



# Rising Block Tariff research 2023

September 2023

Conducted by Verve



# Background, objectives and methodology

## Background

Thames Water recognise that the ongoing cost-of-living crisis has left many UK households to continue to be under strain, causing many to still struggle to pay their household bills. Research in 2022 showed that there is strong support from customers towards additional cross-subsidisation of the discounted tariff. In 2023, Ofwat research showed that 49% of water bill payers expect they will struggle to pay a utility bill in the next year, which is rising to 88% of those who had already struggled to pay a water bill in the past year.

Therefore, between 2025 -2030, Thames Water are planning to introduce a Rising Block Tariff, which is where the unit rate for water usage decreases with low consumption and increases with high consumption. Funds accumulated from high consumers via the rising block model will fund additional social tariff customers, in addition to the current flat cross subsidy. Research is therefore needed to understand support for the new tariff.

## Project objectives

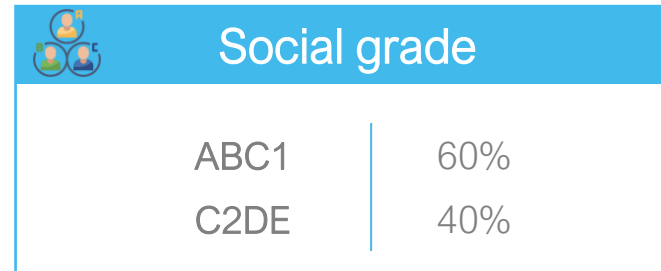
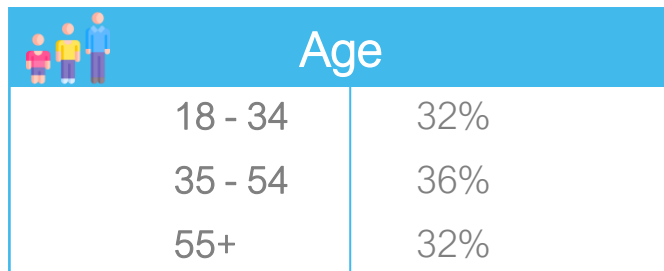
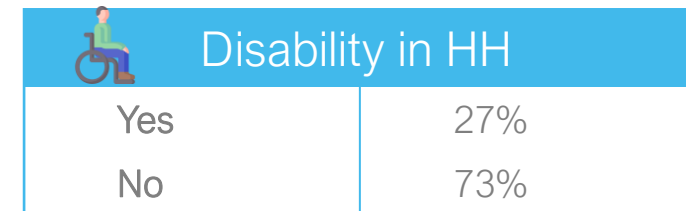
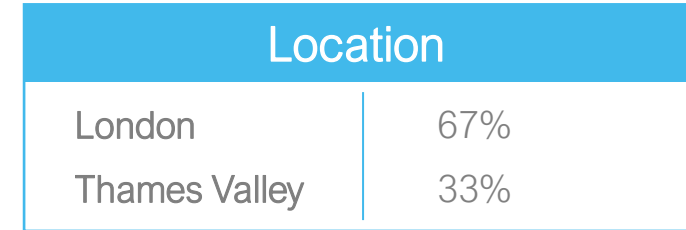
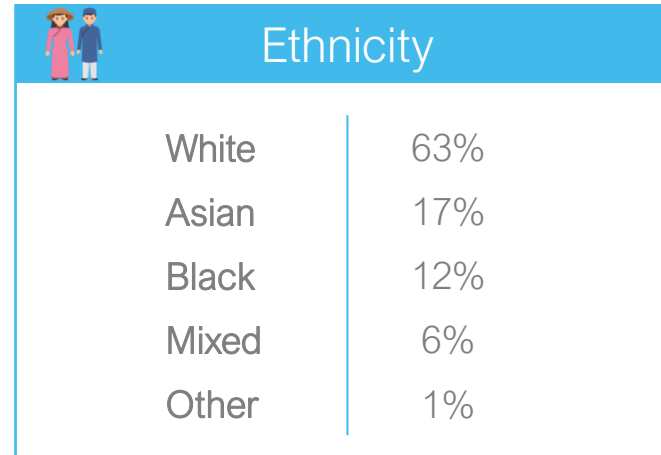
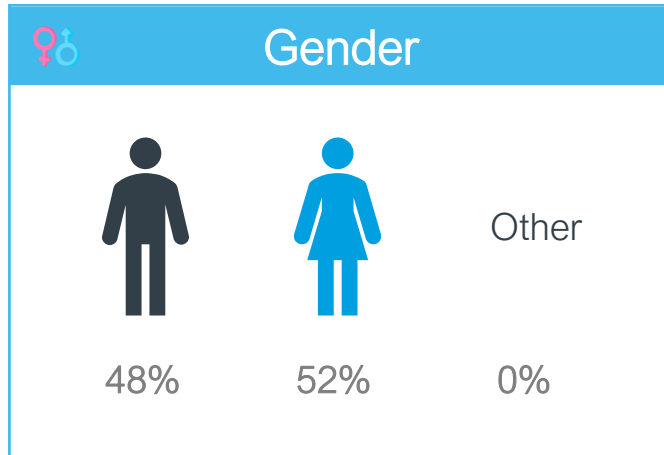
- The business objective is to gather evidence of customer support for introducing the rising block tariff for customers between 2025 to 2030.
- The research objective is to measure customer support for Thames Water's proposal to support social tariff customers via bills of high water consumption households.

## Methodology

**Verve conducted a mixed methodology approach of online and telephone interviews to ensure that the views of offline customers were included.**

- A total of 1,087 were interviewed (987 online sourced by Obsurvant and 100 telephone interviews sourced by DJS Research), from 14th August to 8th September 2023, and were weighted, post fieldwork to ensure representation of the Thames Water dual water and waste customer base.
- Online survey quotas were placed on gender, age, social group, ethnicity and disability.
- For the offline survey respondents were screened to ensure they met the criteria for non-internet users or 'narrow' internet users.
- All respondents were screened to ensure they were dual water and waste customers, had a meter and knew their bill total.
- Customers actual bill values were used in the questionnaire to illustrate how the proposed new tariff would impact their bill and if how much extra they would contribute to the discounted social tariff as a result.
- Net support of the rising block tariff is based on those answering: 'I support' and 'don't mind'.
- The survey was also sent to Thames Water's Customer Voices panel and 50 responded (14th August to 1st September). Results from this source are not included in the 'main' findings, but a high-level comparison is included in the appendix to show (at a high level) what these more 'informed' customers make of the proposal.

# Respondent profile (excluding Customer Voices sample)



987 online interviews  
100 CATI interviews

In order to be representative of Thames Water's water and waste customer base, the combined online + CATI (telephone) sample is weighted to a total level in terms of age, gender, ethnicity, social grade and disability.

For comparative purposes, the views of Customer Voices panel members have been included in the appendix. N.B differences between the main sample and Customer Voices may be due to demographic differences (the panel data skews towards older, white, with disability in HH)

## Verve's declaration that this research observes Ofwat's standards for high quality research

Ofwat's minimum standards for high quality research	How we met these standards
Useful and contextualised	This research was used to inform the development of Thames Water new tariff plans for the period of 2025-30, to ensure these align with customer expectations and gauge customer support. This research followed a similar structure to previous research about plans to extend the social tariff conducted in 2022.
Neutrally designed	To ensure the materials were clear, Verve employees, not involved in the project, cognitively tested all of the stimulus materials and a rigorous soft launch was put into place. The research paused post soft launch to ensure that if any confusion arose, we would be able to adjust stimulus accordingly. Care was taken to ensure that materials were framed neutrally and answers were monitored for speed of completion and any questions that were causing people to drop out or stop the survey, which we used as a proxy for respondent comprehension, as well as cognition in an open ended question.
Fit for purpose	We used a quantitative methodology to fully meet the objectives of this research. Comprehension of some of the complex topics discussed was also helped because participants could view and review stimulus material at their own pace, allowing them time to digest and reflect on information. We ensured that questions and stimulus in the quantitative survey used plain English for maximum comprehension.
Inclusive	We made sure we had a representative sample of Thames Water customers in the quantitative survey, using demographic quotas for the Thames Water area, including household quotas on ethnicity and vulnerability. The methodology used allowed for inclusivity, the quantitative research included both online and telephone methodologies to ensure digitally excluded customers were involved.
Continual	Thames Water's research and engagement programme is continuous. The findings from this research will be used in conjunction with previous and future insights to inform Thames Water's day-to day service delivery and business plan in the short and long term.
Independently assured	All research was carried out Verve, an independent research and insight consultancy. Thames Water's CCW colleagues reviewed and gave feedback on the research methodology and initial drafts of the research materials.
Shared in full with others	The full report and stimulus materials will be shared with other water companies via a SharePoint site and with the general public via Thames Water's website.
Ethical	All research conducted by Verve is in line with Market Research Society Code of Conduct.

# Methodology detail

The questionnaire followed the following structure:

## Information was provided on:

- Thames Water's current discounted rate and who would be eligible
- How the discounted rate is funded and the current cross-subsidy
- Details of a Thames Water's proposal for a new billing tariff
- How the new billing tariff is calculated and who is impacted

Informed if likely or not to qualify for the discounted tariff

Information on the number of low income customers who may need financial support

Willingness to support or oppose the new water-use tariff idea after being shown different only initial top level details

A ready reckoner was used to determine how much customers new water-use tariff will be and how much would be contributed towards the social tariff.

Willingness to support or oppose the new water-use tariff after being shown more detail and impact on their own bill

# Information shown to respondents prior to support/oppose question (1)

## Screen 1

Thames Water offers a discounted rate to help customers in financial difficulty by reducing their water bills. All water companies in England and Wales offer similar schemes.

The discounted rate is for those who have a household income below £21,760 in London and below £17,006 elsewhere in the Thames Water area.

These lower-income customers can receive a 50% discount on their water and wastewater bill.

Other financial support is also available to Thames Water customers, such as a charitable Trust Fund, funded by Thames Water's shareholders, which provides one-off grants to customers in extreme poverty for essential household items like bedding and washing machines.

## Screen 2

The discounted rate for customers with low incomes is currently funded by adding a small amount to the bills of all customers – currently up to £22 a year. This is known as a cross-subsidy.

Thames Water does not financially profit in any way from this cross-subsidy and 100% of the cross-subsidy contributions are passed directly on to help customers with low incomes.

These discounts have become even more important as a result of the Cost-of-Living Crisis.

*Initial support was asked after seeing these first two screens to understand initial interest in the idea, before delving into more details and what it might mean for them.*

# Information shown to respondents prior to support/oppose question (2)

Screen 3

While this cross-subsidy provides support for low income customers, it is expected to only help two-thirds of the customers that are expected to need this support by 2030.

Rather than increasing the current cross-subsidy further, which would increase bills for all household customers, Thames Water instead proposes to fill this gap in funding by introducing a new billing tariff based on how much water customers use. This means the price per litre of water would decrease with low usage (customers using less than a certain quantity) and it would increase with higher usage (customers using more than a certain quantity).

The increased bills for customers who use the most water would fund the cross-subsidy gap for the discounted tariff.

This new approach to billing based on the amount of water used would mean around three quarters of customers would see their bills decrease, around one in six would see a small increase in their bills and one in twelve would see a larger increase in their bills.

Screen 4

Some more details on Thames Water's proposal:

By 2030 it is likely that over 390,000 households in the Thames Water region will experience financial difficulties. Thames Water aims to support 90% of these with the discounted tariff, but the existing cross-subsidy from all customers will only support two thirds of these.

To meet the shortfall, instead of requiring all customers to help, Thames Water propose to require the highest users of water - which are around 1 in 12 of all metered customers - to pay more for their high water use, which would be used to further subsidize the discounted tariff for customers in financial difficulty.



# Information shown to respondents prior to support/oppose question (3)

Screen 5

Here's a bit more information about what this new tariff could mean to customers based on their water usage:

On average, households use 343 litres of water per day, this is the equivalent of filling a bath 4 times in a day. With this average usage customers would see annual bills drop by £17

Bills would still be lower for any customer using up to a third more water than the average – so in total over three quarters of customers would see bills fall with this new water-use tariff

Only households using over double the average amount of water would be classified as very high water users and they would be charged around 60% more on their bill on average, that would be an increase of £755 on average

Part of this extra cost for very high users would be used to fund the shortfall on the cross-subsidy for the discounted tariff

This would be instead of the shortfall being spread evenly across all customers, paying an extra £15 cross-subsidy each (on top of the existing £22 cross-subsidy that all customers contribute to the discounted tariff)

Screen 5

The other part of the extra cost for very high users would balance out the lower costs for those using lower amounts of water

Thames Water would not profit from this proposed new approach to billing based on water usage

Customers ending up with higher bills could reduce them in future by using less water  
For those who are very high water users

Less than 1% would see their bills more than doubling. Increased bills would never be more than two and a half times the current cost

Vulnerable customers with a very high water use due to medical requirements or a very large family would be protected. They would not be charged the very high use tariff and would continue to benefit from a capped tariff



# Key findings based on interim data

## **There is strong support for the new tariff**

Overall 80% customers are in support of a rising block tariff with higher costs applied to very high water users to subsidise the discounted social tariff. This support remains high from initial impressions to more detailed explanations and after understanding the impact on personal bills. Though opposition increases amongst very high consumers, support overall is high (low user = 83%, high = 69%, very high = 72%)

**So what?** Feel confident moving forwards with this new tariff knowing that there are no immediate red flags to suggest that the vast majority of very high users would oppose, though ensure comms to this audience highlight the key benefits and possibilities for them.

## **Awareness of current social support is fairly low – 36%**

Only 1 in 3 are currently aware that Thames Water has initiatives in place to support financially vulnerable customers.

**So what?** If Thames Water decide to move forwards with the new tariff, it's essential to highlight to all customers why you're doing this, to build awareness of the initiative. It's well received, so building awareness is the next step.

## **The personal impact on customers is a key reason to support or oppose**

The impact the new tariff will have on the individual and their personal bill is the core reason to oppose (46%) and an equally important reason to support (44%).

**So what?** Getting this messaging right is key – any comms for rolling out the new tariff need to clearly explain the impact it will have on them, particularly those who it will impact positively. For those who will likely see price increases in their bill, build on the narrative that they can reduce their bills by reducing their consumption. The power is in their hands.

## **Core concerns are that Thames Water should be footing the bill and that larger families would be impacted**

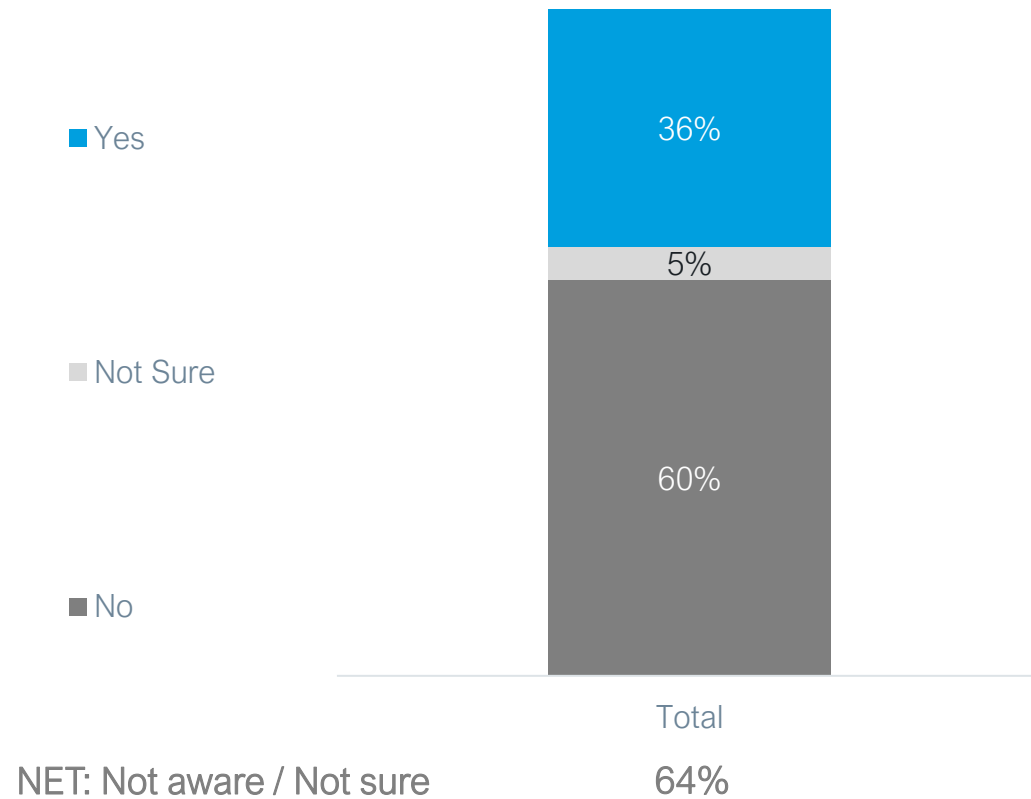
Some customers believe that Thames Water should be responsible for helping those who are financially vulnerable, not those with very high water consumption. Similarly, there is a concern that larger than average families could be penalised (even though they're not personally being excessive).

**So what?** Both narratives need to be carefully addressed in any comms that go out; namely, ensuring that very high users do have the ability to reduce their bill and that extenuating circumstances do come into play, it's not a blanket tariff.

# Current awareness and eligibility of social tariffs

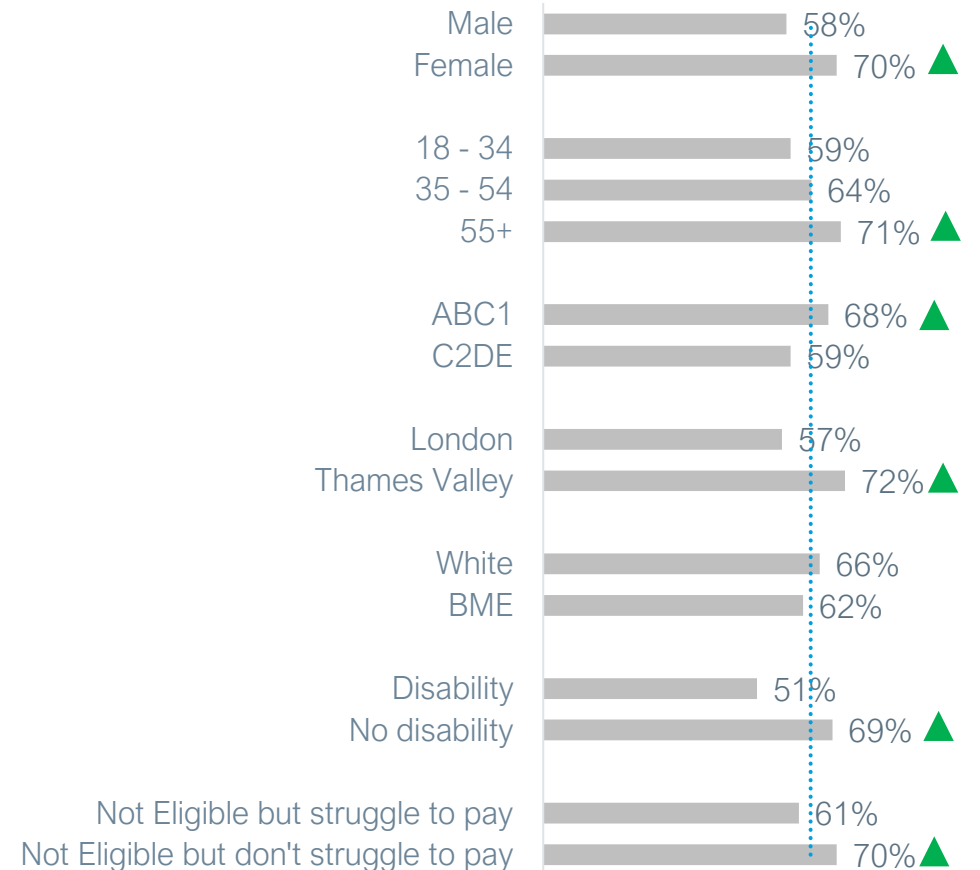
# Awareness of Thames Water giving financial support

Awareness of Thames Water giving support to financially vulnerable customers is low at 36%. In particular, Women, ABC1, able customers and those in Thames Valley show the lowest levels of awareness.



## NET: Not aware/ Not sure by sub-group

Total: 64%

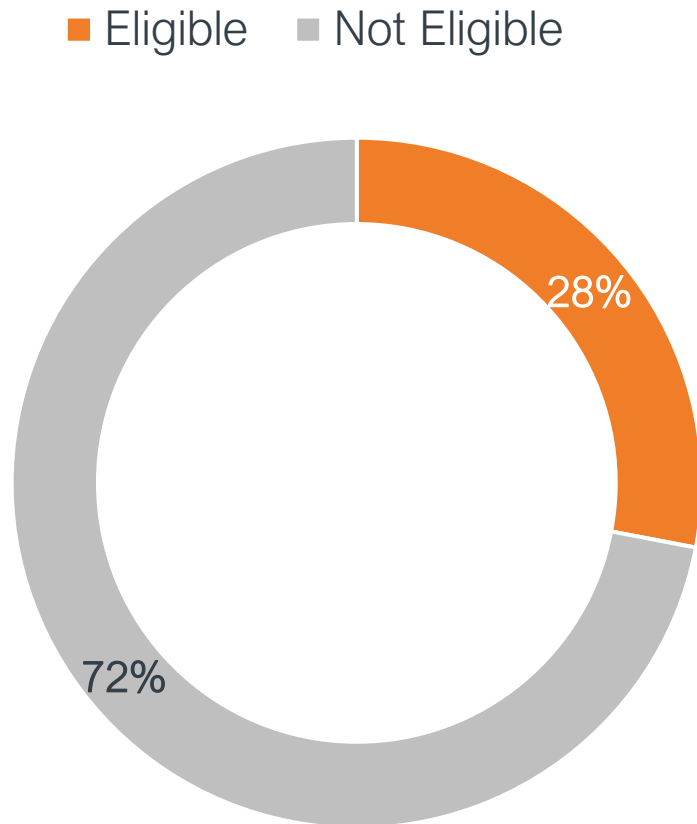


▲ ▼ Triangle: Significant difference at 95% conf. level.

Rising Block Tariffs, Quantitative Survey, August-September 2023.  
 Q14. Before this survey were you aware that Thames Water currently give financial support to customers who are financially vulnerable (those on a low income, or in financial difficulties and struggling to afford their water bill)?  
 Base: All respondents who were willing to disclose their gross household income (n=1,087)

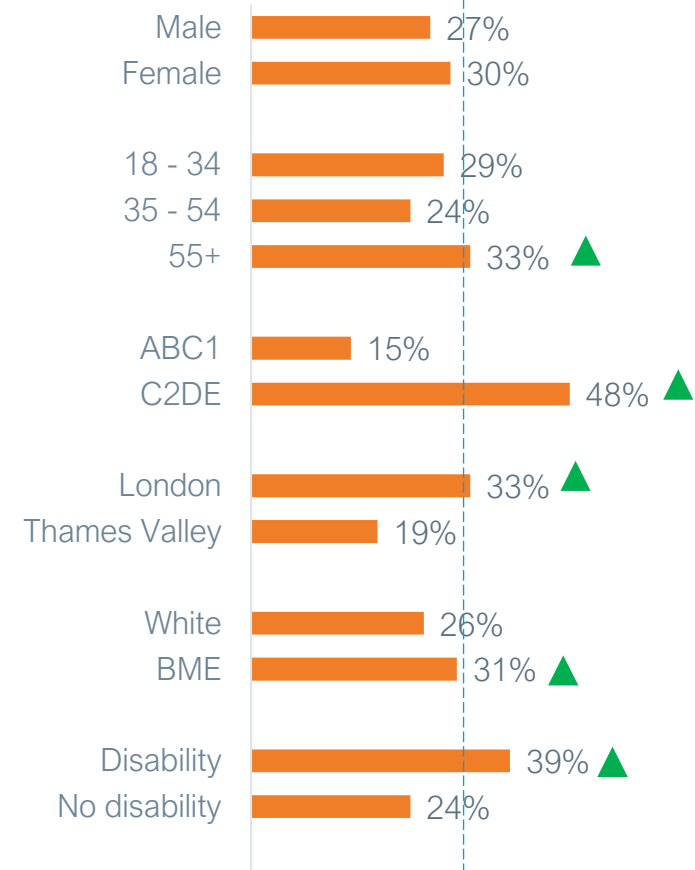
# Likely to qualify for social tariff

Around 1 in 3 are likely to qualify for a social tariff to support paying their bills. This is significantly higher among older customers, C2DEs, those in London and those with a disability.



## NET: Eligible by sub-group

Total: 28%



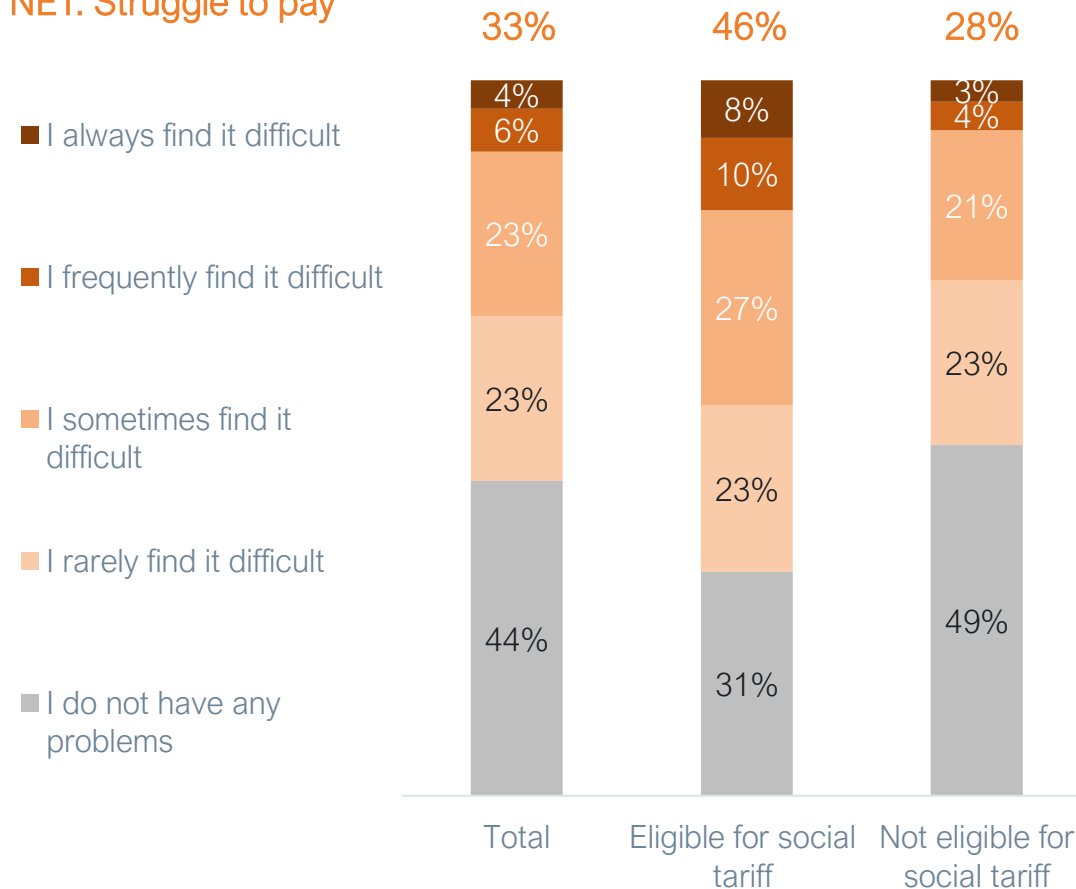
▲ ▼ Triangle: Significant difference at 95% conf. level.

Rising Block Tariffs, Quantitative Survey, August-September 2023.  
 Q11. What is the combined gross annual income of your household?  
 Discounted social tariff eligibility thresholds = £17,005 for Thames Valley & Home Counties, £21,759 for London  
 Base: All respondents who were willing to disclose their gross household income (n=1,087)

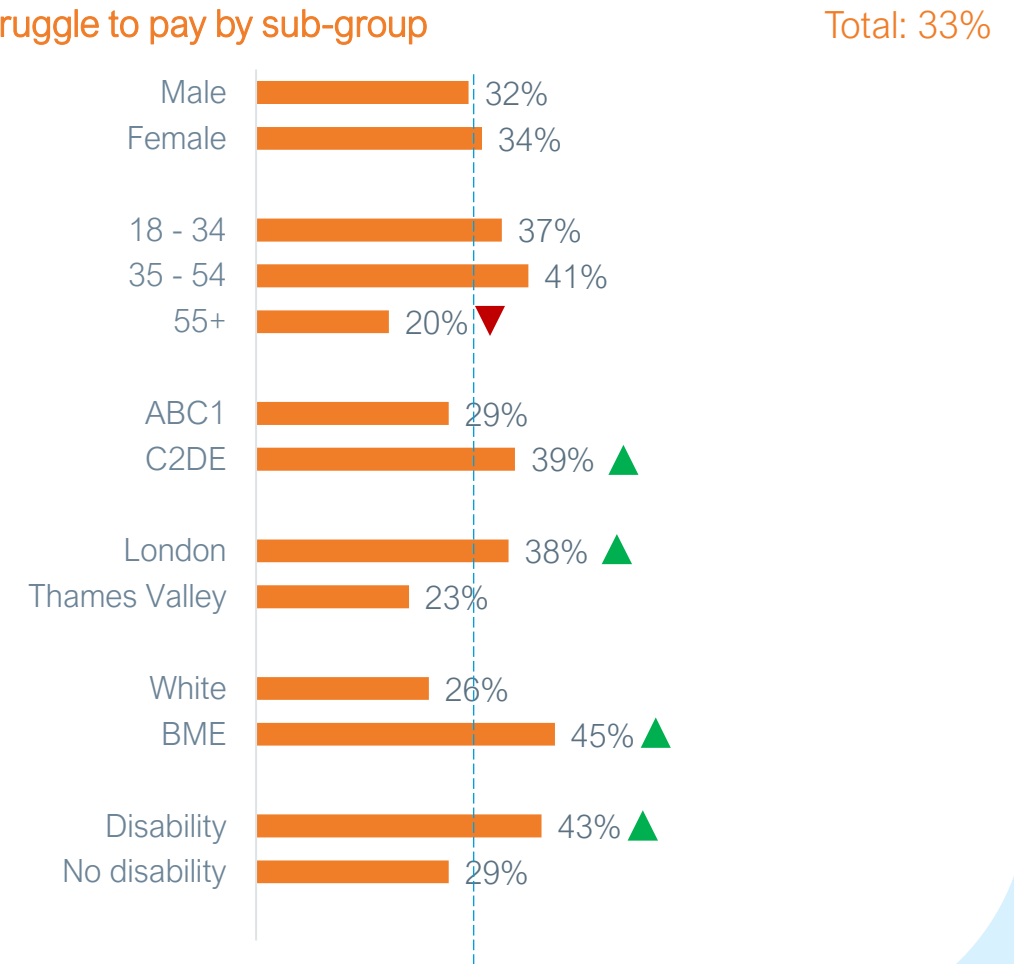
# Ability to pay water bill

1 in 3 customers struggle to pay their water bill (up from 27% in 2022). This is significantly higher among younger customers, C2DE, BME customers, those with disabilities and those in London.

## NET: Struggle to pay



## NET: Struggle to pay by sub-group

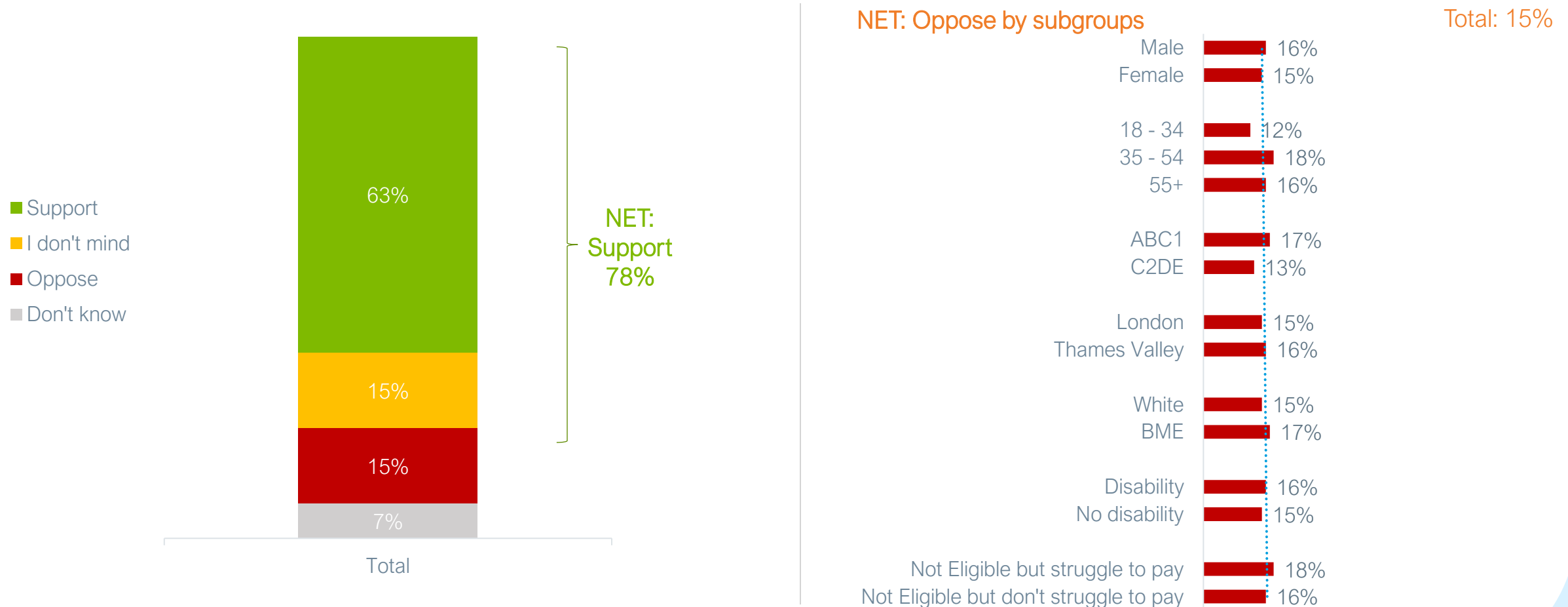


Total: 33%

Acceptance of cross  
subsidy for social  
tariffs

# Initial support for the concept of the new tariff

After initially being introduced, almost 8 in 10 customers are in some support of the new tariff. There are no significant differences among the sub groups of those who oppose.



Rising Block Tariffs, Quantitative Survey, August-September 2023.  
 Q16. Based on what we've told you so far about Thames Water's proposal for a new water-use based tariff where higher bills for the highest users of water would help to fund the discounted tariff for low income customers - would you support or oppose this new water-use tariff idea?  
 Base: All respondents (n=1,087)

\*Acceptance is the NET of strongly support, somewhat support and don't mind



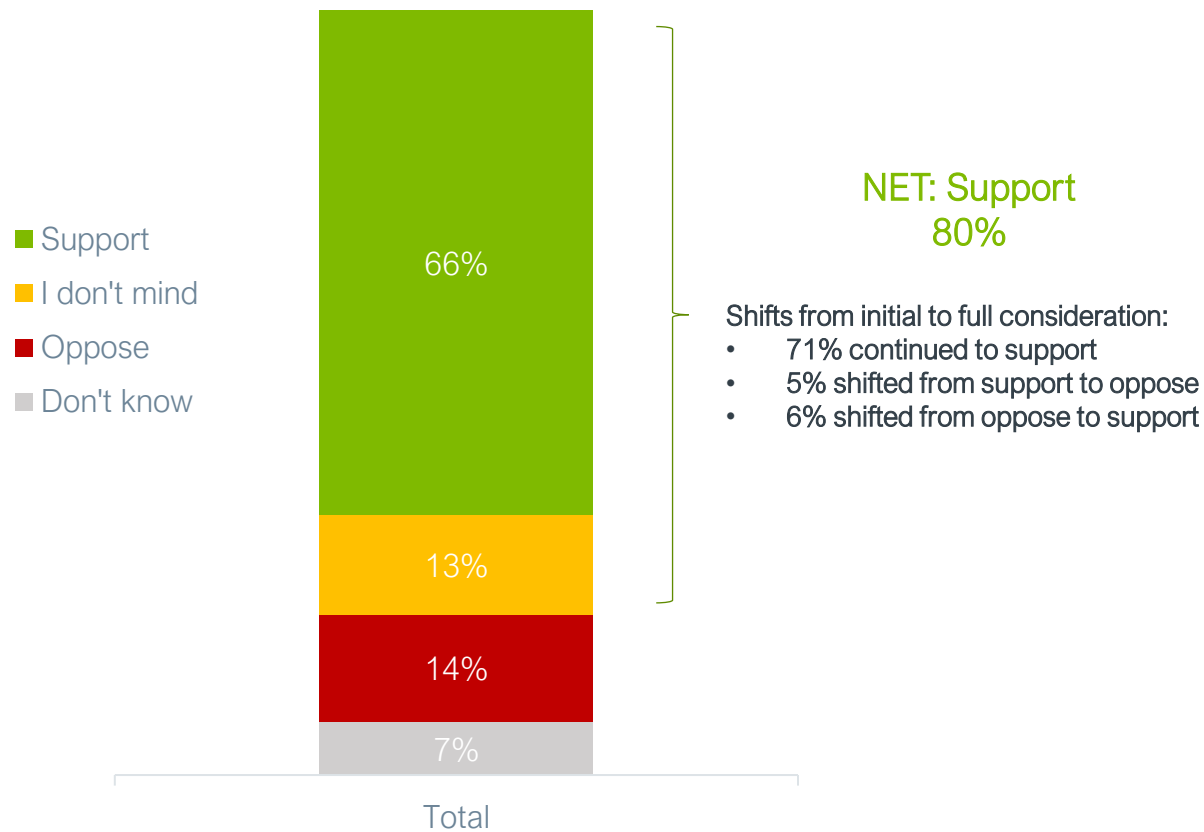
# Initial impressions of Thames Water's new tariff

Based on a brief introduction to the idea (and before seeing the impact it could have on them), customers feel Thames Water's idea financially protects the vulnerable and can encourage more conscious water consumption, yet there are some concerns over whose responsibility it is to subsidise the bill.

Reasons for-	Reasons against-	Other-
<ul style="list-style-type: none"> <li>✓ Supports those who are struggling during the cost of living.</li> <li>✓ Feels fair to calculate water bills based on water consumption.</li> <li>✓ Can encourage customers not to waste water and reduce usage.</li> </ul> <p><i>“Provide incentives to the high water users to reduce their usage. Also educate customers on how to save water.”</i>  <b>Female, 45-54, BME, London</b></p>	<ul style="list-style-type: none"> <li>x Thames Water should support and subsidise lower incomes and not just rely on customers.</li> <li>x Initial concerns that bigger families could be negatively impacted.</li> <li>x Less funds available from bills to go towards Thames Water's future developments/plans.</li> </ul> <p><i>“I don't think people should have to cover the lower income I think they should fund it because they've made really good profit, they should be fixing the leaks and it would penalise the bigger families.”</i>  <b>Female, 65+, White, Thames Valley</b></p>	<ul style="list-style-type: none"> <li>• The discounted social tariff should be more widely publicised to increase awareness and gain support</li> </ul> <p><i>“Although my husband and I are on a low income, would this new tariff be means tested? I think a good idea would be to raise awareness, else I wouldn't know otherwise.”</i>  <b>Male, 18-24, White, Thames Valley</b></p>

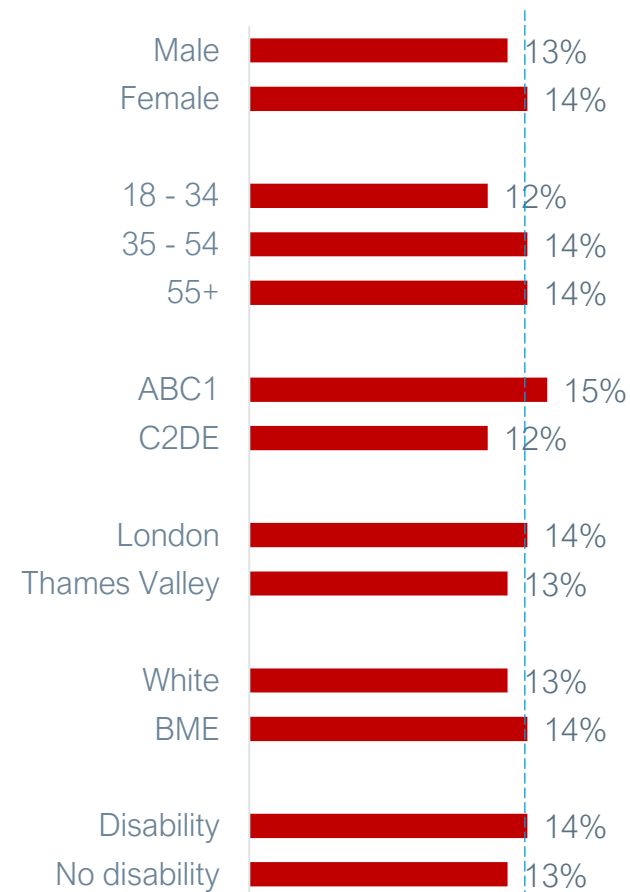
# Support for the concept of the new tariff

After seeing all the information and seeing the impact it could have on their own bill, the overall level of support remains the same. There are also no red flags amongst subgroups, with no significant differences.



## NET: Oppose by sub group

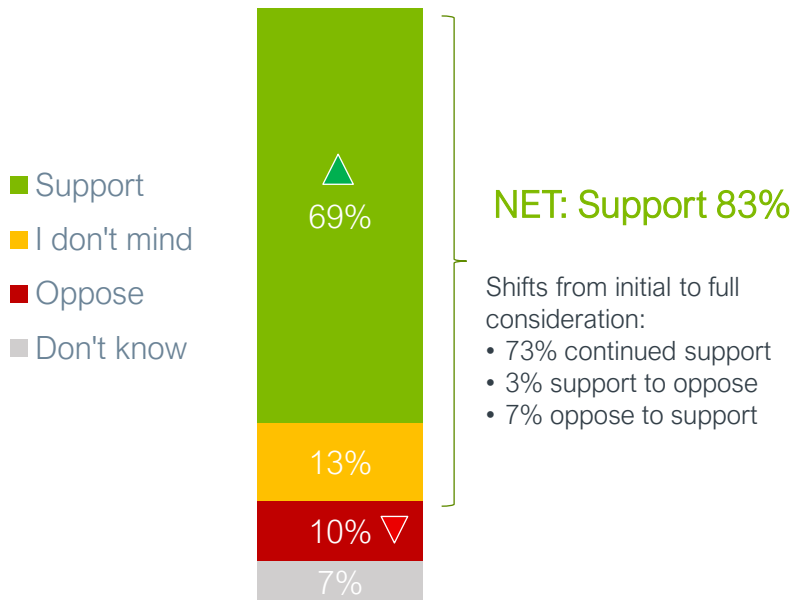
Total: 14%



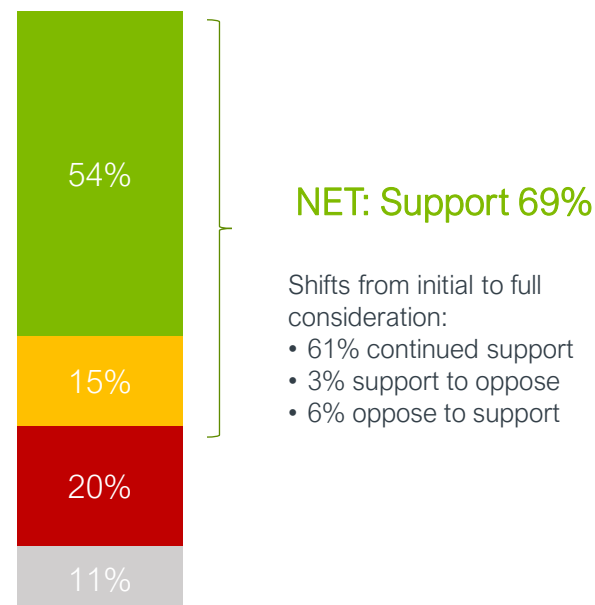
# Support for new tariff amongst different water consumptions

Unsurprisingly, opposition for the new tariff is higher for those consuming high or very high amounts of water but 7 in 10 still support the new tariff, raising no immediate red flags. Very high users see the biggest shift after finding out more details, with 12% shifting from support to oppose, suggesting that careful comms are needed to show why this tariff is in place and that they have the power to reduce it.

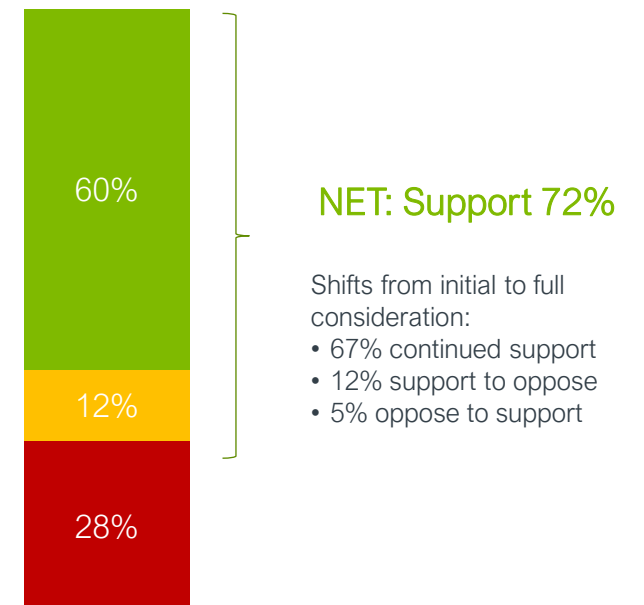
Low Consumption (76% of sample)



High Consumption (10% of sample)



Very High Consumption (13% of sample)

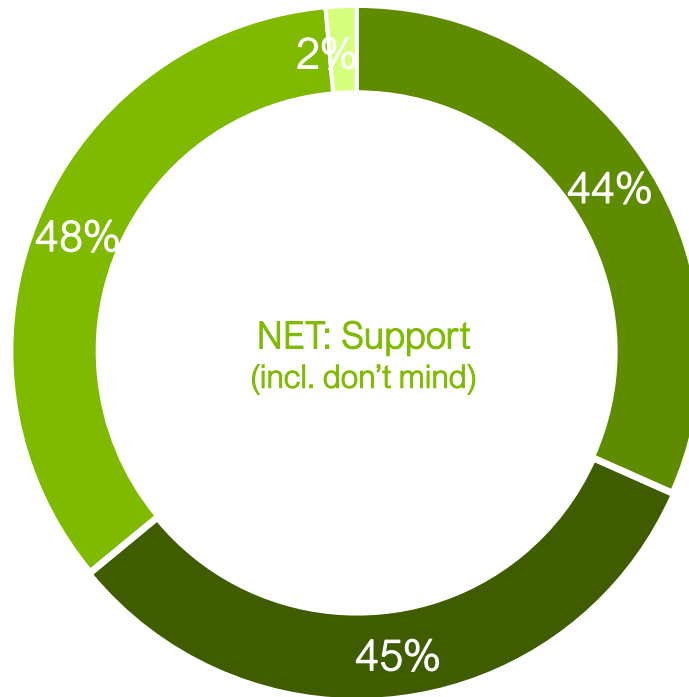


Rising Block Tariffs, Quantitative Survey, August-September 2023  
 Q17 -With this in mind, do you support or oppose this new water-use tariff:  
 Base: All respondents (n=1,087)

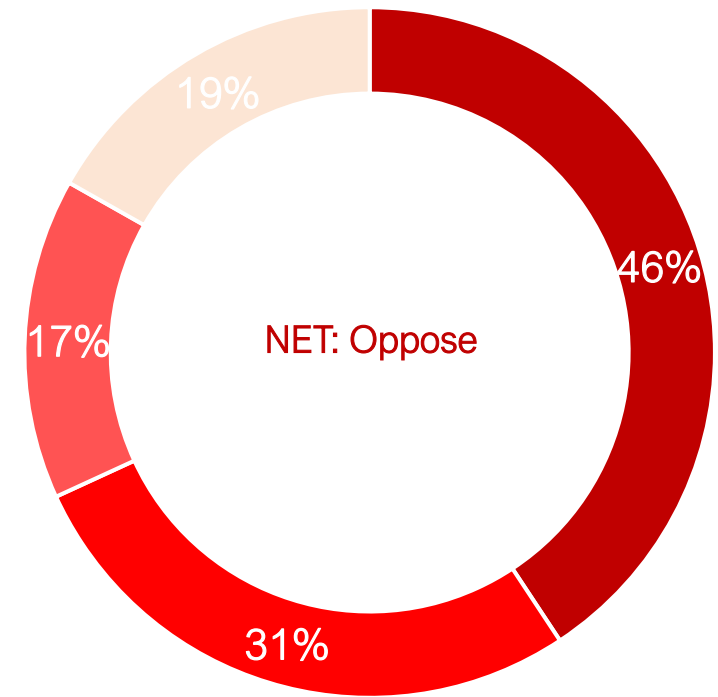
# Reasons for supporting or opposing the new tariff

Changes to bills is a main reason customers would either support or oppose the new tariff, making up around half of customers.

- The changes to my own bill
- The changes to the funding of the discounted tariff for customer in financial difficulty
- The incentive for customers to use less water
- Another reason



- The changes to my own bill
- The changes to the funding of the discounted tariff for customer in financial difficulty
- The incentive for customers to use less water
- Another reason



Rising Block Tariffs, Quantitative Survey, August-September 2023.  
Q18 Is your answer based on any of the following reasons?  
Base: All respondents (n=1,087)

CAUTION: This is a multi-code question therefore percentages add up to more than 100%

# Appendix

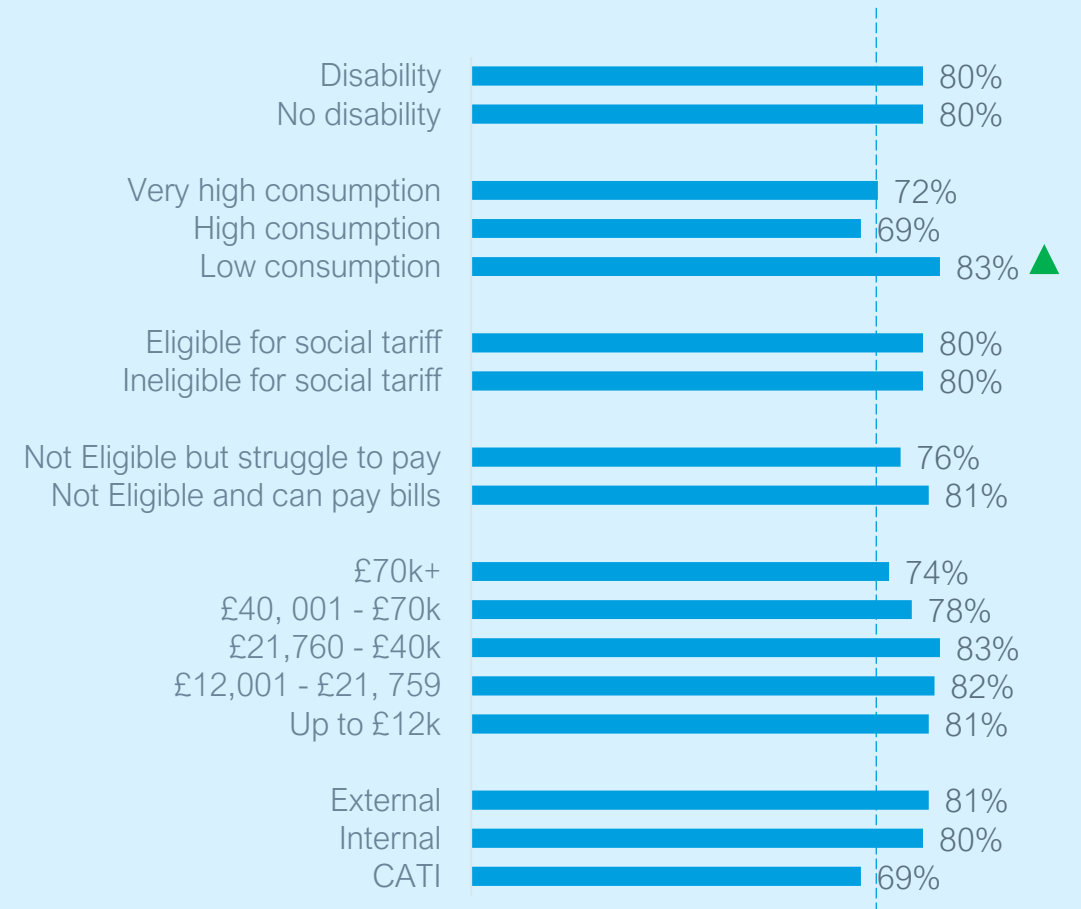
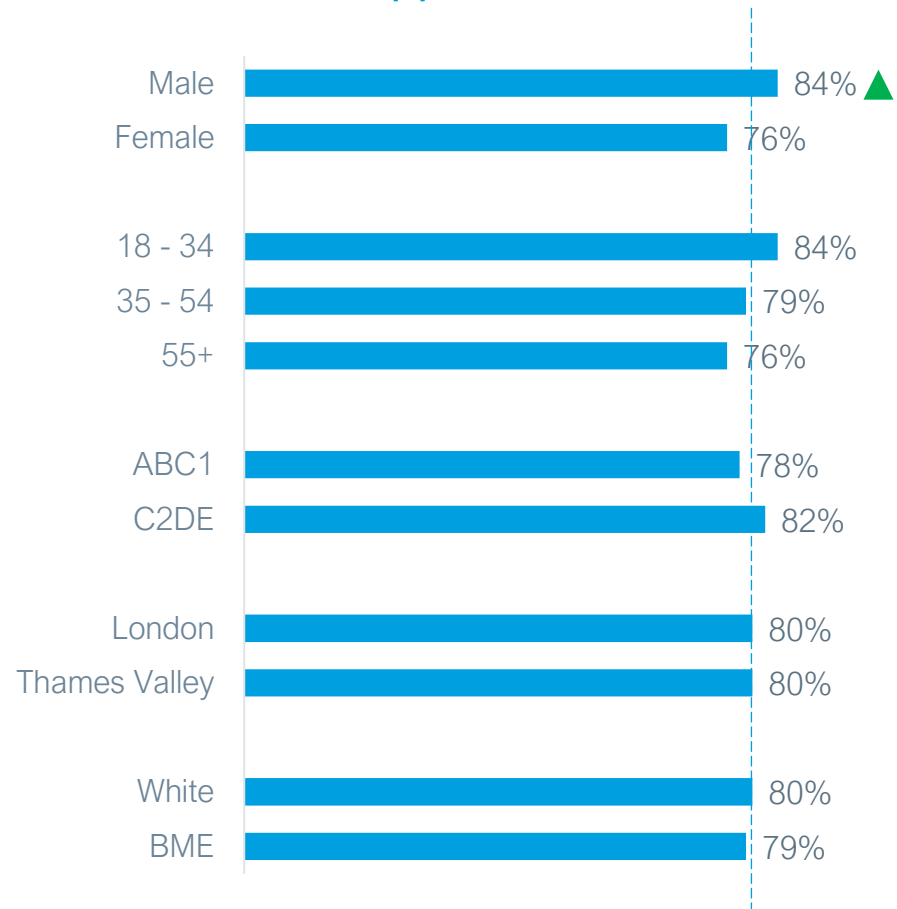


# Acceptance\* of cross subsidy by subgroups

\*Acceptance is the NET of support and don't mind

# Customers in support of the new tariff

NET: Support = 80%

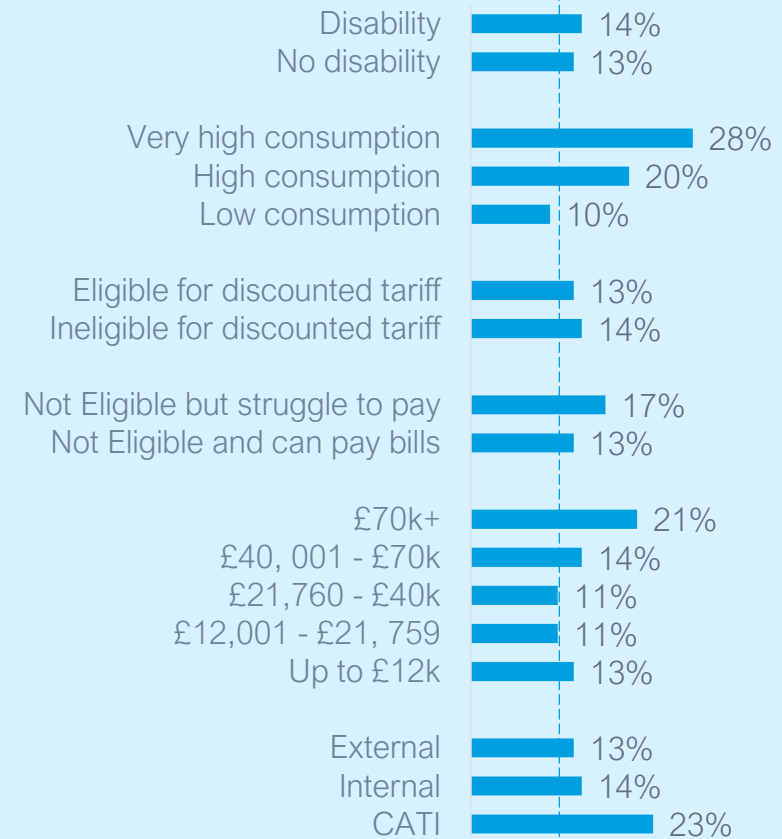
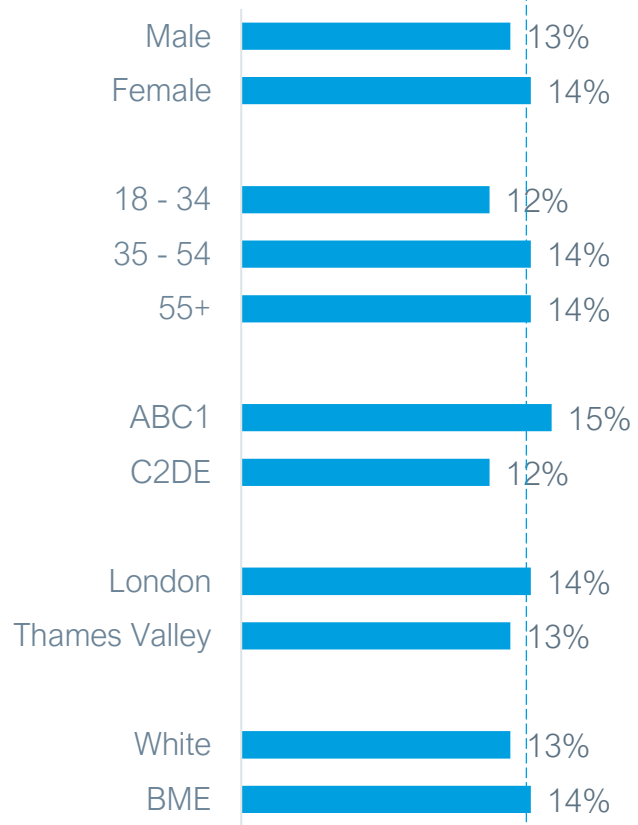


Rising Block Tariffs, Quantitative Survey, August-September 2023  
 Q17 -With this in mind, do you support or oppose this new water-use tariff:  
 Base: All respondents (n=1,087)



# Customers who opposed the new tariff

NET: Oppose = 14%



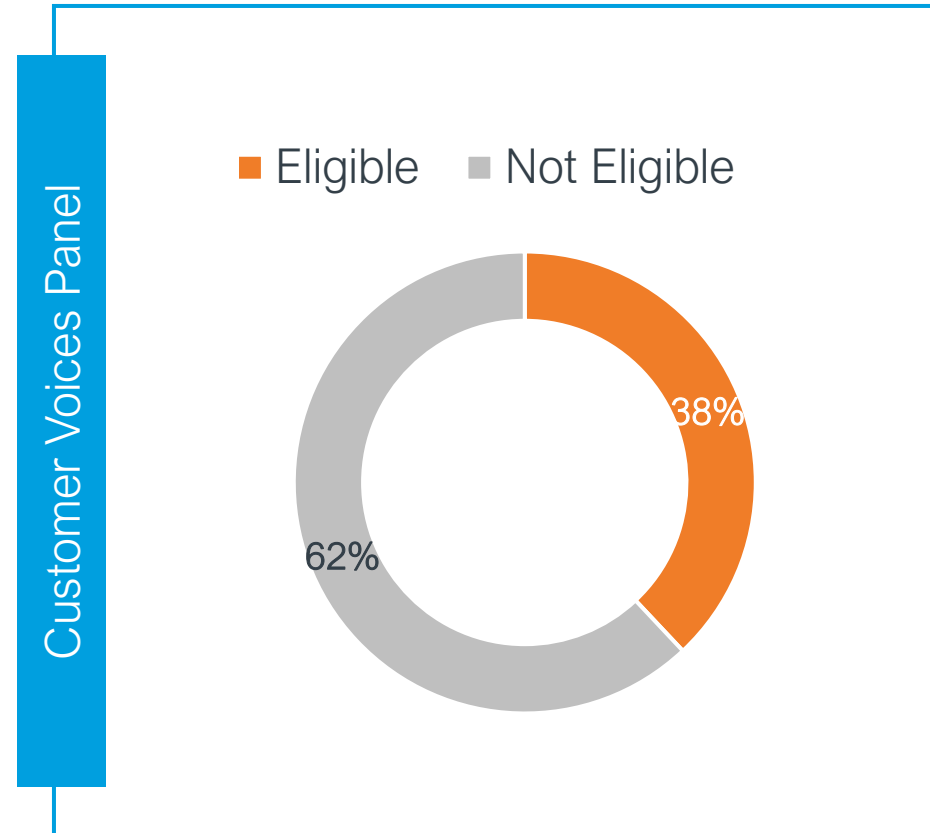
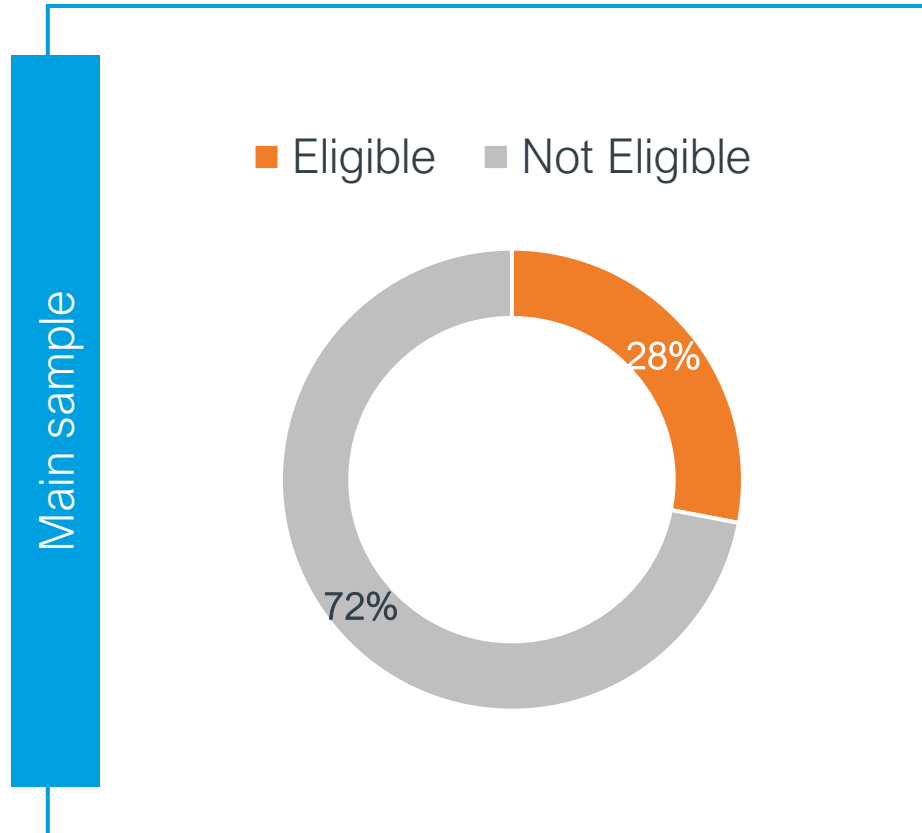
Rising Block Tariffs, Quantitative Survey, August-September 2023  
 Q17 -With this in mind, do you support or oppose this new water-use tariff:  
 Base: All respondents (n=1,097)

# Main sample vs. Customer Voices sample

CAUTION: results for information only - the main online is weighted to be representative of Thames Water's customer base, while the Customer Voices Panel data is unweighted, which may explain some of the difference in findings on the following pages

# Likely to qualify for the discounted tariff: main sample vs the panel

Customer Voices Panel members are more likely to qualify for the discounted tariff compared to the main sample of customers.



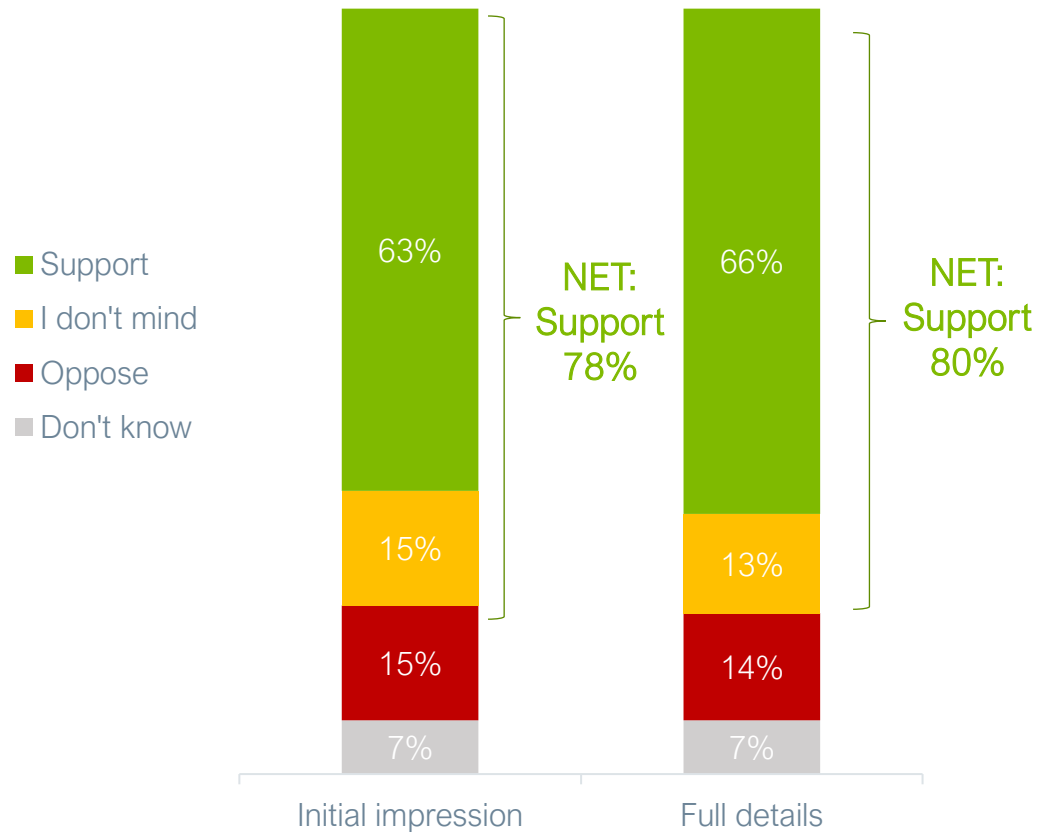
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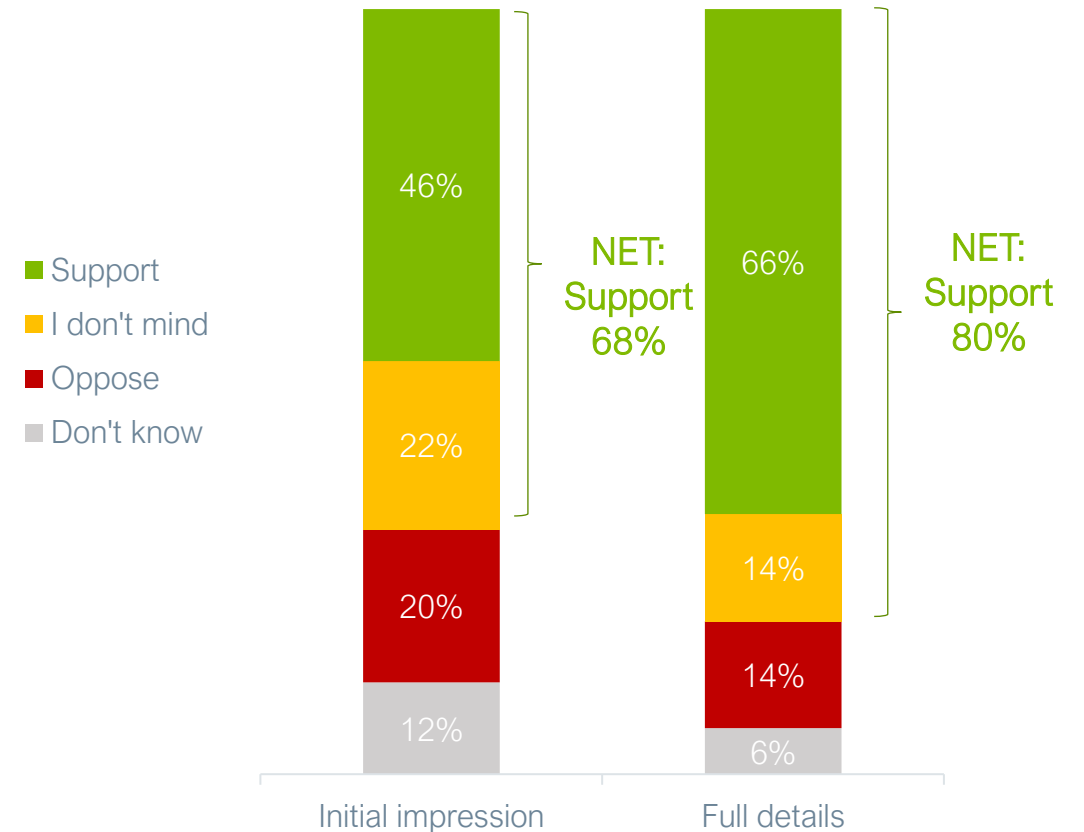
# Support for the concept of the new tariff

Support amongst the main sample remains consistent – they're open to the idea. Whilst support amongst our internal Customer Voice sample increases with the more information they gain.

Main sample



Customer Voices



Rising Block Tariffs, Quantitative Survey, August-September 2023

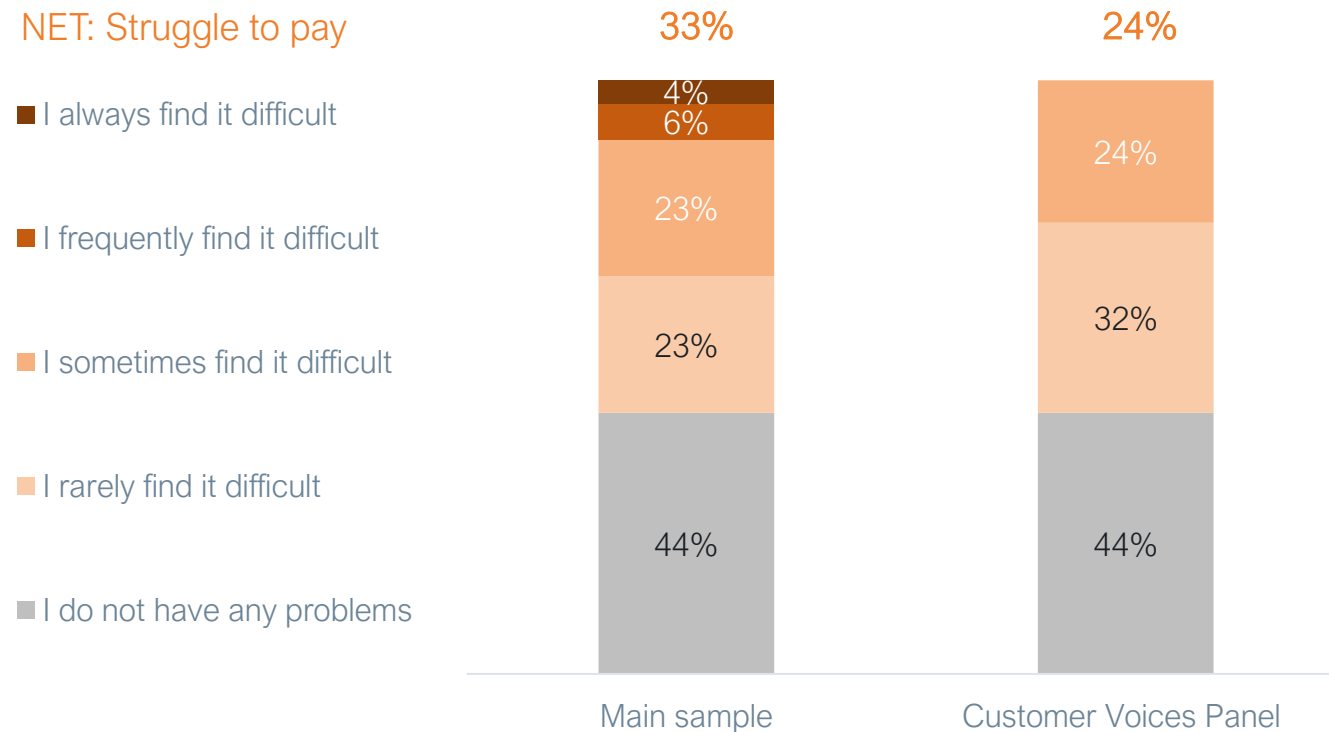
Q16. Based on what we've told you so far about Thames Water's proposal for a new water-use based tariff where higher bills for the highest users of water would help to fund the discounted tariff for low income customers - would you support or oppose this new water-use tariff idea?

Q17. With this in mind, do you support or oppose this new water-use tariff?

Base: External Samples: (n=1,087), Customer Voices Panel: (n=50)

# Ability to pay water bill: Main sample vs. Customer Voices

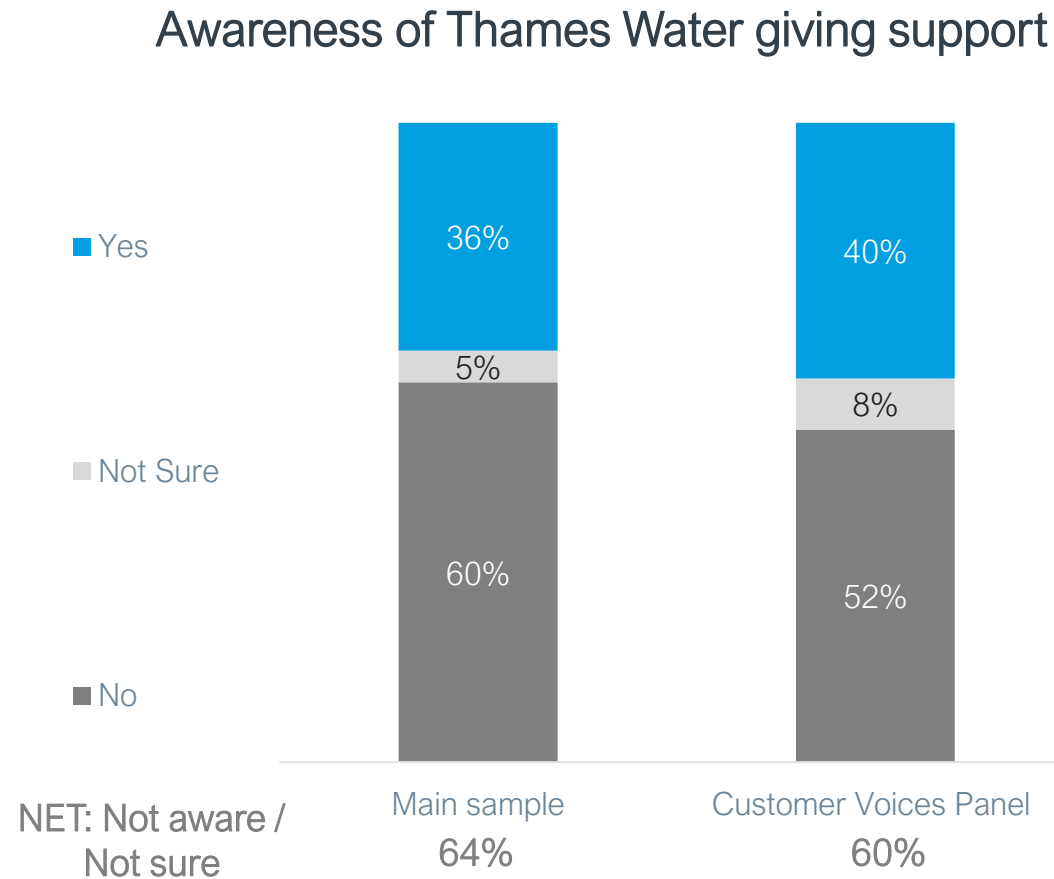
More customers from the main sample are struggling to pay more consistently in comparison to those from the Customer Voices Panel.



CAUTION: results for information only - the main online is weighted to be representative of Thames Water's customer base, while the Customer Voices Panel data is unweighted, which may explain some of the difference in findings

# Awareness of the discounted tariff: main sample vs Customer Voices

Awareness of the discounted tariff is slightly higher amongst Customer Voices than the main sample, however publicising the details of the concept could be improved overall awareness.



CAUTION: results for information only - the main online is weighted to be representative of Thames Water's customer base, while the Customer Voices Panel data is unweighted, which may explain some of the difference in findings

Rising Block Tariffs, Quantitative Survey, August-September 2023.

Q14. Are you aware that Thames Water give support to customers who are financially vulnerable? (i.e. on a low income, or in financial difficulties and struggling to afford their water bill).

Base: External Samples: (n=1,087), Customer Voices Panel: (n=50)

# Questionnaire





*It will take about 10 minutes of your time.*

Your call will be monitored or recorded for the purposes of training and quality control. DJS is an independent research company working in collaboration with Verve Partners. As such, this interview will be conducted in accordance with the Market Research Society code of conduct and more information on your rights will be read at the end of the interview.

**NEW PAGE**

**ASK ALL CATI (digitally excluded) RESPONDENTS.**

**Q0a.** Before we begin, we have a couple of questions to check whether this survey is relevant to you. How frequently do you access the internet on average at home (via any device, e.g. PC, mobile phone, etc.)?

**SINGLE CODE. DO NOT READ OUT**

1. More than once a week
2. Once a week or less
3. I do not use the internet at all
4. Don't know **SCREEN**

**ASK ALL CATI (digitally excluded) RESPONDENTS Q0a = 1**

**Q0B.** Which, if any, of these activities do you do online? **MULTI CODE. RANDOMISE.**

1. Online banking or paying bills online (e.g. transferring money between accounts, managing mortgage or other payments, checking or paying bills)
2. Pay online for your council tax or for another local council service (e.g. parking ticket, congestion charge etc.)
3. Look online for public services information on government sites (e.g. gov.uk/ ni.direct or HMRC)
4. Finding/ downloading information for work/ business/ school/ college/ university
5. Look at job opportunities or apply for a job online
6. Find information for your leisure time including cinema, live music, theatre, museums etc.
7. Complete government processes online (e.g. update Universal Credit, renew a driving licence or passport etc.)
8. Sign an online petition or use a campaigning website (e.g. change.org)
9. Use streamed audio services (e.g. Spotify or Deezer or Apple Music)
10. Listen to live, catch-up or on-demand radio through a website or app (e.g. BBC Sounds, RadioPlayer)
11. Watch TV programmes/ films/ content online (e.g. Netflix, BBC iPlayer, or Sky Go)
12. Watch or post livestream videos (these let you watch or post videos 'live' at exactly the same time as they are being made) on sites or apps like YouTube Live, Instagram Live or Facebook Live
13. None of these **HOLD. EXCLUSIVE**

**CATI SCREENOUT IF CODE 4 AT Q0A OR SELECT MORE THAN 4 CODES AT Q0B.**

**NOTE TO SCRIPTING – PLEASE CREATE THE FOLLOWING VARIABLES:**

- 'NARROW INTERNET USER' = CODE 2 AT Q0A OR LESS THAN 5 CODES SELECTED AT Q0B
- 'DIGITALLY EXCLUDED' = CODE 3 AT Q0A



**ASK CATI RESPONDENTS – FREQUENCY OF USE. ONLY INTERESTED IN THOSE CLASSIFIED AS LOW INTERNET USERS.**

**SCREENOUT IF CODE 1 OR 2 AT Q0A AND NOT AN A LOW INTERNET USER. EVERYONE ELSE ALLOWED THROUGH THE SURVEY.**

**NOTE TO SCRIPTING – PLEASE CREATE THE FOLLOWING VARIABLES:**

- 'NARROW INTERNET USER' = CODE 1 OR 2 @ Q0A AND LOW INTERNET USER
- 'DIGITALLY EXCLUDED' = CODE 3 OR 4 AT Q0A

**ASK ALL ONLINE SAMPLE [CATI TO INFER AT THE END OF THE INTERVIEW]**

**Q1. Are you..?**

**SINGLE CODE**

1. Male
2. Female
3. Other gender category
4. Prefer not to say

**ASK ALL**

**Q2. How old are you?**

**[NUMERIC BOX]**

**NOTE TO SCRIPTING – PLEASE CREATE THE FOLLOWING VARIABLES:**

18-24  
25-34  
35-44  
45-54  
55-64  
65+

**SCREEN OUT IF YOUNGER THAN 18:**

**Thanks for your interest in taking part in the survey, however unfortunately we're only looking to speak to people aged 18 or over.**

**ASK ALL**

**IF OUTSIDE OF THAMES WATER SUPPLY AREA AND POSTCODE NOT ON LIST screenout**

**Q3.** Please can you share your postcode. We only use this to validate the region you live in to ensure we're speaking to the correct people we need for this survey.  
*Please put a space between the first group and the second group, e.g. AB1 2CD.*

**[OPEN TEXT BOX. FORCE POSTCODE FORMAT WITH 'PREFER NOT TO SAY' OPTION]**

**SCREENOUT IF SELECT 'PREFER NOT TO SAY**

# VERVE



[https://vervepartnersltd.sharepoint.com/:x:/r/sites/Company\\_Clients/ClientDocuments/ThamesWater/1.%20Setup%20%26%20Management/2.%20Community%20Set-Up/5.%20Recruitment/Postcode%20databases/TO%20BE%20USED%20from%20May%202023/2022%2007%2007%20Thames%20Water%20Postcodes%20x%20dual-waste%20LA%20WRZ%20TRFCC.xlsx?d=w30940b00b1224c64b8ca795e86f58478&csf=1&web=1&e=TEg3GM](https://vervepartnersltd.sharepoint.com/:x:/r/sites/Company_Clients/ClientDocuments/ThamesWater/1.%20Setup%20%26%20Management/2.%20Community%20Set-Up/5.%20Recruitment/Postcode%20databases/TO%20BE%20USED%20from%20May%202023/2022%2007%2007%20Thames%20Water%20Postcodes%20x%20dual-waste%20LA%20WRZ%20TRFCC.xlsx?d=w30940b00b1224c64b8ca795e86f58478&csf=1&web=1&e=TEg3GM)

[USE MASTER POSTCODES\_SERVICE AND COUNTY COUNCIL FIELD TO CREATE THE FOLLOWING VARIABLES]

## NOTE TO SCRIPTER:

- FILTER ON CLEAN AND WASTE (COLUMN B)
- USE COLUMN F TO DEFINE AREA.
  - o LONDON = GREATER LONDON AUTHORITY
  - o THAMES VALLEY = ALL OTHER COUNTY COUNCILS.

## SCREENOUT TEXT IF NOT CLEAN AND WASTE (column B):

Thanks for your interest in taking part in this survey. Unfortunately, we're only looking to speak to people based in specific geographic locations at this time and/or customers who receive both clean and waste water services from Thames Water

## ASK ALL.

**Q4. Does your household have a water meter where you pay for how much water you use?**

**SINGLE CODE. DO NOT READ OUT**

1. Yes
2. No **SCREENOUT**
3. Don't know **SCREENOUT**

## SCREENOUT TEXT:

Thanks for your interest in taking part in this survey. Unfortunately, we're only looking to speak to people who have a water meter on this occasion.

## ASK ALL. READ OUT

**Q5. How do you pay your water and wastewater bill?**

**SINGLE CODE.**

1. Directly to Thames Water
2. As part of your rent
3. As part of housing association fees
4. Through a service charge
5. Through benefits you may receive
6. Other
7. Don't know

## ASK ALL.

# VERVE



**Q6. Approximately how much do you pay for your water and wastewater bill? Please do not include any arrears or debt repayments you may be making to your water and wastewater company.**

Enter either the exact amount you pay per year, or choose from one of the options below.

## DO NOT READ OUT, PROBE TO PRE-CODES

Exact amount per year (£) ..... **[NUMERIC BOX]**  
OR

- |                              |                        |
|------------------------------|------------------------|
| 1. Up to £12.99 per month    | Up to £150 per year    |
| 2. £13 - £16.99 per month    | £151 - £200 per year   |
| 3. £17 - £20.99 per month    | £201 - £250 per year   |
| 4. £21 - £24.99 per month    | £251 - £300 per year   |
| 5. £25 - £28.99 per month    | £301 - £350 per year   |
| 6. £29 - £32.99 per month    | £351 - £400 per year   |
| 7. £33 - £37.99 per month    | £401 - £450 per year   |
| 8. £38 - £41.99 per month    | £451 - £500 per year   |
| 9. £42 - £45.99 per month    | £501 - £550 per year   |
| 10. £46 - £49.99 per month   | £551 - £600 per year   |
| 11. £50 - £59.99 per month   | £601 - £720 per year   |
| 12. £60 - £69.99 per month   | £721 - £840 per year   |
| 13. £70 - £79.99 per month   | £841 - £960 per year   |
| 14. £80 - £89.99 per month   | £961 - £1080 per year  |
| 15. £90 - £99.99 per month   | £1081 - £1200 per year |
| 16. £100 - £119.99 per month | £1201 - £1440 per year |
| 17. £120 - £139.99 per month | £1441 - £1680 per year |
| 18. £140 - £159.99 per month | £1681 - £1920 per year |
| 19. £160 - £179.99 per month | £1921 - £2160 per year |
| 20. Over £180 per month      | Over £2160 per year    |
| 21. Don't know               |                        |

## SCREENOUT TEXT:

Thanks for your interest in taking part in this survey. Unfortunately, we're only looking to speak to people who know how much their current water bill is.

## HV1: AVERAGE

1. £125: IF Q6 = 1
2. £175: IF Q6 = 2
3. £225: IF Q6 = 3
4. £275: IF Q6 = 4
5. £325: IF Q6 = 5
6. £375: IF Q6 = 6
7. £425: IF Q6 = 7
8. £475: IF Q6 = 8
9. £525: IF Q6 = 9
10. £575: IF Q6 = 10
11. £660: IF Q6 = 11
12. £780: IF Q6 = 12
13. £900: IF Q6 = 13
14. £1020: IF Q6 = 14

## VERVE



- 15. £1140: IF Q6 = 15
- 16. £1320: IF Q6 = 16
- 17. £1560: IF Q6 = 17
- 18. £1800: IF Q6 = 18
- 19. £2040: IF Q6 = 19
- 20. £2280: IF Q6 = 20

### ASK ALL

Q7. Are you the person responsible for paying your water and wastewater (sewerage) bill (this may be included in your rent)? Please select the most relevant option.

SINGLE CODE. DO NOT READ OUT

- 1. Yes, solely responsible
- 2. Yes, jointly responsible
- 3. Not responsible **SCREENOUT**
- 4. Don't know **SCREENOUT**

### SCREENOUT TEXT:

Thanks for your interest in taking part in this survey. However unfortunately we're only looking to speak to those who are responsible for paying for their water and wastewater bill.

### ASK ALL

Q8. Just a couple more questions about you, before we talk about the new tariff: Which ethnic group do you consider you belong to?

SINGLE CODE. DO NOT READ OUT, PROBE TO PRE-CODES

Asian or Asian British (TITLE ONLY)

- 1. Indian
- 2. Pakistani
- 3. Bangladeshi
- 4. Any other Asian background (please specify) **[OPEN]**

Black (TITLE ONLY)

- 5. Black British
- 6. Black Caribbean
- 7. Black African
- 8. Any other black background (please specify) **[OPEN]**

Chinese (TITLE ONLY)

- 9. Chinese
- 10. Any other Chinese background (please specify) **[OPEN]**

Mixed Race (TITLE ONLY)

- 11. White and Black Caribbean
- 12. White and Black African
- 13. White and Asian
- 14. Any other mixed background (please specify) **[OPEN]**

## VERVE



White (TITLE ONLY)

- 15. White British
- 16. White Irish
- 17. Any other white background (please specify) **[OPEN]**
- 18. Other (please specify) **[OPEN]**

### CREATE ETHNICITY VARIABLE

- 1. WHITE: IF Q8 = 15-17
- 2. BME: IF Q8 = 1-14 OR 18

### ASK ALL

Q9. Do you consider yourself or anyone in your household to be officially disabled defined by the Equality Act 2010 as 'A physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out day-to-day activities'? If yes, which of the following disabilities do you consider yourself or anyone in your household to have? Please select all that apply.

MULTI CODE. RANDOMISE. READ OUT

- 1. Visual disability
- 2. Hearing disability
- 3. Mobility disability
- 4. Learning disability
- 5. Mental health condition
- 6. Chronic illness
- 7. Disability requiring the use of at-home medical equipment (e.g. dialysis machines)
- 8. Other, please specify
- 9. I/no one in my household has any of these conditions or disabilities **EXCLUSIVE**

### ASK ALL

Q10. Which of the following best describes the occupation of the Chief Income Earner in your household?

The Chief Income Earner is the person with the largest income, whether from employment, pensions, state benefits, investments or any other source. If two or more related people in the household have equal income, please think of this question with the oldest in mind.

SINGLE CODE. READ OUT

- 1. Semi or unqualified / trainee manual worker (e.g. manual workers, all apprentices to be skilled trades, caretaker, park keeper, non-HGV driver, shop assistant)
- 2. Skilled Qualified / professional manual worker (e.g. skilled bricklayer, carpenter, plumber, painter, bus/ambulance driver, HGV driver, AA patrolman, pub/bar worker etc.)
- 3. Supervisory or clerical/junior managerial/professional/administrative (e.g. office worker, student doctor, foreman with 25+ employees, salesperson, etc.)
- 4. Intermediate managerial/professional/administrative (e.g. newly qualified (under 3 years) doctor, solicitor, board director small organisation, middle manager in large organisation, principle officer in civil service/local government)

## VERVE



- Higher managerial/professional/administrative (e.g. established doctor, solicitor, board director in a large organisation (200+ employees, top level civil servant/public service employee))
- Student
- Casual worker – not in permanent employment
- Homemaker e.g. housewife, househusband etc
- Retired and living on state pension
- Retired and living on private pension
- Unemployed or not working due to long-term sickness
- Full-time carer of other household member
- Other

NOTE TO SCRIPTING: CREATE SOCIAL GRADE VARIABLE

### SEG1

- AB - IF A = CODE 5 SELECTED / B = CODE 4 SELECTED
- C1 - IF C1 CODE 3, 10 OR 6 SELECTED
- C2 - IF C2 = CODE 2 SELECTED
- DE - IF D = CODE 1 SELECTED / E = CODE 7 - 9 OR 11 - 13 SELECTED

### SEG2

- ABC1 (A = CODE 5 SELECTED / B = CODE 4 SELECTED / C1 = CODE 3, 10 OR 6 SELECTED)
- C2DE (C2 = CODE 2 SELECTED / D = CODE 1 SELECTED / E = CODE 7 - 9 OR 11 - 13 SELECTED)

### ASK ALL

**Q11. What is the combined gross income of your household? By this we mean how much money do all the people in your household have coming in, before Tax and National Insurance deductions. We would like you to include any benefits received or benefits paid directly to your landlord as part of your rent (e.g. Housing benefit)**

**SINGLE CODE. DO NOT READ OUT – PROBE TO PRE-CODES.**

- Up to £8,000 a year / up to £667 a month / up to £154 a week
- £8,001 - £10,000 a year / £668 - £833 a month / £155 - £192 a week
- £10,001 - £12,000 a year / £834 - £1,000 a month / £193 - £230 a week
- £12,001 - £14,000 a year / £1,001 - £1,166 a month / £231 - £269 a week
- £14,001 - £17,005 a year / £1,167 - £1,417 a month / £270 - £327 a week
- £17,006 - £21,759 a year / £1,418 - £1,813 a month / £328 - £418 a week
- £21,760 - £30,000 a year / £1,814 - £2,500 a month / £419 - £580 a week
- £30,001 - £40,000 a year / £2,501 - £3,300 a month / £581 - £770 a week
- £40,001 - £50,000 a year / £3,301 - £4,100 a month / £771 - £960 a week
- £50,001 - £70,000 a year / £4,101 - £5,800 a month / £961 - £1,345 a week
- £70,001 - £100,000 a year / £5,801 - £8,300 a month / £1,346 - £1,920 a week
- More than £100,000 a year / more than £8,300 a month / more than £1,920 a week

NOTE TO SCRIPTING – PLEASE CREATE THE FOLLOWING VARIABLE BASED ON 'ELIGIBLE FOR SOCIAL TARIFF'

## VERVE



- "ELIGIBLE FOR SOCIAL TARIFF" = Q3 = LONDON AND Q11 = 1-6 OR Q3 = THAMES VALLEY AND Q11 = 1-5
- "NOT ELIGIBLE FOR SOCIAL TARIFF" = Q3 = LONDON AND Q11 = 7-12 OR Q3 = THAMES VALLEY AND Q11 = 6-12

### ASK ALL

**Q12. Which of the following statements best describes how easy or difficult you find it to pay your water and wastewater bill each month?**

**SINGLE CODE. READ OUT.**

- I do not have any problems paying my bill
- I rarely find it difficult to pay my bill
- I sometimes find it difficult to pay my bill
- I frequently find it difficult to pay my bill
- I always find it difficult to pay my bill

[SHOW TEXT ON NEW SCREEN WITH TIME DELAY [15 SECONDS] TO ENSURE RESPONDENTS FULLY READ THE INFORMATION BEFORE BEING ABLE TO CLICK THROUGH TO THE NEXT SCREEN]. READ OUT for telephone interviews

We're now going to give you some information before asking you some further questions

- Thames Water offers a discounted rate to help customer in financial difficulty by reducing their water bills. All water companies in England and Wales offer similar schemes.
- The discounted rate is for those who have a household income below £21,760 in London and below £17,006 elsewhere in the Thames Water area.
- These lower-income customers can receive a 50% discount on their water and wastewater bill.
- Other financial support is also available to Thames Water customers, such as a charitable Trust Fund, funded by Thames Water's shareholders, which provides one-off grants to customers in extreme poverty for essential household items like bedding and washing machines.

[SHOW TEXT ON NEW SCREEN WITH TIME DELAY [15 SECONDS] TO ENSURE RESPONDENTS FULLY READ THE INFORMATION BEFORE BEING ABLE TO CLICK THROUGH TO THE NEXT SCREEN]. READ OUT for telephone interviews

- The discounted rate for customers with low incomes is currently funded by adding a small amount to the bills of all customers – currently up to £22 a year. This is known as a cross-subsidy.
- Thames Water does not financially profit in any way from this cross-subsidy and 100% of the cross-subsidy contributions are passed directly on to help customers with low incomes.
- These discounts have become even more important as a result of the Cost-of-Living Crisis.

[SHOW TEXT ON NEW SCREEN WITH TIME DELAY [15 SECONDS] TO ENSURE RESPONDENTS FULLY READ THE INFORMATION BEFORE BEING ABLE TO CLICK THROUGH TO THE NEXT SCREEN]. READ OUT for telephone interviews

- While this cross-subsidy provides support for low income customers, it is expected to only help two-thirds of the customers that are expected to need this support by 2030.
- Rather than increasing the current cross-subsidy further, which would increase bills for all household customers, Thames Water instead proposes to fill this gap in funding by introducing a new billing tariff based on how much water customers use. This means the price per litre of water would decrease with low usage (customers using less than a certain



## VERVE



quantity) and it would increase with higher usage (customers using more than a certain quantity).

- The increased bills for customers who use the most water would fund the cross-subsidy gap for the discounted tariff.
- This new approach to billing based on the amount of water used would mean around three quarters of customers would see their bills decrease, around one in six would see a small increase in their bills and one in twelve would see a larger increase in their bills.

### ASK ALL

**Q13. What are your initial impressions of Thames Water's idea?**

**OPEN TEXT BOX.**

### ASK ALL

**Q14. Before this survey were you aware that Thames Water currently give financial support to customers who are financially vulnerable (those on a low income, or in financial difficulties and struggling to afford their water bill)?**

**SINGLE CODE. DO NOT READ OUT**

1. Yes
2. No
3. Not sure

**Q15. Are you currently on Thames Water's discounted tariff, called WaterHelp, where you get 50% off your bill?**

**SINGLE CODE. DO NOT READ OUT**

1. Yes
2. No
3. Not sure

### ASK ALL

**Q16. Based on what we've told you so far about Thames Water's proposal for a new water-use based tariff where higher bills for the highest users of water would help to fund the discounted tariff for low income customers - would you support or oppose this new water-use tariff idea?**

**SINGLE CODE. DO NOT READ OUT**

1. I support
2. I oppose
3. I don't mind
4. Don't know

**[SHOW TEXT ON NEW SCREEN WITH TIME DELAY [15 SECONDS] TO ENSURE RESPONDENTS FULLY READ THE INFORMATION BEFORE BEING ABLE TO CLICK THROUGH TO THE NEXT SCREEN]. READ OUT for telephone interviews**

Some more details on Thames Water's proposal:

By 2030 it is likely that over 390,000 households in the Thames Water region will experience financial difficulties. Thames Water aims to support 90% of these with the discounted tariff, but the existing cross-subsidy from all customers will only support two thirds of these.

## VERVE



To meet the shortfall, instead of requiring all customers to help, Thames Water propose to require the highest users of water - which are around 1 in 12 of all metered customers - to pay more for their high water use, which would be used to further subsidise the discounted tariff for customers in financial difficulty.

**[SHOW TEXT ON NEW SCREEN WITH TIME DELAY [15 SECONDS] TO ENSURE RESPONDENTS FULLY READ THE INFORMATION BEFORE BEING ABLE TO CLICK THROUGH TO THE NEXT SCREEN]. READ OUT for telephone interviews**

Here's a bit more information about what this new tariff could mean to customers based on their water usage:

- On average, households use 343 litres of water per day, this is the equivalent of filling a bath 4 times in a day. With this average usage customers would see annual bills drop by £17
- Bills would still be lower for any customer using up to a third more water than the average – so in total over three quarters of customers would see bills fall with this new water-use tariff
- Only households using over double the average amount of water would be classified as very high water users and they would be charged around 60% more on their bill on average, that would be an increase of £755 on average
  - Part of this extra cost for very high users would be used to fund the shortfall on the cross-subsidy for the discounted tariff
    - This would be instead of the shortfall being spread evenly across all customers, paying an extra £15 cross-subsidy each (on top of the existing £22 cross-subsidy that all customers contribute to the discounted tariff)
  - The other part of the extra cost for very high users would balance out the lower costs for those using lower amounts of water
  - Thames Water would not profit from this proposed new approach to billing based on water usage
  - Customers ending up with higher bills could reduce them in future by using less water
- For those who are very high water users
  - Less than 1% would see their bills more than doubling. Increased bills would never be more than two and a half times the current cost
  - Vulnerable customers with a very high water use due to medical requirements or a very large family would be protected. They would not be charged the very high use tariff and would continue to benefit from a capped tariff

**NOTE TO SCRIPTER: Use Ready Reckoner to input cost of their current bill from Q6. AND if they are currently on social tariff from Q15. If exact figure is not given, use averages from HV1**

**NOTE TO CATI: Use Ready Reckoner to input cost of their current bill stated at Q6 AND if they are currently on social tariff from Q15. If an exact figure wasn't given, use averages from HV1 instead.**

**NEW SCREEN, ASK ALL**

# VERVE



## What does this mean for you and your bill?

The following question assesses your support or opposition for this proposed new approach to funding the shortfall in the discounted tariff, your answers do not automatically opt you in or out of the new water-use tariff. Please remember, the discounted tariff will still be mainly funded as part of all customers' bills as currently.

Based on what we've told you and based on your current bill which you told us was [Answer to Q6/HV1], this new water-use tariff would likely [INCREASE/DECREASE– based on RTB Ready Reckoner Jul23] your bill to approximately [INSERT COST - based on RTB Ready Reckoner Jul23].

Therefore, [INSERT SOCIAL TARIFF COST - based on RTB Ready Reckoner Jul23] of this would contribute towards the shortfall for the discounted tariff, which would support 150,000 extra customers in financial difficulty. If you are shown £0 that means you are not classified as a very high water user - only very high water users would contribute to the shortfall.

[IF COSTS PULLED FROM AVERAGE @ HV1] This cost is based on the mid-point for the cost bracket you selected earlier, and is therefore an approximation, not an exact figure.

Q17. With this in mind, do you support or oppose this new water-use tariff:

### SINGLE CODE. CROSSBREAKS

1. I support
2. I oppose
3. I don't mind
4. Don't know

Q18. Is your answer based on any of the following reasons?

[MULTIPLE ANSWERS ALLOWED]

1. The changes to my own bill
2. The changes to the funding of the discounted tariff for customers in financial difficulty
3. The incentive for customers to use less water
4. Another reason (please state) [OPEN]

### THANK YOU SCREEN AND CLOSE [ONLINE]

That's all for today! Thank you so much for taking the time to complete this survey, we appreciate your feedback.

Did you know that you can get help from Thames Water regarding specific requirements to do with your water service, including help with paying your water bill? For more information click on the link below <<https://www.thameswater.co.uk/Help-and-Advice/Customer-Commitment/Priority-services>> or visit the Thames Water website. Alternatively, you can call Thames Water on 0800 009 3652 (lines are open from 8am to 5pm, Monday to Friday) or email them at: [ecs@thameswater.co.uk](mailto:ecs@thameswater.co.uk)

# VERVE



END TEXT [CATI]: Thanks for your time today, that's all the questions we have. We really appreciate your feedback.

Your answers and any personal information are handled in line with current data protection laws and treated in the strictest of confidence. For further information on how we handle your data and to find out more about your rights, I could provide you with our privacy policy and that of Verve Partners, would you like to make a note of these?

<https://www.addverve.com/privacy-policy>

Would you like any further information about additional help that Thames Water provide?

IF YES: You can get help from Thames Water regarding specific requirements to do with your water service, including help with paying your water bill. For more information go to: <<https://www.thameswater.co.uk/Help-and-Advice/Customer-Commitment/Priority-services>> or visit the Thames Water website. Alternatively, you can call Thames Water on 0800 009 3652 (lines are open from 8am to 5pm, Monday to Friday) or email them at: [ecs@thameswater.co.uk](mailto:ecs@thameswater.co.uk)