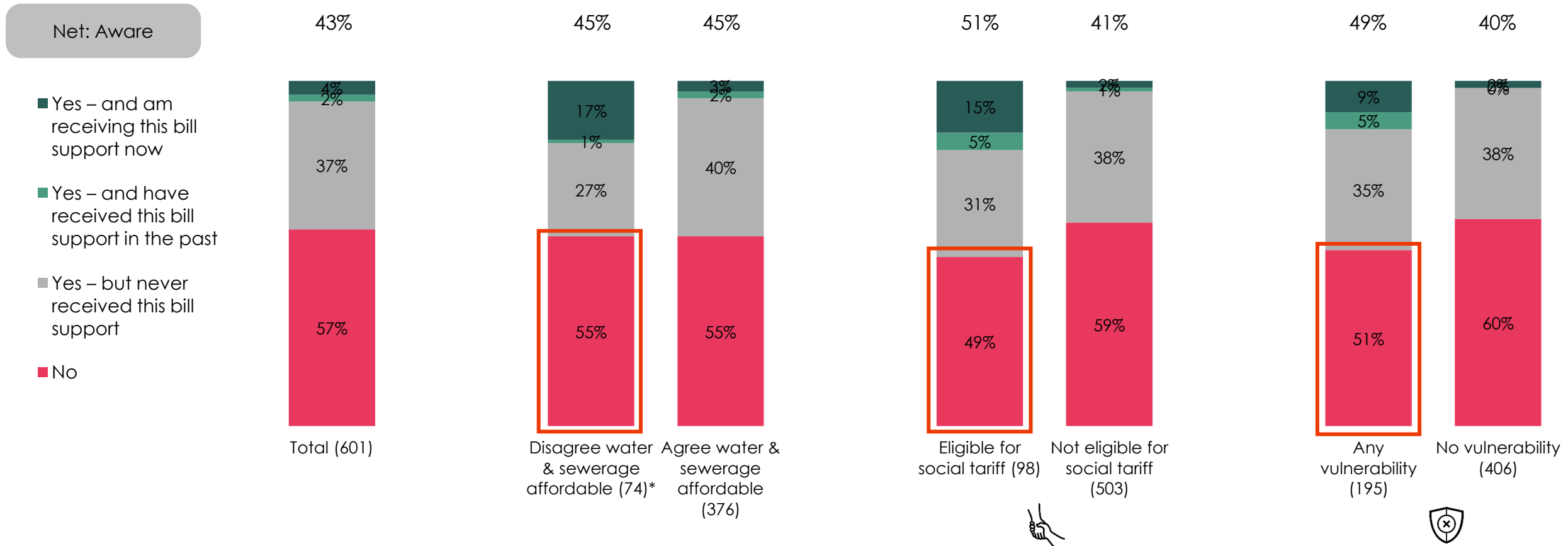
Base: All respondents **who gave their household income (421)**



Over half of customers are unaware of Portsmouth Water's bill support.

While those eligible for the social tariff are slightly more aware than others, there is still clear scope to communicate about bill support schemes more effectively, and in a more targeted way, as well as grow uptake of the scheme.

Awareness and usage of bill support schemes





Bill payment and contact channels



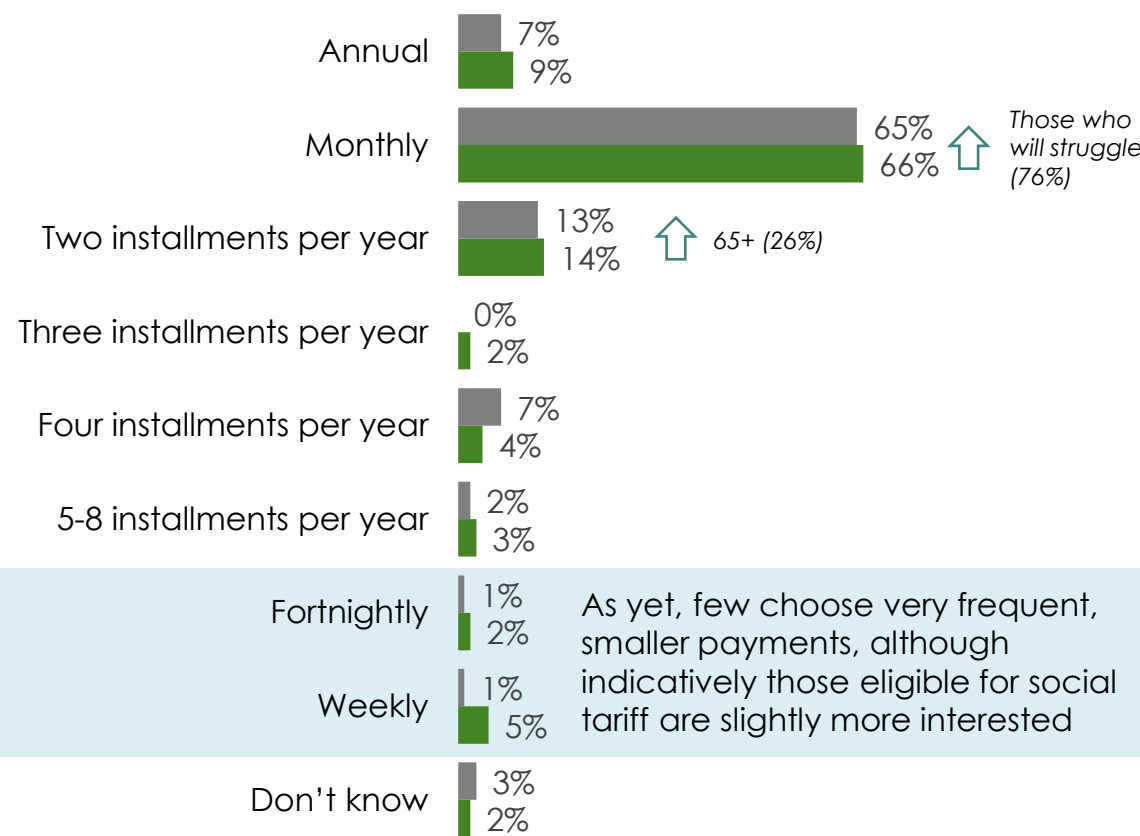
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Customers of all types generally would prefer to pay monthly and via direct debit.

Those eligible for social tariff have similar preferences to other customers, and are only slightly more likely to prefer paying fortnightly or weekly – only a small minority showing demand for this added control / awareness of their budget.



Preferred bill payment spread



Those who will struggle (76%)

65+ (26%)

As yet, few choose very frequent, smaller payments, although indicatively those eligible for social tariff are slightly more interested

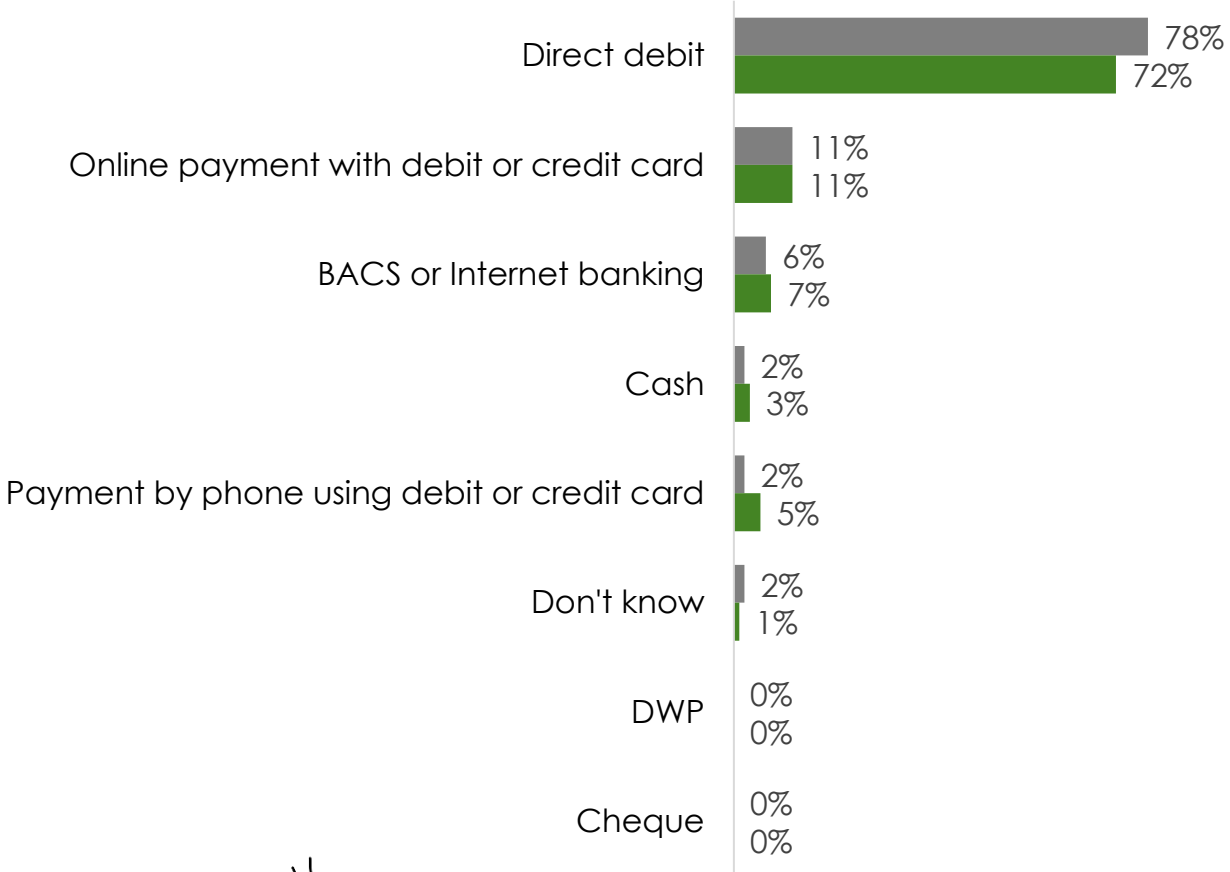
■ Total

■ Eligible for social tariff



Preferred bill payment method

Denotes significant difference

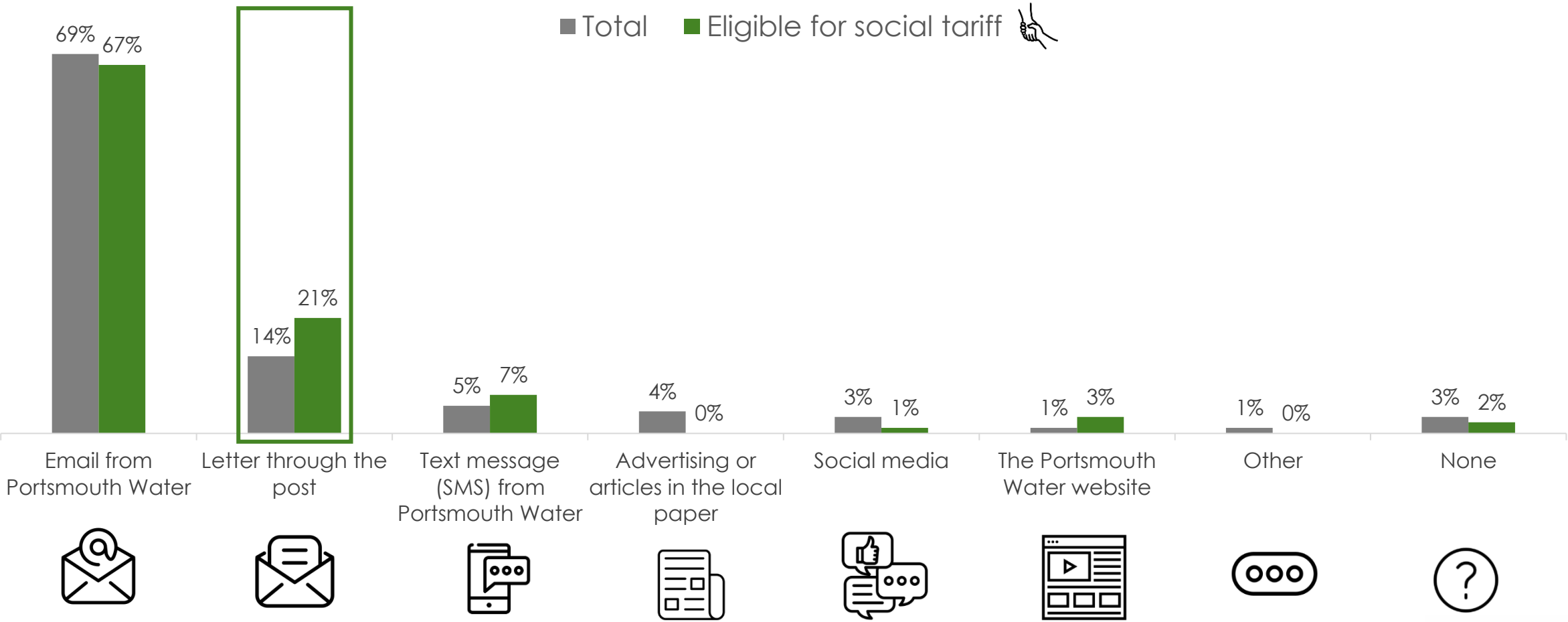


Q15. How would you prefer to spread the payment for your water bill? Base: Total (451) Eligible for social tariff (68) *Q15 changed during fieldwork
Q16. And in which of these ways would you prefer to pay your water bill? Base: Total (601); Those eligible for social tariff (98)

Most customers would prefer Portsmouth Water to email them about the bill-related services.

Those eligible for the social tariff have similar preferences to other customers, but are slightly more likely to prefer letters. Preference for the PW website is low, suggesting that customers are rarely proactive in finding out about such services.

What would be the best way for Portsmouth Water to provide information about bill-related services?

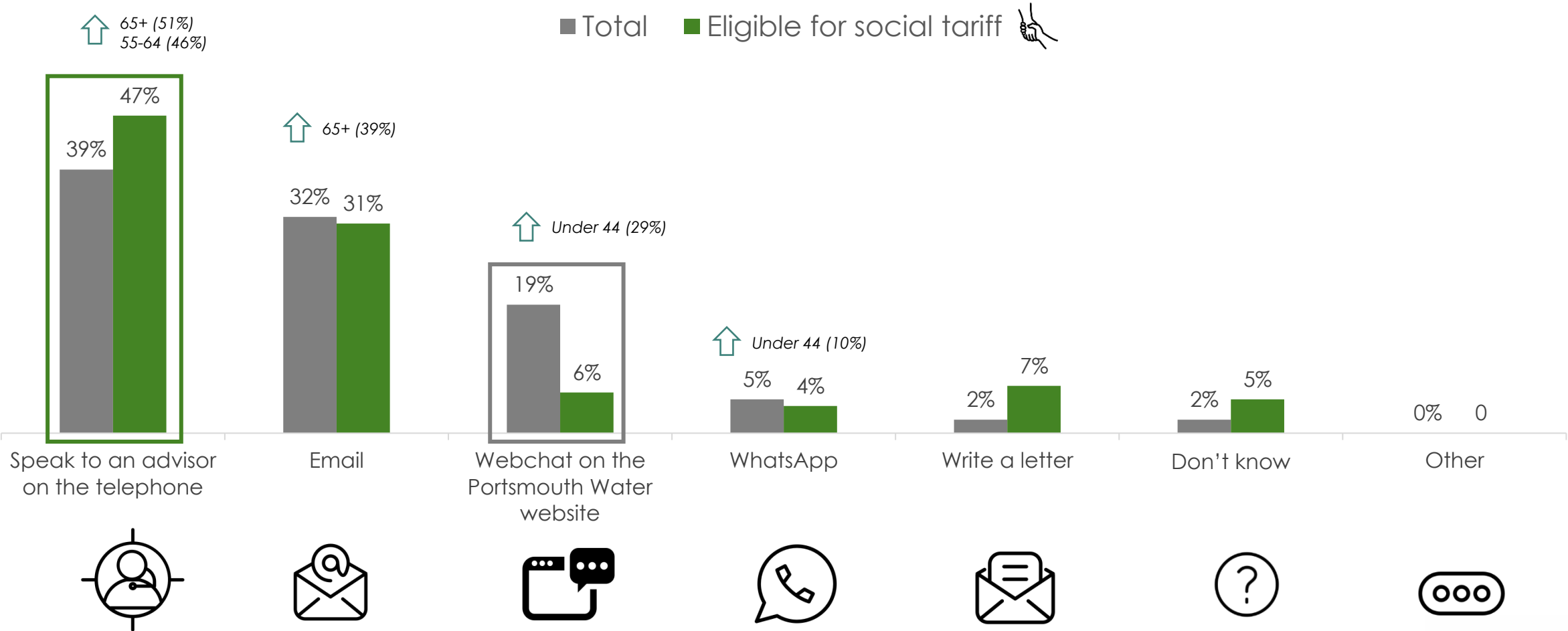


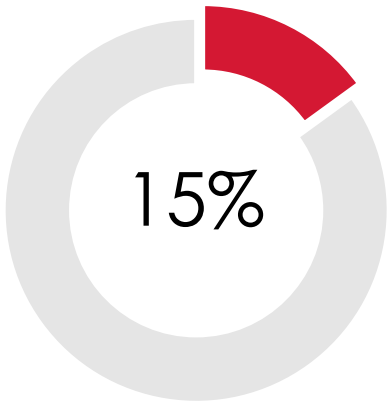
Q17. In which, if any, of these ways, do you think would be best for Portsmouth Water to provide you with information about services they can offer related to paying your bill? Base: Total (601); Those eligible for social tariff (98)

Older audiences and those eligible for social tariff prefer talking to someone on the phone even more. Webchat is not a popular channel for those eligible for the social tariff – but is favoured by nearly 3 in 10 younger customers.

Preferred channel to contact Portsmouth Water about your account or paying bills?

Denotes significant difference





of panellists were deemed eligible for social tariff (Defined as having household income under £17,000). Here we summarise key characteristics of this group



2 in 3 of these customers show signs of vulnerability

This means that along with a low income, they are also vulnerable in terms of health and / or circumstances (e.g. living on benefits or in social housing; living in a remote location without a car.)



Half (49%) are **not** aware of PW bill support

There is still work to do to raise awareness – and this will need to be proactive communication from Portsmouth Water as very few of these customers are likely to proactively search on the Portsmouth Water website



Nearly 6 in 10 think they will ‘struggle’ over the next 6-12 months

BUT... At the moment most deem the Portsmouth Water supply bill is affordable; even though they are struggling they may not feel that they need (or warrant) bill support.



Most would prefer to hear about Portsmouth Water’s bill-related services through **email**, but 1 in 5 would rather receive a **letter**. Currently very few prefer social media channels.



When contacting Portsmouth Water about their account or bill, they are more likely than other customers to want to **speak to a ‘real person’ on the phone** or via email. They are less interested in webchat than customers as a whole.



Water saving and smart meters

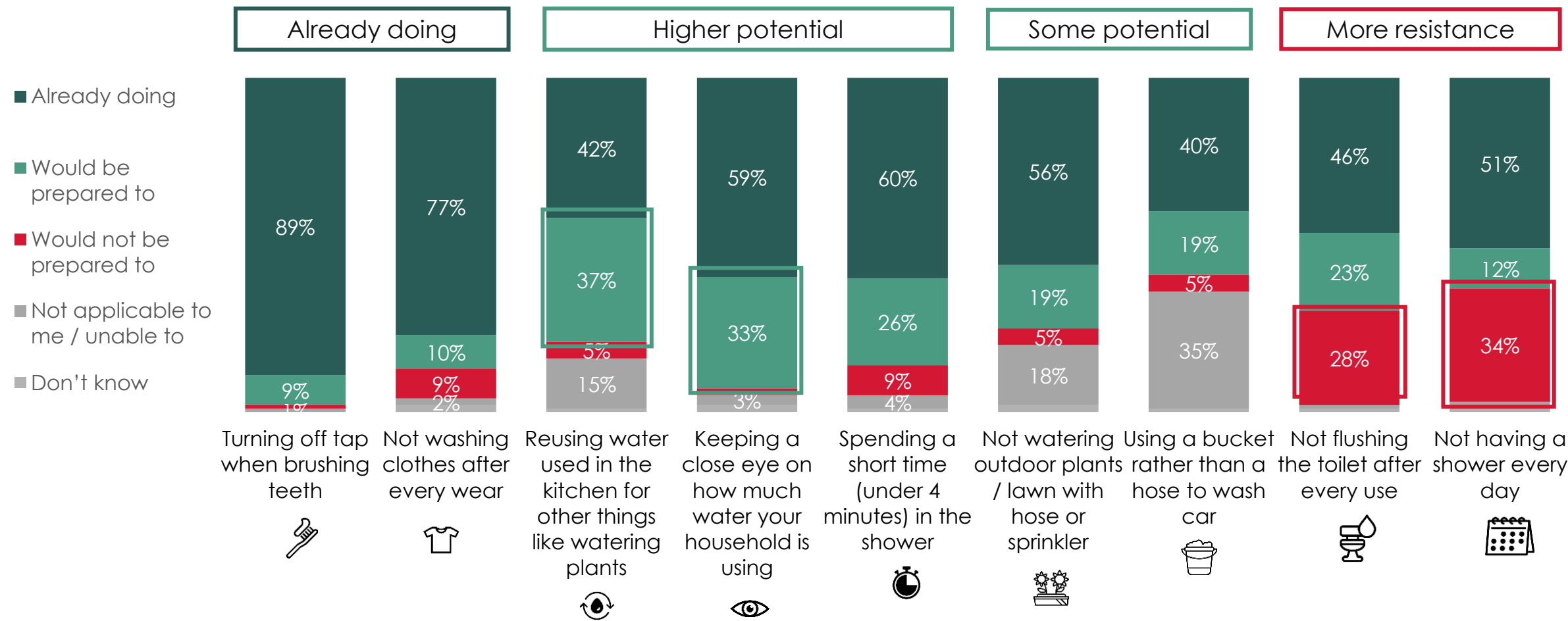


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The most scope for changing behaviours is in reusing water and monitoring water use more.

There is also potential amongst 1 in 4 respondents for having shorter showers to save water. However, there's notable resistance to 'not having a shower every day' and 'not flushing the toilet after every use'.

What are you doing / prepared to do to reduce water usage?



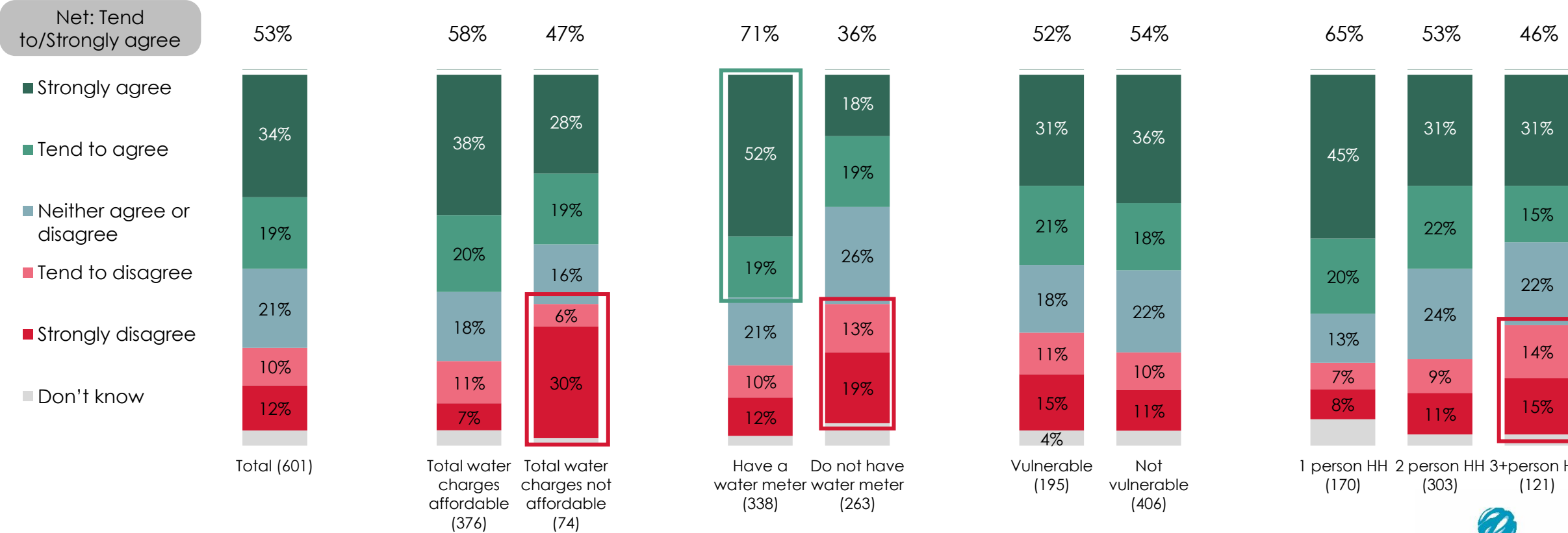
Q3. Please tell us which of these you are already doing, and which others, if any, you would be prepared to do, to reduce your use of water?
Base: All respondents (601)

Just over a half of customers express interest in having a smart meter installed in their property. ²²

Having a meter already greatly increases interest. However larger households and those who don't think water charges are affordable are more circumspect, even when the benefits & absence of set-up costs have been explained.

Interest in having a smart meter installed free of charge

*"Having a water meter means you only pay for the water you use. **Smart meters** are a new kind of meter that let you see how much water your household is using hourly, daily, weekly or monthly, and how your water use is changing. This can help you better understand how you are using water and how you might save water. Smart meters also help identify leaks you may not otherwise know about (e.g. a leaking toilet)."*



Q4. Having read this, how much would you agree or disagree that you would be interested in having a smart water meter installed free of charge?
Base: All respondents (601)

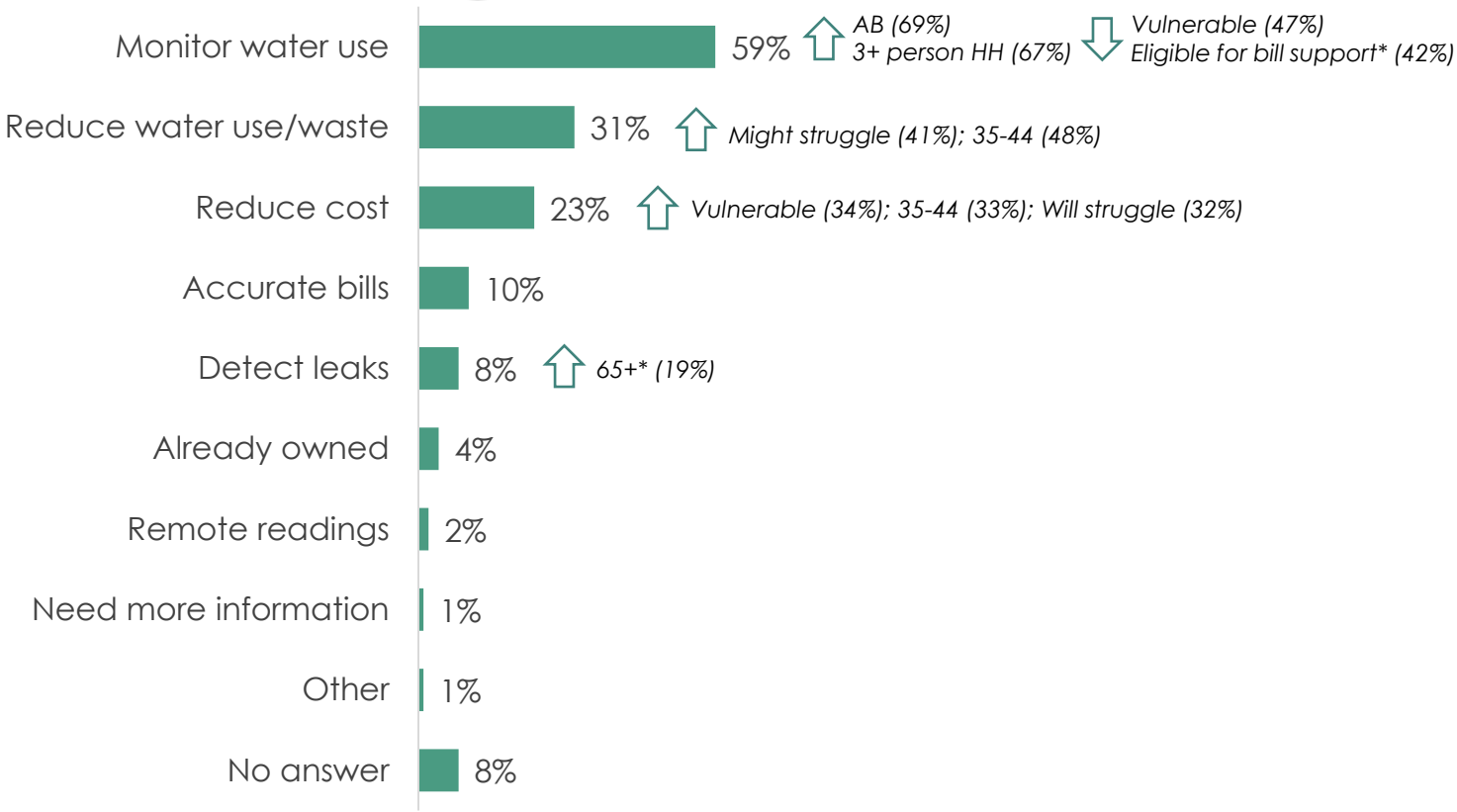
The biggest spontaneous benefits of smart meters are monitoring and reducing water use.

While financially better-off customers suggest they want to reduce water consumption, financially vulnerable customers are more likely to be focussed on the potential cost-saving benefits. Oldest group more interested in detecting leaks.

Benefit of having a smart water meter

↑↓ Denotes significant difference

53% Of panellists would be interested in having a smart water meter



“Bath/shower comparison, easier to educate our young daughter on water use if she can actually see the figures/numbers making it easier to comprehend.”

“The ability to see the use in real time, the ability to see if there could be a problem. Other services for the home have some kind of meter/app so doing the same for water makes sense.”

“Help me to better manage my water usage and drive behaviour change. Somethings a better conceptualised when seen in front of us on a monitoring and water usage is one of those things.”

“Accurate billing avoiding estimates. We already have metered water and I read it on the first of every month.”

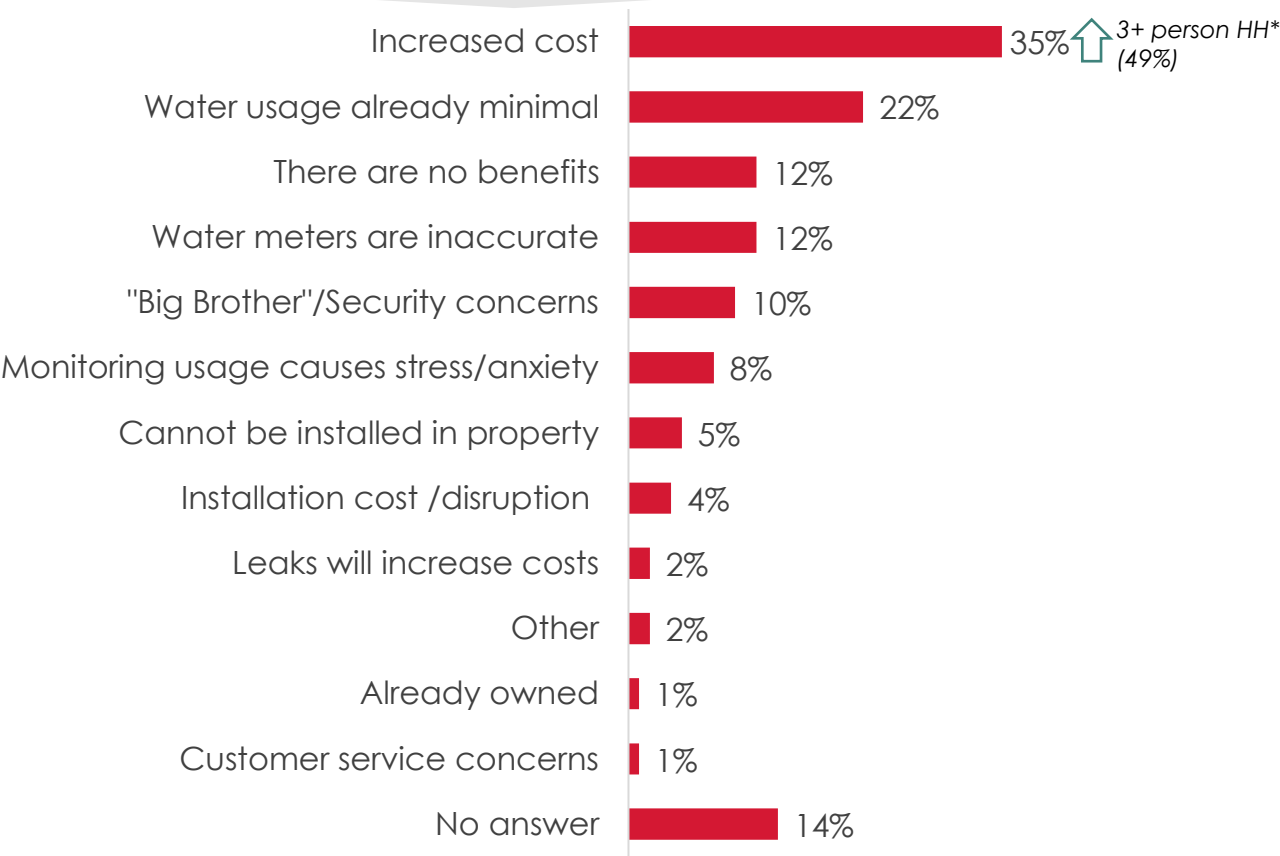
Q5a. You mentioned just now that you might be interested in having a smart water meter. Please tell us what you think the main benefits would be?
Base: All that said they were interested in having a smart water meter (319) *INDICATES LOW BASE SIZE

Those who don't want a smart water meter (particularly larger households) often believe they will be financially worse off because they cannot cut back on their water usage; others don't trust the accuracy or privacy of smart meters.

Reasons for not wanting a smart meter

Denotes significant difference

22% customers would NOT be interested in having a smart water meter



63% of those not interested in a smart meter claim to already monitor their water usage closely

"I do not want a smart anything that allows a commercial company to access my usage and make conclusions about my daily life. I also do not want business to make decisions that affect me and my private life, without being given a chance to decide for myself."

"I've heard so many stories about meters not working properly, so not helping"

"Although I take measures to curb water usage with four adults I believe I would be financially worse off."

"We are already feeling the pinch with our household bills. With having a smart meter installed I would be concerned that our water bill would increase."

"Somehow no matter how little water you would use the bill will still be more than it is now."

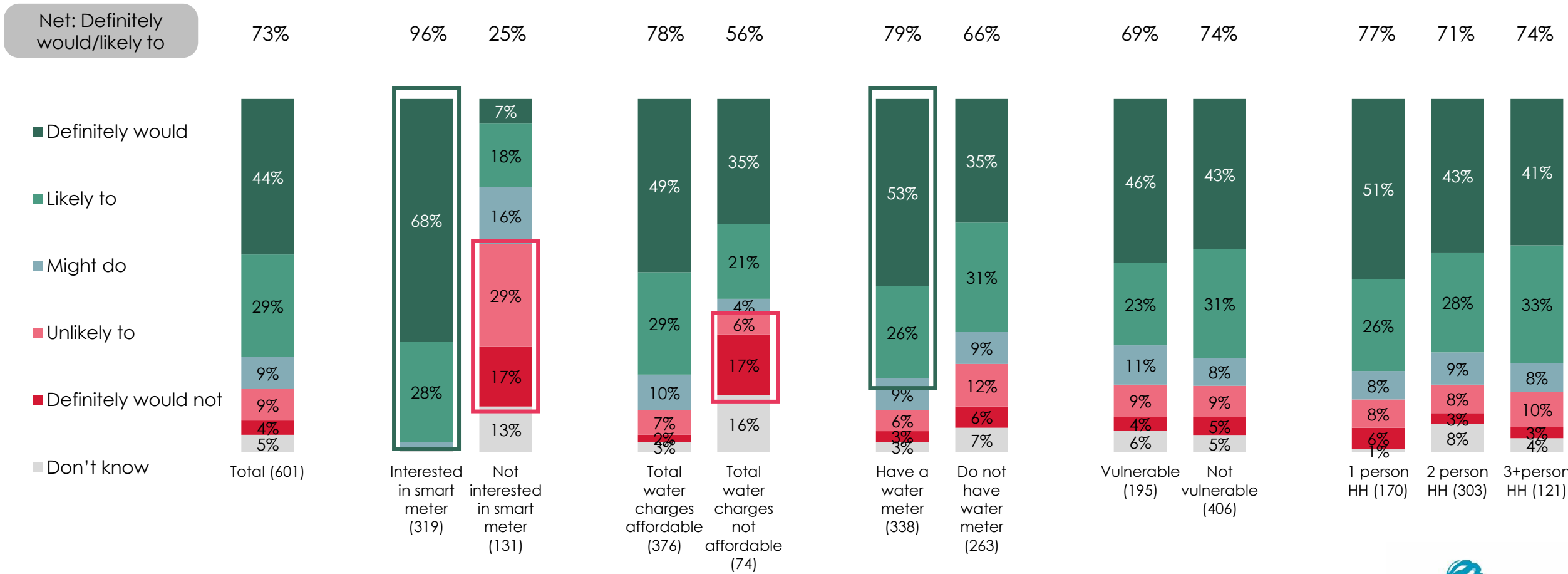
"I am already very water conscious so being on a meter would not improve my already eco nature."

Q5b. You mentioned just now that you would not be interested in having a smart water meter. Please tell us why?
Base: All that said they were not interested in having a smart water meter (131) *INDICATES LOW BASE SIZE

It's encouraging that most panellists would engage with a smart meter if one were installed.

Those who already have meters and who express interest in smart meters would be more motivated to read them. However, those who cannot afford their bill are less likely to want to look at it – they may not think it can help.

How likely would you look at the information the smart water meter provides to help you reduce water use?

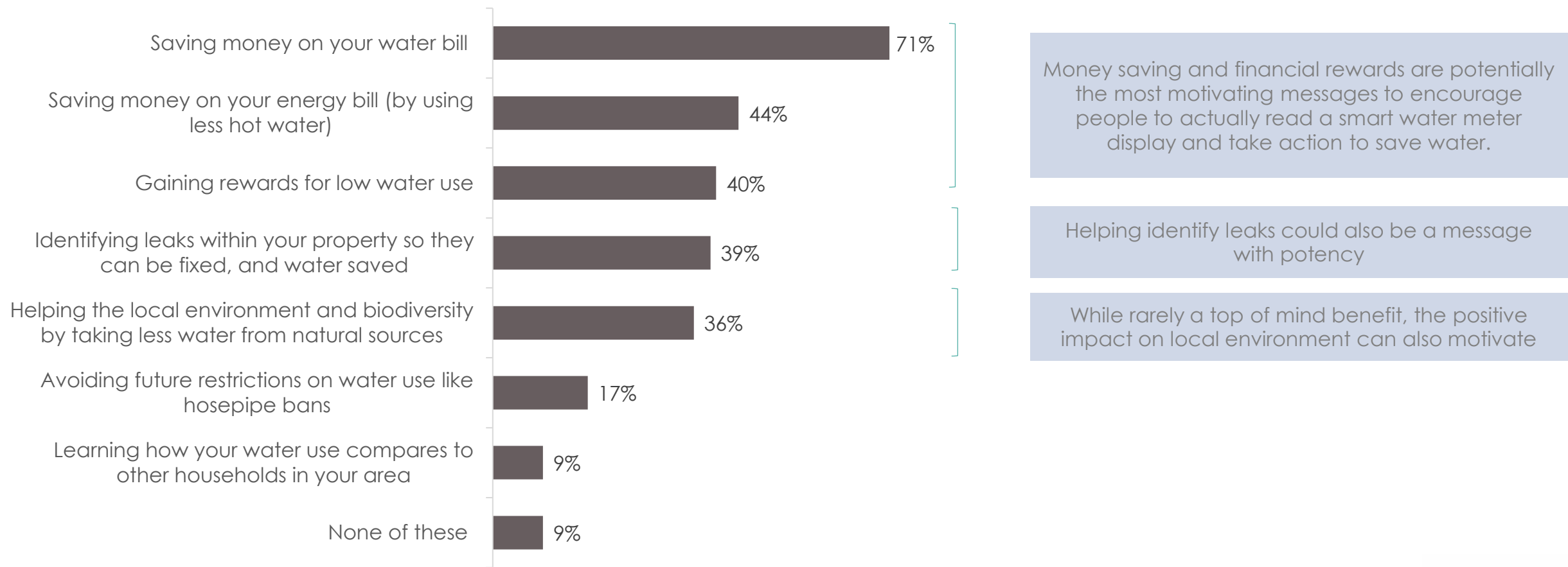


Q8. If you had a smart water meter installed, how likely would you be to look at the information it provides in order to reduce your water used?
Base: All respondents (601)

When prompted, financial benefits are the top motivation for engaging with a smart water meter²⁶

Being able to identify leaks, and the benefits to the local environment are also important secondary motivators, and may be important part of the message mix for certain customer groups in a smart meter roll out.

Top 3 motivations to read a smart meter display to help you use less water?



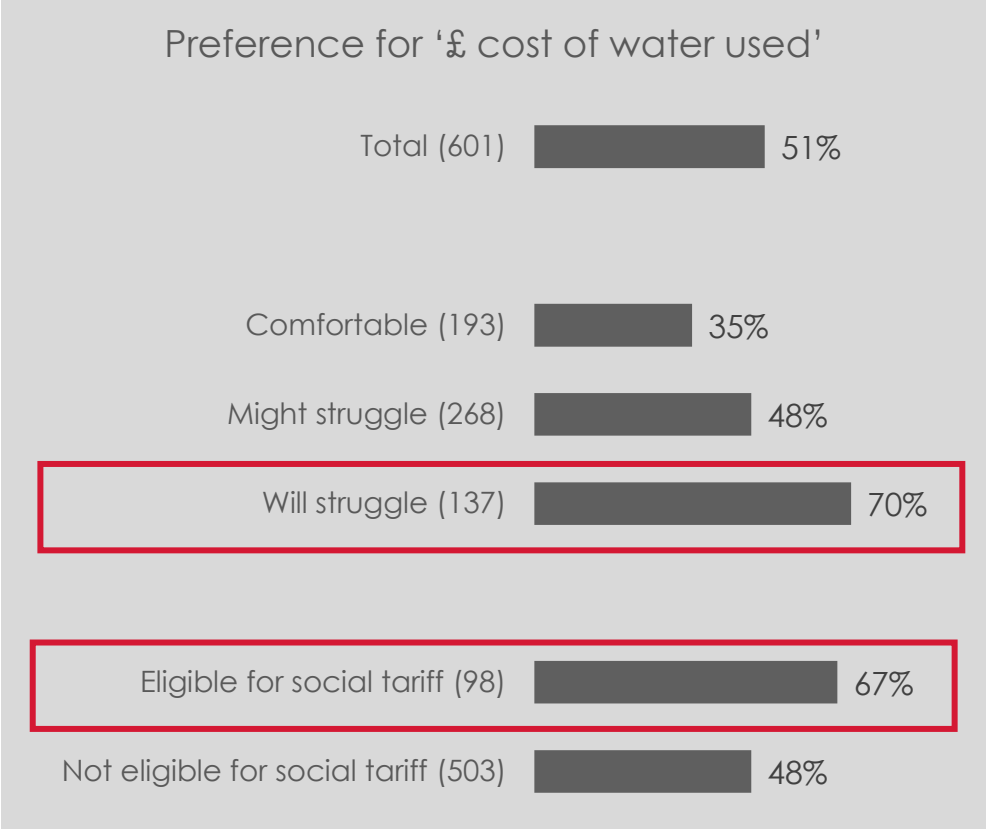
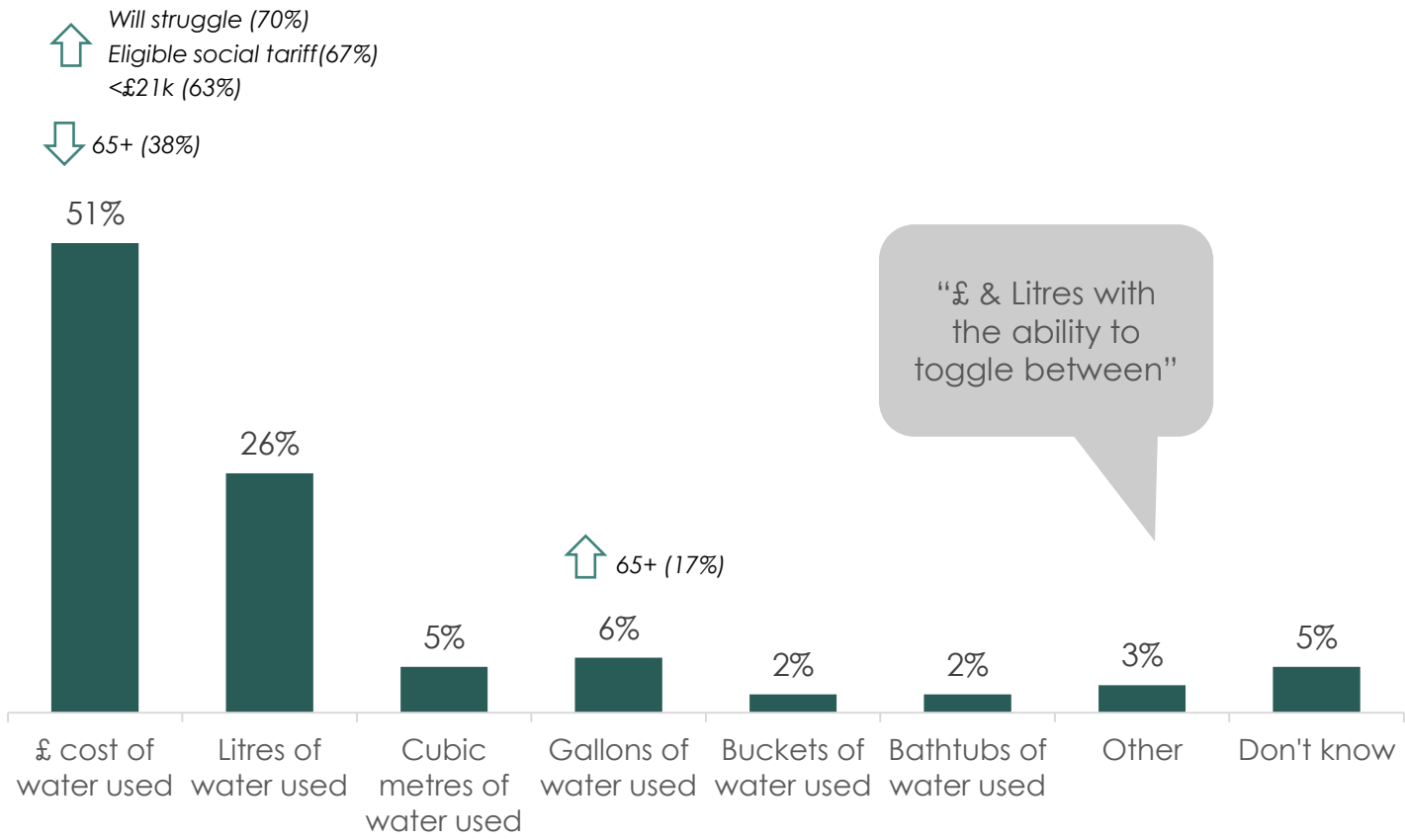
Q9. Which, if any, of the below would motivate you to read a smart meter display to help you use less water?
Base: Total (601) Those interested in smart meter (319) Those not interested in smart meter (131) Neutral/Don't know (151)

Overall the preferred unit of measurement to gauge water use is £ cost of water used.

Cost of water used is particularly relevant to those who envisage they will be struggling financially and those on lowest incomes; the oldest age group would prefer volume measurements – more of a mindset of not wasting water.

What would you find the most useful unit of measurement of your household's water use?

Denotes significant difference

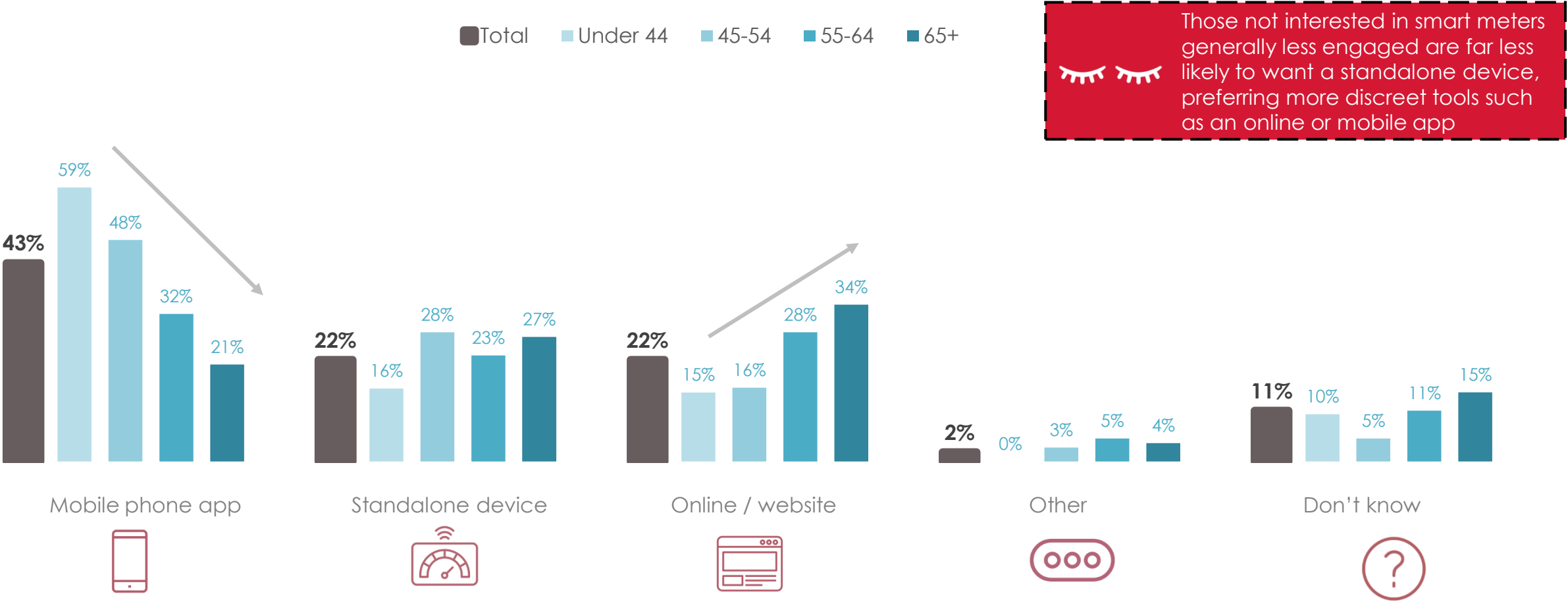


Q7. Which of these would you find most useful as a unit of measurement of your household's water use?
Base: Total (601) Under 44 (76)* 45-54 (93) 55-64(151) 65+ (281)

The most preferred channel to receive water use info is a mobile app – but this varies by age.

Mobile apps are much more popular amongst younger customers while popularity of going online / using a websites increases with age.

What is your preferred way of accessing information about your household water’s use?



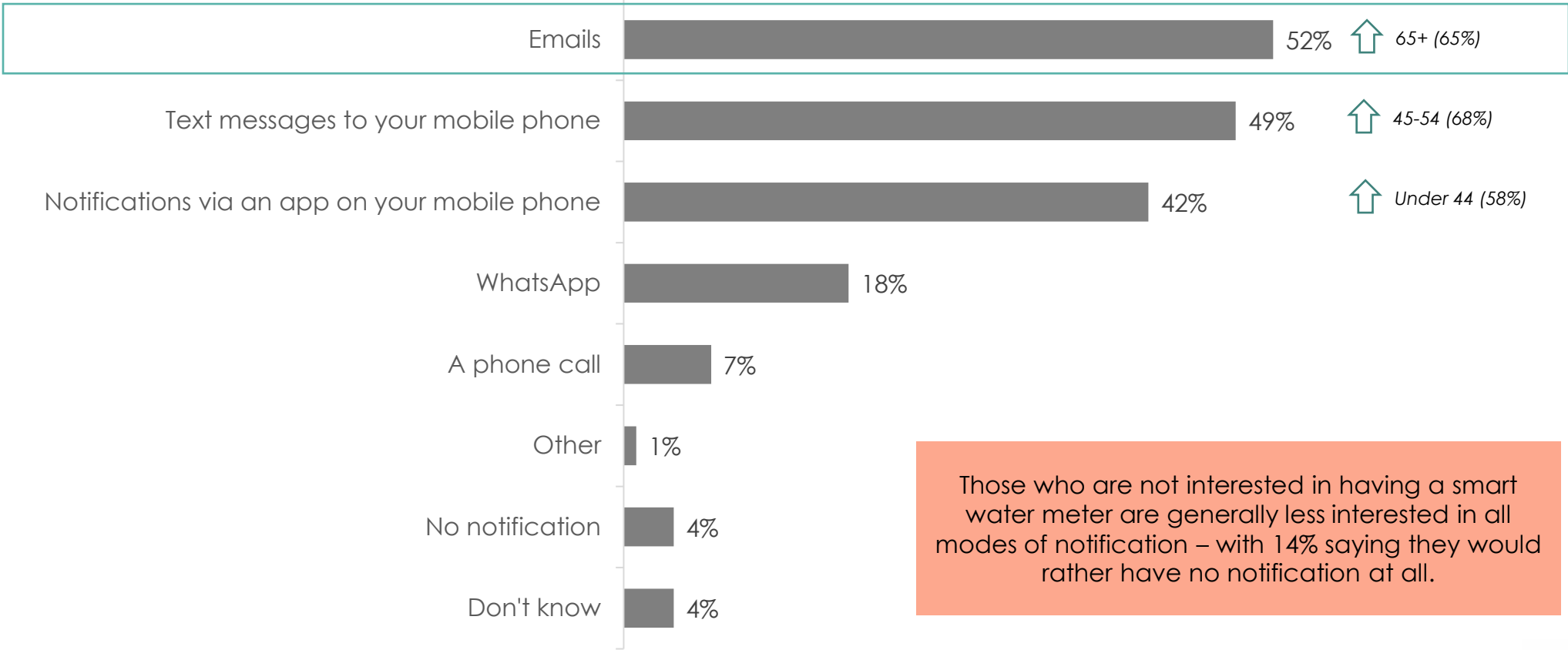
Q6. Which one of the following would be your preferred way of accessing information about your household's water use?
Base: Total (601) <45 years old (76) 45-54 years old (93) 55-64 years old (151) 65+ years old (281)

Emails and text messages are the most preferred channels to notify customers about water use. ³⁰

However, there are clear distinctions by age groups – the oldest (65+) are much more likely to prefer email, 45-54s prefer text, while under 44s would most prefer notifications via an app.

How would you want to be notified about your water use?

↑↓ Denotes significant difference



Q10. How, if at all, would you prefer Portsmouth Water to notify you?
Base: Total (601)



Summary



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Executive summary

1

As inflation and cost of living pressures show no signs of abating, financial anxiety is widespread – even for higher income customers
But the level of concern is understandably more serious amongst lowest income and vulnerable customers.

2

While most on the panel expect their water bills to go up slightly, few are expecting them to go up by a lot
Any step-change in the water bill could come as a surprise – customers are not braced for large increases in the way that they are for energy bills.

3

At the moment, the water bill is still generally seen as affordable, but this perception has been declining recently
66% agree their water & sewerage bill is affordable in September, down from 71% in June.

4

As lower income households prepare for a difficult time ahead, only half of those eligible for the social tariff are aware that Portsmouth Water offers bill support. The onus is on Portsmouth Water to make these customers aware (email or letter being the preferred channels) as few think to actively seek information on the Portsmouth Water website.

5

When informed about smart water meters, over half of respondents express an interest in having one installed, but 1 in 5 are against.
Those who already have a (non-smart) meter are most enthused, while those who are struggling the most with affording their bill are the most opposed; the primary barrier is perceived increased cost of the bill.

6

It is encouraging that over 7 in 10 say they would look at a display of their water use, to help them save water
When prompted with what would most motivate them to read a display of their water use, saving money is at the top of the list, but identifying leaks and environmental benefits are also important, if less top of mind, advantages to consider in future messaging.

7

Most customers already claim to be taking steps to save water – and are open to adapting their behaviour further in some ways
Many would be prepared to do more by recycling grey water and monitoring their usage more closely, and are also open to reducing time spent in the shower. However, there's resistance to reducing frequency of showering and flushing the toilet less often – 'red lines' for some people which may be connected to current (perceived) social norms and expectations.



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57. Consumer Panel Barometer - Wave 3

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This customer panel forms part of Portsmouth Water's ongoing research. Panellists were originally recruited via a large invitation mailout to c.40,000 customers, selected at random. An initial registration process served to communicate about the purpose of the panel; explain that surveys would be issued regularly; and cover all permissions for recontact. The barometer surveys were used throughout the PR24 research programme to provide a quantitative read on a range of issues. All participants are sent a newsletter after each survey to highlight key findings and how the research is being used.
Fit for purpose	<ul style="list-style-type: none"> • The barometer surveys were all issued via emails to customers who had registered. • The total number of interviews (601) is robust for quantitative analysis (i.e. using percentages and comparing sub-groups) • Survey data was then weighted to match the known demographic profile of Portsmouth Water customers (age & gender) • The panel is self-selecting, rather than purposively sampled to be representative. This means panellists may be more engaged with the water sector & knowledgeable about Portsmouth Water than customers in general. This is borne in mind in the interpretation and triangulation of the data.
Neutrally designed	Blue Marble designed the survey and materials with impartiality. The quantitative survey used balanced answer lists, randomised answer lists and gave options to say 'don't know'.
Inclusive	The barometer surveys reflect a wide range of perspectives by including the views of many hundreds of households and specifically households with vulnerabilities and those who are financially struggling. The invitation to become part of the panel was sent to a random sample of c.40,000 household customers, of which c. 2.5% elected to register. Robust subsamples of a wide range of household customer types and segments were achieved, including younger and older age groups, all social grades and customers with vulnerabilities.
Continual	The barometer panel has and continues to provide Portsmouth Water with an ongoing dialogue with a large sample of PW 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

