Document reference:
TW-CSE-A1

What customers want.

A consolidation of our customer research and insight

Version 13 – March 2019

Customer Strategy & Insight, Customer Experience

Understanding What Customers Want.

To ensure our plans and strategies deliver what customers want, we periodically consolidate what we know about their needs and expectations in our **What Customers Want** document. It provides a consistent and robust evidence base on which to base our decision making. We have engaged with 1,167,021 customers since 2015 to provide the insights for What Customers Want - 182,784 of these were since the previous version of WCW (v12 in August 2018).

Customer evidence gathering	Synthesis and triangulation	Insight and action
We collect a wide-range of evidence through customer research & consultation and the analysis of operational data. Customer views are informed by different perspectives and captured through a range of mechanisms, including: • Day-to-day perspectives • Experience of service interactions • Prompted views through wider conversations	We have developed an insight framework around which we gather and triangulate customer evidence. Each new piece of evidence is evaluated and consolidated with what we already know using a step-wise methodology.	We document the outcome of the triangulation of customer evidence in the What Customers Want report – now on version 13 (WCW13). Customers' needs and expectations are summarised in five long-term priorities or 'outcomes'. Under each outcome there are a number of key customer messages. We also provide insights on customer journeys and segments. The insights inform numerous strategies, plans and decision-making audiences: • Current customer experience improvement • Future customer experience strategy and planning

See Appendix A2: *Engaging and delivering for our customers*, *Customer research and sampling approach* (TSD018) and library of *Customer research, consultation and data analysis reports* (Sept 18: TSD019; April 19: TW-CSE-A3) for full explanation of evidence gathering activities

See *What Customers Want triangulation methodology* (CSD017) for full explanation of approach

For brevity we sometimes use the shorthand 'WCW' for What Customers Want

What Customers Want document structure.

5 high-level outcomes and 42 customer messages	Customer segments and regional perspective	Iteratively testing our emerging business plan proposals
Deliver an effortless customer experience: proactive, personal, effortless, dependable, transparent; plus journeys, channels and retail services **Deliver a safe and dependable water service:** reliable system, water quality, constant supply, pressure, hard water, leaks **Deliver a safe and dependable wastewater service:** reliable system, sewer flooding, blockages **Plan for the future:** resilience, water resources, water efficiency, sewerage capacity, responsible sewer use, hazards **Be a responsible company:** affordable bills, vulnerable customers, environment, local communities, ethical & transparent company	• Wastewater-only • Combined service metered and unmeasured • Tenants and landlords • Customers in vulnerable circumstances (see message 33) • Future customers • Non-household retailers • Non-household end-consumers • Developer customers • Sludge customers • Similarities and differences across the region	• **November 2016:** Outcomes conversation • **May-July 2017:** Local and scenarios conversation • **September 2017:** Interim acceptability testing • **February-April 2018:** Detailed plan consultation • **February-April 2018:** WRMP consultation • **June 2018:** Performance Commitments (PCs) and Outcome Delivery Incentives (ODIs) research • **August 2018:** Final acceptability testing Testing following September 2018 business plan submission: • **October-November 2018:** Further consultation on draft WRMP • **January-February 2019:** Further PCs and ODIs research • **March 2019:** Final acceptability testing

How the customer messages work.

Each of the 42 customer messages is covered in more detail in the main body of the report, arranged around the 5 customer outcomes.

One-line version of the message, with message number

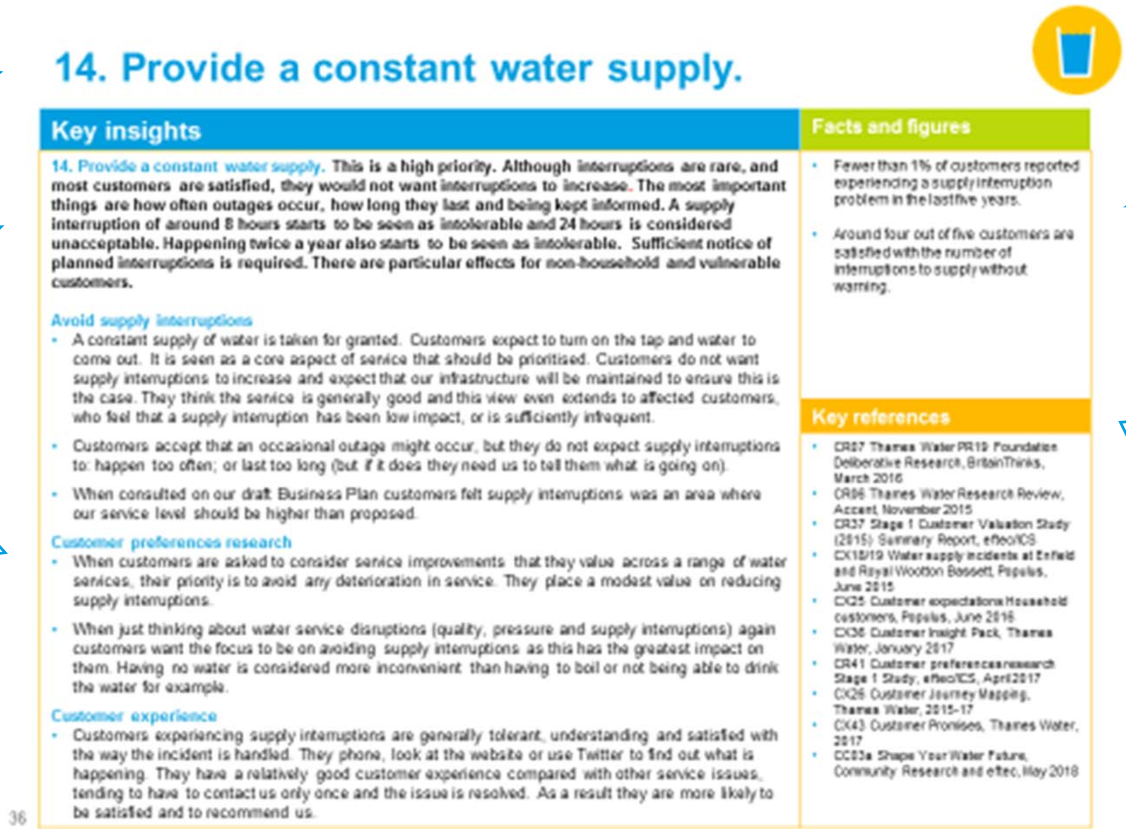
The one-paragraph version of the message in bold

Elaboration on the message, usually from a number of different perspectives

Corresponding customer outcome icon

Illustrative facts and figures

A list of source evidence. Each report is identified by a unique code and can be found in the Customer research, consultation and operational data analysis reports (Sept 18:TSD019; Apr 19: TW-CSE-A3)



14. Provide a constant water supply.

Key insights

14. Provide a constant water supply. This is a high priority. Although interruptions are rare, and most customers are satisfied, they would not want interruptions to increase. The most important things are how often outages occur, how long they last and being kept informed. A supply interruption of around 8 hours starts to be seen as intolerable and 24 hours is considered unacceptable. Happening twice a year also starts to be seen as intolerable. Sufficient notice of planned interruptions is required. There are particular effects for non-household and vulnerable customers.

Avoid supply interruptions

- A constant supply of water is taken for granted. Customers expect to turn on the tap and water to come out. It is seen as a core aspect of service that should be prioritised. Customers do not want supply interruptions to increase and expect that our infrastructure will be maintained to ensure this is the case. They think the service is generally good and this view even extends to affected customers, who feel that a supply interruption has been low impact, or is sufficiently infrequent.
- Customers accept that an occasional outage might occur, but they do not expect supply interruptions to: happen too often; or last too long (but if it does they need us to tell them what is going on).
- When consulted on our draft Business Plan customers felt supply interruptions was an area where our service level should be higher than proposed.

Customer preferences research

- When customers are asked to consider service improvements that they value across a range of water services, their priority is to avoid any deterioration in service. They place a modest value on reducing supply interruptions.
- When just thinking about water service disruptions (quality, pressure and supply interruptions) again customers want the focus to be on avoiding supply interruptions as this has the greatest impact on them. Having no water is considered more inconvenient than having to boil or not being able to drink the water for example.

Customer experience

- Customers experiencing supply interruptions are generally tolerant, understanding and satisfied with the way the incident is handled. They phone, look at the website or use Twitter to find out what is happening. They have a relatively good customer experience compared with other service issues, tending to have to contact us only once and the issue is resolved. As a result they are more likely to be satisfied and to recommend us.

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Facts and figures

- Fewer than 1% of customers reported experiencing a supply interruption problem in the last five years.
- Around four out of five customers are satisfied with the number of interruptions to supply without warning.

Key references

- CR07 Thames Water PR19 Foundation Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Research Review, Accent, November 2015
- CR37 Stage 1 Customer Valuation Study (2015) Summary Report, eftec/ICS
- CX18/19 Water supply incidents at Enfield and Royal Wootton Bassett, Populus, June 2015
- CX25 Customer expectations Household customers, Populus, June 2016
- CX36 Customer Insight Pack, Thames Water, January 2017
- CR41 Customer preferences research Stage 1 Study, eftec/ICS, April 2017
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- CX43 Customer Promises, Thames Water, 2017
- CC03a Shape Your Water Future, Community Research and eftec, May 2018

Version 13: what's new?

This is Version 13 of What Customers Want.

The core customer messages remain the same as v11 and v12.

This version includes additional insight from:

- Our **Final Business Plan Acceptability Testing** survey of 2,248 customers to test customer acceptance of our revised Business Plan (see p119-120).
- Consultation on the revised **Water Resource Management Plan** during October and November 2018. We engaged with more than 1,000 customers and other stakeholders on our Plan including conversations in potentially affected communities in Lechlade, Abingdon and NE London (see p116).
- Engagement with more than 100 customers on our plans for investment to ensure water supply **resilience in North East London** (see p60 and p75).
- Engagement with 96 household customers to further understand views around **PCs and ODIs**, specifically the mains burst target, the incentive rate for per capita consumption of water, using incentives to deal with future issues and uncertainties, the overall package of incentives, the role of enhanced incentive rates. Also 35 customers were asked to consider supply interruptions (see p117-118).
- Insight from our **dry weather event evaluation** confirming a core message that customers want help to use less water and expect guidance from their water company in dry weather (see p65).
- Engagement with more than 80 customers exploring their views on investment to ensure **drought resilience and protection of chalk streams** (see p61 & p77).
- Insight from preliminary **Priority Services Register** research (see p75).

Further versions of What Customers Want will continue to incorporate insights from our ongoing engagement.

Page numbering: *For cross referencing from other PR19 documentation, there are no changes to page numbering since v11 and v12 of What Customers Want apart from new pages which have been added at the end.*

Summary of customer outcomes and messages.

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

Summary of customer messages.

Deliver an effortless customer experience	Deliver a safe and dependable water service	Deliver a safe and dependable wastewater service	Plan for the future	Be a responsible company
Be proactive 1. Maintain the service and prevent failure (p19) 2. Pre-empt customers' needs (p19) *Be personal* 3. Treat customers as individuals (p20) 4. Tailor the service (p20) *Make it effortless* 5. Don't give customers cause to contact (p21) 6. Resolve issues quickly and efficiently (p21) 7. Contacting Thames Water is easy (p21) *Be dependable* 8. Allow customers to take the service for granted (p23) 9. When things go wrong there should be minimal disruption so customers barely notice (p23) *Be transparent* 10. Provide useful, relevant information (p24) 11. Communicate clearly (p24)	12. Maintain the system to ensure reliability (p35) 13. Provide high quality water that is safe to drink (p37) 14. Provide a constant water supply (p39) 15. Fix leaks (they are wasteful and suggest poor maintenance) (p42) 16. Help with leaks on customers' pipes (p45) 17. Provide water at good pressure (p47) 18. Help with hard water issues (p49)	19. Maintain the system to ensure reliability (p51) 20. Reduce the incidence of sewer flooding (p53) 21. Support customers who suffer sewer flooding (p54) 22. Help with blockages in customers' pipes (p57)	23. Ensure long-term resilience (p60) 24. Ensure there is enough water available in the future (p61) 25. Help customers to use less water (p65) 26. Ensure the wastewater system can cope in the future (p66) 27. Help customers prevent sewer blockages (p67) 28. Protect the service against future hazards (p68)	*Affordable bills* 29. Make charges affordable and value for money (p70) 30. Share the cost (p71) 31. Keep bills stable (p73) 32. Support low income customers (p74) 33. Meet the needs of customers in vulnerable circumstances (p75) *Protect and enhance the environment* 34. Improve and protect the quality of rivers (p77) 35. Avoid pollution (p79) 36. Use renewable energy but don't charge extra (p81) *In the local community* 37. Contribute to the local community (p82) 38. Provide access to the environment (p83) 39. Minimise the inconvenience of roadworks (p84) 40. Minimise the impact of our sites (p85) 41. Reduce odour (p86) 42. An ethical and transparent company (p88)

Deliver an effortless customer experience.

1. **Be proactive: maintain the service and prevent failure.** Customers want little interaction with us, in that they appreciate that we appear invisible, they don't have to think about us and the service just works.
2. **Be proactive: pre-empt customers' needs.** Customers expect us to recognise a problem and act on it where possible rather than wait for them to contact us with a problem. If customers do need to contact us they expect us to be proactive to prevent issues escalating.
3. **Be personal: treat customers as individuals.** Be friendly and empathetic and ensure customers are valued. We need to know what has happened to them previously and value their knowledge especially when issues reoccur. Vulnerable customers in particular can have specific needs that require a personal response.
4. **Be personal: tailor the service.** Customers want personalised services and information. Different types of customers (e.g. businesses, those on meters, vulnerable customers) have different expectations and require a service tailored to their needs.
5. **Make it effortless: don't give customers cause to contact Thames.** Customers want an effortless service, where there is no need for much contact.
6. **Make it effortless: resolve issues quickly and efficiently.** Preferably with just one contact, or at the time of investigation, by knowledgeable staff. If it is not possible to resolve with one contact, they expect clear next steps and timelines, and a dedicated point of contact where possible.
7. **Make it effortless: contacting Thames Water is easy.** Customers can easily contact Thames if they need to by the channel of their choice.
8. **Be dependable: allow customers to take the service for granted.** We provide a service customers don't need to worry about but, when required, we help them and treat them well.
9. **Be dependable: when things go wrong there should be minimal disruption so customers should barely notice.** If this isn't possible, customers want us to understand the issue, tell them what we are going to do and deliver on that promise.
10. **Be transparent: provide useful, relevant information.** Customers seek little interaction with us. Demand for non-functional information is low, though should be accessible if required and they do want helpful and relevant information.
11. **Be transparent: communicate clearly.** Who is responsible, what we are doing, what happens next and confirmation of closure.

Deliver a safe and dependable water service (1 of 2).

12. **Maintain the system to ensure reliability (water).** Customers want to rely on water coming out of the tap 24/7. They want the system to be proactively monitored, maintained and improved to ensure its reliability. They expect this to happen in the face of more severe challenges that might threaten their water service in the future. Customers place significant weight on maintaining current service levels and there is some appetite for improved levels of service. Customers call for reliability but if things go wrong, they are generally most concerned about the severity, duration and frequency of the problem and there are tipping points where the service starts to become unacceptable.

13. **Provide high quality water that is safe to drink.** Water safety and quality are of great importance to customers and they prioritise keeping the safety and quality of water at a high standard, which includes the replacement of lead pipes. Most customers are satisfied with water quality but some feel the taste, smell and appearance needs to be improved. A significant proportion do not drink tap water, some because of quality or safety concerns. If something goes wrong, customers consider having no water at all to be more inconvenient than having water that they cannot drink but can use for other things or having water that they have to boil.

14. **Provide a constant water supply.** This is a high priority. Although interruptions are rare, and most customers are satisfied, they would not want interruptions to increase. The most important things are how often outages occur, how long they last and being kept informed. A supply interruption of around 8 hours starts to be seen as intolerable and 24 hours is considered unacceptable. Happening twice a year also starts to be seen as intolerable. Sufficient notice of planned interruptions is required. There are particular effects for non-household and vulnerable customers.

15. **Fix leaks: they are wasteful and suggest poor maintenance.** Customers cite leaks as evidence of poor maintenance and call for network improvements. Leakage of treated water is seen as both a waste of money and of an important resource. Customers prioritise reducing leakage (over other resource options) to ensure sufficient supplies. They reluctantly accept it is not cost effective to fix some leaks but most feel the current leakage level is too high. Customers expect an ambitious step-change reduction in leakage. Thames Water must work towards being more in line with others in the sector. Customers consider a reduction to a leakage level of around 15% to be acceptable. They recognise that traffic disruption and cost may limit what is possible in the short term. When thinking about different aspects of the water service in the round, customers place significant weight on maintaining service levels. There is some appetite for improvements in water services, including reducing the level of leakage. Cost is important but not the only consideration. They want visible leaks fixed more promptly, within one or two days.

Deliver a safe and dependable water service (2 of 2).

16. **Help with leaks on customers' pipes.** Customers generally assume leaks at their property are their responsibility, but some are unaware or unsure particularly about responsibility for leaks on the supply pipe. It is a grey area and they would appreciate clarity on responsibilities. They appreciate any help we may offer, even if after investigation it transpires the leak is their responsibility. Customers call for a better customer experience, with proactive monitoring and alerts.

17. **Provide water at good pressure.** Most customers are satisfied. They expect us to monitor and maintain pressure and see chronic ongoing low pressure as unacceptable. They consider pressure starts to become unacceptable if it takes around four times as long to fill a sink; happens more twice a year or more or lasts around eight hours or more. They would not want measures to improve pressure to adversely affect leakage or supply interruptions.

18. **Help with hard water issues.** Most customers are satisfied with hardness levels but they find it inconvenient and don’t understand its cause. While they do not support softening water centrally, they would welcome service improvements in the form of information (including the health benefits and disbenefits of hard and soft water), advice on how to deal with hard water problems and product endorsement.

Deliver a safe and dependable wastewater service.

19. **Maintain the system to ensure reliability (wastewater).** Customers want to rely on wastewater being taken away 24/7. They want the system to be proactively monitored, maintained and improved to ensure its reliability. They expect this to happen in the face of more severe challenges that might threaten their wastewater service in the future. Customers place significant weight on maintaining current service levels and there is some appetite for improved levels of service.

20. **Reduce the incidence of sewer flooding.** Few customers have experienced sewer flooding but see it as a very serious issue, particularly inside homes. They want investment to reduce the incidence of sewer flooding - this is the highest priority wastewater service. They say solutions should be driven by reducing the number of properties at risk of internal flooding.

21. **Support customers who suffer sewer flooding.** Customers consider sewer flooding a distressing and unacceptable failure of service, particularly when inside customers' properties. Those who have experienced recurring issues expect more to be done to prevent it. Customers expect this to be a high priority with very prompt attendance and resolution as well as empathetic service and good communications.

22. **Help with blockages in customers' pipes.** Most customers assume blockages on their pipes are their responsibility, though for some it is a grey area and would appreciate clarity, particularly when caused by other properties in the street. They appreciate any help we may offer, even if after investigation it transpires it is their responsibility. Customers living in blockage prone areas call for a better customer experience, where resolution and communication are more effective. Blockages lasting more than 24 hours, or happening twice a year or more, are seen as unacceptable.

Plan for the future.

23. **Ensure long-term resilience.** Customers have clearly articulated the service they expect from us and how this should be maintained (see messages 1, 5, 6, 7, 8, 9, 12, 13, 14, 15, 17, 19, 20, 21, 34 and 35 among others) and they expect us to plan for this service to be resilient in the long-term. They want it to meet future challenges including changes in weather and any consequent increase in flooding or drought; increased demand driven by population growth, household changes or changing customer expectations; and challenges such as cyber-crime and terrorism.

24. **Ensure there is enough water available in the future.** Most customers are unaware of the challenges to ensuring future water supplies. When understood they want plans to ensure sufficient supply to meet future demand. They also support best value planning taking account of a range of factors such as the environment, deliverability, flexibility and not just cost. Overall there is a preference for using what we already have more efficiently and effectively before we look for new sources. This means fixing more leaks and managing demand. They are supportive of help to be more water efficient, as well as reducing leakage, and have expressed preference for some new supply options over others to meet future demand. They also see metering as a fair way of paying for water, reducing consumption and helping customers manage their usage.

25. **Help customers use less water.** Few are aware that demand is projected to exceed supply. They call for greater efforts to increase awareness and help customers be more water efficient. They are supportive of education through schools and information, advice, advertising and ‘freebies’ to help customers understand the need and reduce their consumption. Where campaigns have taken place, customers’ awareness and understanding of the issue and their use of water saving devices has increased and reported water consumption has decreased.

26. **Ensure the wastewater system can cope in the future.** Customers want us to ensure there is a resilient wastewater service into the future, to meet increased demand and changing weather patterns. They are positive about measures such as the creation of wetlands but say that solutions that will best cope with increased demand are more important than the options themselves. When the reasons for the Thames Tideway Tunnel are explained to customers there is a much higher level of support than opposition for the project.

27. **Help customers prevent sewer blockages.** Customers consider it a priority to be educated about what can and cannot be put into sewers and feel we should directly engage with customers to understand the consequences of their actions and help them behave responsibly. They are supportive of education programmes in schools. Our Bin it Don’t Block it campaigns have been shown to increase customer awareness and change reported behaviour. Customers expect us to work closely with manufacturers to make it clear what can and cannot be flushed away and in the development of sewer-friendly products.

28. **Protect the service against future hazards.** Customers expect us to protect against severe hazards that may be increasingly likely in the future such as weather, terrorism and cyber-crime. They think about the impact the hazard would have on services, rather than the hazard itself and would not want services to deteriorate.

Be a responsible company (1 of 2).

29. **Affordable bills: make charges affordable and value for money.** Most of our customers think water charges are affordable and are satisfied that the service offers value for money. A large minority of customers feel they struggle to pay their bills but only a few get financial support with their water bill. Financial assistance is appreciated by those who receive it but they suggest we could be more proactive at an earlier stage.

30. **Affordable bills: share the cost**. Everyone should contribute. Each generation benefits from past investment and so should expect to do the same for future generations. Costs should also be shared across the region.

31. **Affordable bills: keep bills stable.** Customers value consistency in bill levels with stability or smooth changes.

32. **Affordable bills: support low income customers.** Most customers accept paying some extra on their bill to support a discounted tariff for low income customers. They welcome our other forms of financial assistance and urge us to better promote all our schemes to eligible customers.

33. **Meet the needs of customers in vulnerable circumstances.** Some customers are in vulnerable circumstances where they require a greater level or different type of support that is understanding of and appropriate to their needs.

34. **Protect and enhance the environment: improve and protect the quality of rivers.** Rivers are important to customers and something many use. The majority are satisfied with the quality of river habitats and rate them as good or moderate. They value improving river water quality. Rivers start to be seen as unacceptable when they are slow flowing, unclear and slightly stagnant and when this goes on for a month or more.

35. **Protect and enhance the environment: avoid pollution.** Rivers are important to customers and they value reducing pollution incidents as the natural environment is important to them. Customers are to some extent forgiving of a one-off pollution incident as long as the environment can be restored. They do not expect to see incidents happening more frequently. Pollution incidents start to be seen as unacceptable when fish die or when untreated sewage is visible and smelly.

36. **Protect and enhance the environment: use renewable energy but don't charge me extra.** The majority of the public support the use of renewable energy. When considering new water resource options, customers tend to value those that use renewable energy more highly. Evidence from the energy sector suggests that while customers show notable concern about climate change they have weak appetite overall for compromising on energy use or price to support green commitments.

Be a responsible company (2 of 2).

37. **In the community: contribute to the local community.** Where we have a presence in local communities, customers do not necessarily expect us to do more than minimise the impact of our sites. They would though welcome more such as jobs and apprenticeships for local people, involvement in local issues, community investment programmes and access to sites for recreation.

38. **In the community: provide access to the environment.** Customers say the natural environment is important to them – and river environments are a key part of this. They improve quality of life and access is valued for providing places to relax, exercise and spend time with family. They would like to see more access to local sites for recreation purposes.

39. **In the community: minimise the inconvenience of roadworks.** Roadworks by utility companies and highway authorities are seen as an inconvenience and disruptive to customers' daily lives. Customers do, however, recognise the need for roadworks for the maintenance and upgrading of infrastructure. Where roadworks occur, customers want planning, advance warning, co-ordination with other utilities/highway authorities to avoid digging up the road repeatedly, working at times which minimise inconvenience, speedy completion and information about what roadworks are for and how long they will last.

40. **In the community: minimise the impact of our sites.** Customers who live near our sites expect us to keep the impact on their local neighbourhood to a minimum. Those living near sewage treatment works are more likely to notice some impacts compared with water treatment works, for example. They expect, at a minimum, low levels of disruption; for Thames to take responsibility for any incidents that do happen; hidden, well maintained sites and respectful staff and contractors.

41. **In the community: reduce odour.** Overall, odour is not seen as a major problem as it affects relatively few people but there is support for some investment in measures to reduce odour. Most have rarely noticed the problem and assume the way we manage odour is good. Where it does occur, the severity of the smell is the most important factor, particularly if it penetrates inside the home. We should minimise the impact of odour and keep affected customers informed about what is happening and what we are doing to rectify it.

42. **An ethical and transparent company.** Some customers express concerns about the privately-owned, profit making and monopoly status of Thames Water. As a public service provider, they want to feel the company cares for its customers and is not only motivated by profit. Customers would like us to demonstrate transparency about the company's finances, including shareholder investment and profits, and how customers' money is spent. They also wish to understand how their interests are protected by the regulator. Customers expect Thames Water, as a large company, to be undertaking a number of corporate responsibility activities including donating to charity and educational programmes. These are in addition to local neighbourhood activities such as providing access to sites and community investment programmes for environmental enhancement and educational outreach.

What customers want: our five outcomes.

Click on the image to hear our customers' views in their own words (use slide show view in PowerPoint).

What customers want: customer messages video wall.

Throughout our engagement we have captured what customers say they want in their own words. Each of the key customer messages is articulated by customers themselves in the What Customers Want 'video wall'. Please click on the image below (use slide show view in PowerPoint).

Deliver an effortless customer experience.

1. **Be proactive: maintain the service and prevent failure.**
2. **Be proactive: pre-empt customers' needs**.
3. **Be personal: treat customers as individuals.**
4. **Be personal: tailor the service**.
5. **Make it effortless: don't give customers cause to contact Thames**.
6. **Make it effortless: resolve issues quickly and efficiently**.
7. **Make it effortless: contacting Thames Water is easy.**
8. **Be dependable: allow customers to take the service for granted**.
9. **Be dependable: when things go wrong there should be minimal disruption so customers should barely notice**.
10. **Be transparent: provide useful, relevant information.**
11. **Be transparent: communicate clearly.**

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

Brand positioning and attributes.

Our brand is how customers see, experience and perceive our company. It is built on the product we offer, the service we deliver and the image created.

Customers told us their expectations and brand attributes were developed that aim to put into action a brand that meets their needs.

How it feels for our customers

Dependable
"Constant, reliable"

Personal
"Treat me as an individual"

Thames Water

Customers want us to be
refreshingly clear
in everything we do and say

Effortless
"Hassle-free"

Proactive
"Pre-empt my needs"

Transparent
"Open and honest"

Detailed brand development and performance insights are available

1. Be proactive: maintain the service and prevent failure.
2. Be proactive: pre-empt customers' needs.

1. Be proactive: maintain the service and prevent failure. Customers want little interaction with us, in that they appreciate that we appear invisible, they don't have to think about us and the service just works.

- Customers want little interaction with us. They appreciate that we are invisible and the service just works. Customers expect us to be proactive in maintaining the system and preventing service failure.

2. Be proactive: pre-empt customers' needs. Customers expect us to recognise a problem and act on it where possible rather than wait for them to contact us with a problem. If customers do need to contact us they expect us to be proactive to prevent issues escalating.

- If an issue arises, customers want us to contact them rather than wait for them to contact us.
- If customers do need to contact us they want us to be pre-emptive and proactive upfront in order to prevent issues escalating.
- During a customer journey, from initial contact to confirmation, they call for us to anticipate any problem and proactively respond.

Examples of how we can be proactive.

- Monitor consumption and notify customers about unusual usage before they get their bill.
- Spot leaks and fix them.
- Directly notify customers about unexpected loss of supply or other service failures – and provide updates when we have specific useful information.
- Where a supply interruption is planned, tell customers what is going on and give sufficient notice.
- Be proactive and let customers know what is happening if water pressure is low.
- When appropriate, give advice and information to help customers avoid debt.
- Provide advice and information about hard water and how to deal with it.

Being proactive is recognised in our analysis of future trends. Customers expect Thames Water to use, for example, sensors in pipes, smart metering and social media to deliver a service that prevents problems arising and reliably and securely pre-empts customers' needs.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CX06 Brand interactions, Populus, 2015
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- CR20 Future Trends Output for planning, Thames Water/ Foresight Factory, December 2017
- EX14 ICS service trends, Institute of Customer Service, December 2017

3: Be personal: treat customers as individuals.
4. Be personal: tailor the service.

3. Be personal: treat customers as individuals. Be friendly and empathetic and ensure customers are valued. We need to know what has happened to them previously and value their knowledge especially when issues reoccur. Vulnerable customers in particular can have specific needs that require a personal response.

- When customers contact us they want us to be friendly and empathetic and to make them feel valued.
- Where they have recurring issues they need to feel like we know them and, when they talk to us, they expect us to know what has happened to them before.

Examples of how we can treat customers as individuals.

- Customers who have experienced a high bill tell us they expect us to know their usage and notice unexpected changes.
- If customers should experience sewer flooding they expect us to offer sympathy and reassurance and treat them as individuals, especially where the problem is ongoing or recurring.
- Where customers have experienced blockages, personal interaction appears to create a more positive experience.
- If drinking water was contaminated customers say they would want direct contact for reassurance.
- Developers can have complex requirements and require a personal collaborative relationship with us.

Exploration of future trends suggests that customers will increasingly want to take control to receive a personalised service that meets their needs; delivers data driven personalised improvements and localised information and communications. There is a trend towards increasingly, complex multi-generational households where more personalised billing may be wanted. There is a growing expectation that organisations need to be proactive in safeguarding the interests and well-being of all their customers, including vulnerable customers.

4. Be personal: tailor the service. Customers want personalised services and information. Different types of customers (e.g. businesses, those on meters, vulnerable customers) have different expectations and require a service tailored to their needs.

- Customers want personalised services such as updates and information about their water use, or additional features and services that are targeted at them.
- Different types of customers such as businesses, those on meters and vulnerable customers can have different expectations and require contact that is personal or tailored to their needs.

Examples of how customers say we can tailor the service.

- Vulnerable customers, such as those with particular health needs, expect us to understand and respond to their specific needs.
- Business customers and developers have distinct needs and call for tailored services.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- 8CX04 NPS Brand Tracker, Populus, 2015-19
- CX06 Brand interactions, Populus, 2015
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- EX14 ICS service trends, Institute of Customer Service, December 2017

5. Make it effortless: don’t give customers cause to contact us.
6. Make it effortless: resolve issues quickly and efficiently.
7. Make it effortless: contacting Thames Water is easy.

5. Make it effortless: don't give customers cause to contact Thames. Customers want an effortless service, where there is no need for much contact.

- Customers are looking for an effortless service where they do not have to contact us.
- They do not expect much contact from us day to day, but want accessible information when they need it.

6. Make it effortless: resolve issues quickly and efficiently. Preferably with just one contact, or at the time of investigation, by knowledgeable staff. If it is not possible to resolve with one contact, they expect clear next steps and timelines, and a dedicated point of contact where possible.

- If customers have an issue, they want it resolved as quickly as possible, preferably with just one contact, or at the time of investigation.
- If it is not possible to resolve with one contact, they expect clear next steps and timelines.

7. Make it effortless: contacting Thames Water is easy. Customers can easily contact Thames if they need to by the channel of their choice

- Customers want to be able to contact us easily by the channel of their choice.
- Although phone remains the main way customers want to get in touch, they are using digital channels increasingly, including online, social media and live chat and they want these to be available to make their experience effortless. We know that during times of crisis, such as flooding, making contact as easy as possible is crucial for minimising impact.
- There is lower, but increasing, awareness among wastewater only customers that they are our customers, making it difficult to get in touch if they don’t know who to contact.

5. Make it effortless: don't give customers cause to contact us.
6. Make it effortless: resolve issues quickly and efficiently.
7. Make it effortless: contacting Thames Water is easy.

Examples of how we can make it effortless.

- Paying by direct debit and not having to give their bill much attention.
- Having knowledgeable staff who can answer their queries.
- Having straightforward trackable processes.
- Contact by Twitter and Facebook.
- Informing wastewater only customers about who is responsible for what and who they should get in touch with.
- Answering the phone promptly when customers call.

Looking at future trends suggests that customers will increasingly want to make their lives effortless by taking **control** through the use of connected devices, including through the efficient and remote management of their homes. More customers are likely to want to pay their bill via an app; have access to service or event specific contact details and control water using devices remotely to make their experience increasingly effortless. There is also a trend towards greater **speed and efficiency** with many customers expecting a completely competent functional service that is efficient, immediate and often delivered via mobile.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CX06 Brand interactions, Populus, 2015
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017

8. Be dependable: allow customers to take the service for granted.
9. Be dependable: when things go wrong there should be minimal disruption so customers should barely notice.

8. Be dependable: allow customers to take the service for granted. We provide a service customers don't need to worry about but, when required, we help them and treat them well.

Customers are looking for a trusted, dependable service that they don't need (or want) to worry about but that helps them and treats them well when required.

9. Be dependable: when things go wrong there should be minimal disruption so customers should barely notice. If this isn't possible, customers want us to understand the issue, tell them what we are going to do and deliver on that promise.

- If something goes wrong, customers should barely notice it.
- If this isn't possible, customers want us to understand the issue, tell them what we are going to do and deliver on that promise.

Examples of how we can be dependable.

- Let customers 'just turn the tap on and water comes out' and not have to think about us.
- Give customers confidence that any interaction or problem will be resolved.
- If incidents occur, ensure our response is organised and reassures customers.

UKCSI customer satisfaction performance research affirms that, across industries, customers' most important stated priorities are for product/service reliability and quality, employee competence, attitude and helpfulness. In addition, a range of emotional and relationship needs are strongly linked to overall customer satisfaction. They include feeling reassured, expectations consistently being met, promises being kept, trust and perceived reputation.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CX06 Brand interactions, Populus, 2015
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- *EX22 UK Customer Satisfaction Index, UKCSI, January 2019

10. Be transparent: provide useful relevant information.
11. Be transparent: communicate clearly.

10. Be transparent: provide useful, relevant information. Customers seek little interaction with us. Demand for non-functional information is low, though should be accessible if required and they do want helpful and relevant information.

- Utilities are seen as a necessity, and customers seek little interaction with us, but they do want information that is relevant or helpful to them. We need to ensure communications are relevant and valuable.
- Customers are reluctant to engage with information or activities outside of their functional needs.
- Demand for non-functional information, such as our service levels, performance reporting and corporate & financial information, is low but customers nonetheless feel it should be easily accessible and digestible if required. Topics that customers care about should be highlighted (such as the environment and what their bills are being spent on) and the role of the regulator in setting and monitoring targets should be explained.
- More general topics like community and environment can sometimes be considered low interest where they are relatively abstract. ‘Localising’ this information can increase interest, but we are competing with a myriad of other customer information needs and getting into customers’ priority repertoire is a challenge
- **11. Be transparent: communicate clearly. Who is responsible, what we are doing, what happens next and confirmation of closure.**
- When customers interact with us, they want us to clarify who is responsible for what and not to over-promise. They want clear communications about what we have done, what we are doing and what happens next and they want us to confirm closure.

Examples of how we can be transparent.

- For some there is a lack of clarity on who is responsible for leaks and blockages on customers pipes and they would appreciate greater transparency.
- An error on a customer’s bill is seen as quite a serious issue. Customers want the process of querying an error to be made as simple as possible by, for example, providing a reference number to allow progress to be tracked.
- Customers can find their bill confusing, especially rateable values or usage measured in cubic metres. They want this to be easier to understand and more transparent.

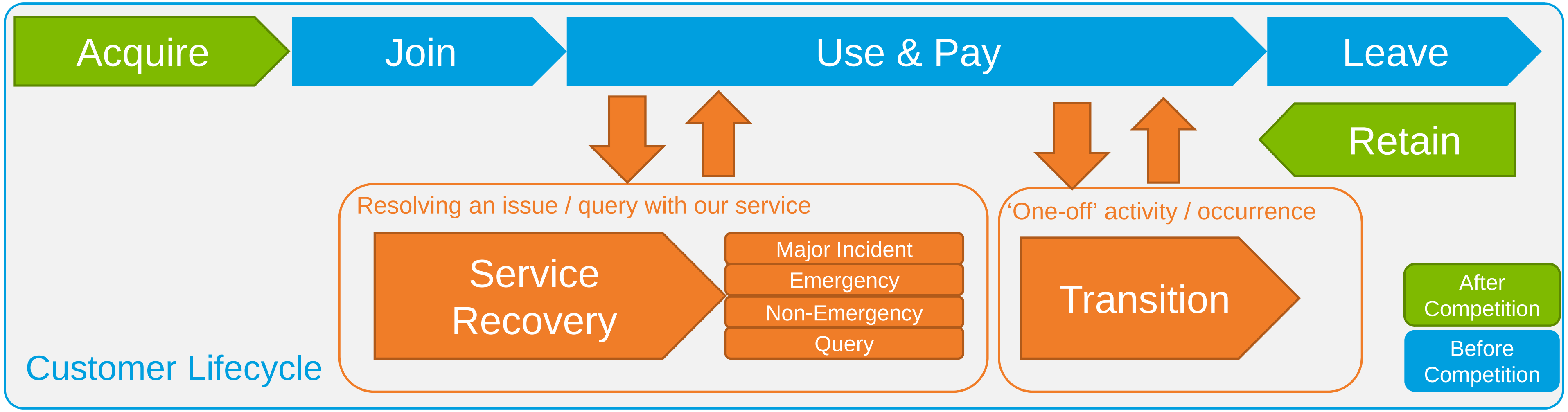
Exploration of future trends suggests that customers are increasingly looking for authenticity. In practice this means greater transparency and sharing such as clearly showing customers what their bill is comprised of and that it represents value for money. ‘Doing the right thing’ will be seen as a fundamental approach to the way a company operates.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CX06 Brand interactions, Populus, 2015
- CX26 Customer Journey Mapping, Thames Water, 2015-17
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- EX14 ICS service trends, Institute of Customer Service, December 2017
- CR05 Performance Information Provision, BritainThinks, September 2015
- CR11b Annual performance report, online community task, BritainThinks, May 2016
- CR66 Corporate and Financial Responsibility, BritainThinks, July 2018

Customer lifecycle and journeys.

The customer lifecycle is important for understanding how customers experience our service and what they want. They join, use and pay for the service and leave. They interact with us through this lifecycle on a number of different journeys. These journeys may also impact each other.



Journey details:

Green journeys reviewed by Journey Design team

Join

- I'm moving into TW area (*new customer*)

Leave

- I'm closing an account (*moving or passed away*)
- I'm switching Retailer

Use & Pay

- I use TW services' (turn on the tap / flush the loo) and pay my bill # +
- I need to update my details (*name / acc. holder change or address change due to moving within TW*)
- I can't / won't pay (*affordability / debt recovery)*

\# Includes providing TW core services (healthy & reliable drinking water; treating & recycling waste water). Plus operating & maintaining TW assets as BAU (above / below ground)

\+ Includes building awareness of the brand, plus targeted marketing campaigns (*Weff, BIDBI, etc*)

Service Recovery

Water

- I can see a leak
- I've no water
- I've been flooded
- I've got a leak at my home/business
- I've low / high pressure
- I need to turn off my water
- Your manhole / kit needs fixing
- I've a query about my WQ
- I've an issue with your works / site (*noise etc*)

Waste

- I've been flooded
- I can't flush my loo / use my garden (*blockage / / smell)*
- I can see a pollution
- Your manhole / kit needs fixing
- I've an issue with your works / site (*noise, smell, flies etc)*

Revenue

- I've a query about my bill
- I'm due a refund
- I want a copy of my bill

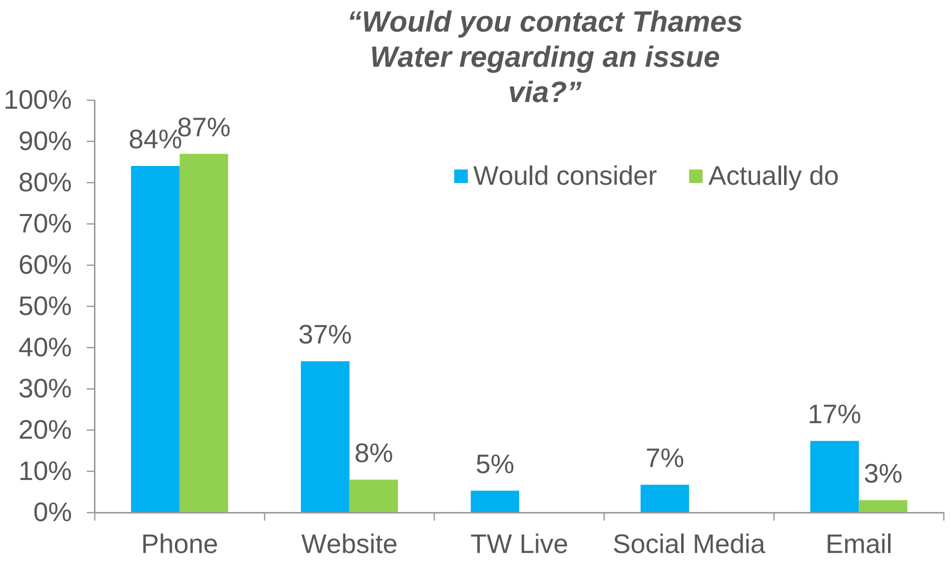
Transition

- I'm switching my tariff (*Smart & Optant metering / Surface Water*)
- You're changing who I pay my water bill to (*LA/HA*)
- I'm doing building work and need your services (*New connections, build over etc*)

Choice of channels.

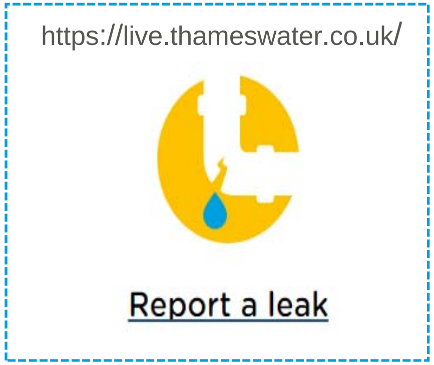
Insight has taught us **customers want choice** when it comes to contact preference. During times of crisis such as flooding, **making contact as easy as possible** is crucial for minimising impact. Telephone is a key method of contact for customers.

> I want to tell you about leaks quickly and easily, the way I want to, and to only do it once.

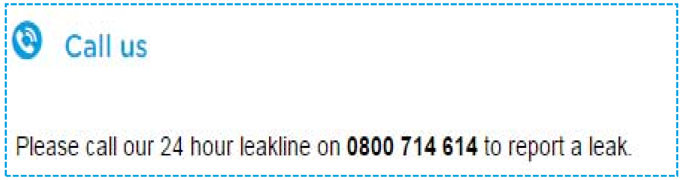


Source: TSD019-CX43 Customer Promises workshop, Thames Water, 2017

Inform us via website, Twitter or Facebook:



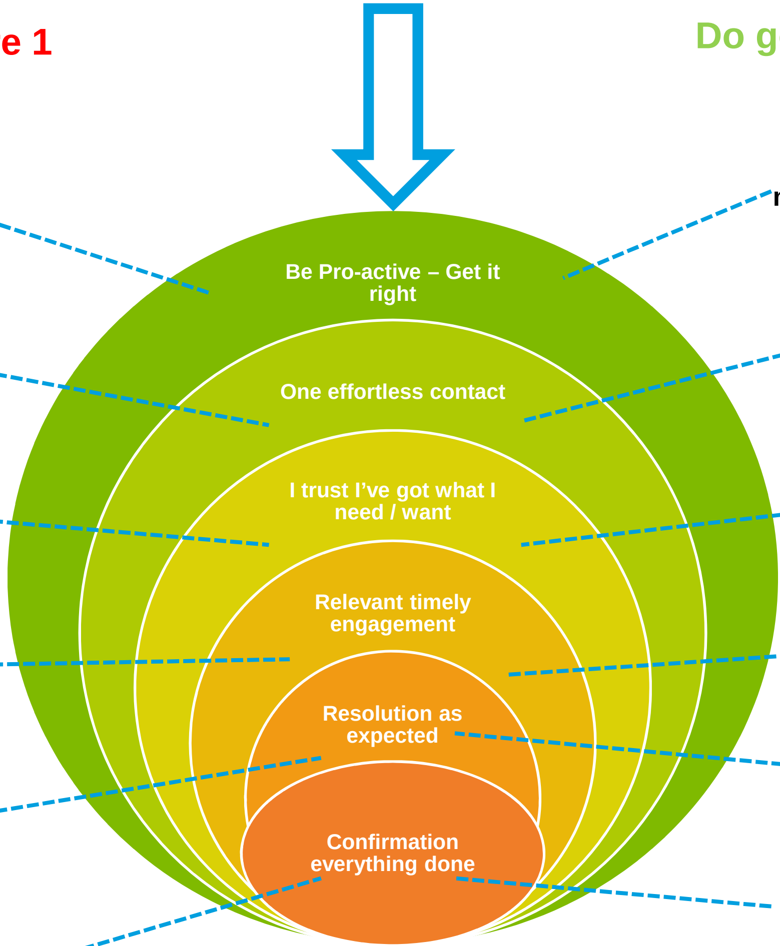
Traditional methods are still valued:



Check your area status online:

Customer experience insights.

When customers need to contact us, what they say, and the scores that they give us in our customer satisfaction monitoring provide key insights into the service that they want. They say be proactive and get it right. They want one effortless contact, transparency and to be able to trust what we say. Customers call for relevant and timely information. They want their problem to be resolved as quickly as possible and confirmation when everything has been done.



Don't get what they want – Score 1

received a bill higher than normal. I was set up for a payment plan of £44 every month but my latest bill was £70.

No Water – Despite **5 phone calls**, 3 engineers attending plus two not showing up. There has been NO resolution.

Wouldn't explain why I had a bill for 12 months despite being a tenant who moves out in 4 months.

The leak is still there / And you **haven't called me to update on progress** as promised.

I gave a 1 because it wasn't cleaned up **there's still sewage all over the path and grass** and around the manhole cover.

Well I still don't know if the job has been done or finished. Still problems with toilet.

Do get what they want - Score 5

He actively listened, **and made the call very easy being proactive** and leading throughout.

They **solved my problem straight away**, and also were very kind. Very good service.

The details were explained to me clearly **and I got the answers I wanted**.

Matt was very helpful and he proactively **gave me a follow up call to update me on status**.

The leak was assessed **within 1h of my call and fixed within 3h**. Excellent service.

Resolved the issue **then endoscoped the pipe after to make sure all was ok.** Couldn't fault the service.

Using our operational evidence.

We constantly explore **issues** using our day-to-day **operational evidence,** such as how often customers call and what they call about, how frontline field staff respond to jobs, why customers complain and what they say on social media. This often leads to new **insights** that drive **actions** for improvement .

Some examples

Issue and operational evidence

We saw **a low level of engagement** in our customer leaks repair programme. Take up was compared with population and property characteristics

Insight

We identified specific **segments** not taking up our help with leaks

Action

We are now targeting & tailoring our **communications** including literature in additional languages to reach those customers where leaks are more prevalent and take up is low

Issue and operational evidence

A **high volume of customer calls were being passed on to other departments** (handoffs). We looked at the reasons for this, how long handoff cases take to resolve and the impact on customer effort.

Insight

We found handoffs **incorrectly assigned.** Handoffs **increase the time taken** to resolve an issue and increase customer **effort.**

Action

To reduce handoffs we are:
Holding **upskilling sessions with** staff
Updating the **knowledge management tool**

Issue and operational evidence

Customer satisfaction scores (CSAT) were lower for **blockage journeys.** We compared CSAT with the volume of blockages cleared, repeat calls and repeat visits.

Insight

CSAT was lower where cases took **longer to resolve,** where **jobs were closed prematurely** and where customers were not kept **informed.**

Action

We introduced a **new process design** to prevent incorrect closing of jobs and **proactive calls** to customers to confirm jobs were resolved

Issue and operationa l evidence

We looked at CSAT for different days of the week and found **customer satisfaction was lower at weekends.** This was compared with attendance by field staff and explored for different journeys.

Insight

Lower levels of initial attendance at weekends cause dissatisfaction (particularly for customers reporting leaks)

Action

We took action to Improve **weekend cover**

Reference: TSD019-CX55 Operational evidence examples, Thames Water, July 2018

Retail services: billing.

Key insights

The main reason customers contact us is to pay their bill, accounting for more than a third of all contacts. Their experience is usually straightforward and they are generally satisfied with the bill paying service. The range of bill paying methods is seen as standard practice and as expected. Customers want an effortless billing service that doesn't require much attention and are positive about alternative channels. Billing errors can be seen as a serious issue where they expect resolution to be as effortless as possible.

Digital

Customers welcome the introduction of online account management and see this as an improvement. They expect to only have to make one call; immediate activation of any direct debit and clarity around their billing schedule. They welcome online account management and some expect more digital contact through, for example apps and text alerts.

Error on bill

- An error on a customer's bill is seen as quite a serious issue that we should be sympathetic to, accountable for, apologise for and provide compensation if the customer incurs costs. Our service promise of ten working days to resolve is generally seen as unacceptable. Customers fail to understand why it should take so long, particularly as they do not appreciate the need for a leak investigation in some cases. They expect a quick resolution for simple errors and the process of querying an error to be made as simple as possible by, for example, providing a reference number to allow progress to be tracked.

- For customers who have experienced a high bill, they are usually only alerted to it when they get their bill which can be quite late in the process. They expect us to know their usage, to be proactively contacted, quicker resolution and effective closure.

- Many customers want investigation in to the matter to take place within a few hours, and most want it to happen that day, preferably at first contact Resolution is expected to take place shortly after investigation, and also at this first contact if possible.

Facts and figures

- Fewer than 1% of customers said they had experienced a problem with their bill in the last five years.
- Investigating a high bill within 12 hours meets 60% of metered customers and 64% unmetered customers expectations.
- Resolving a high bill within 12 hours meets 56% of metered customers and 60% unmetered customers expectations.

Key references (TSD019-)

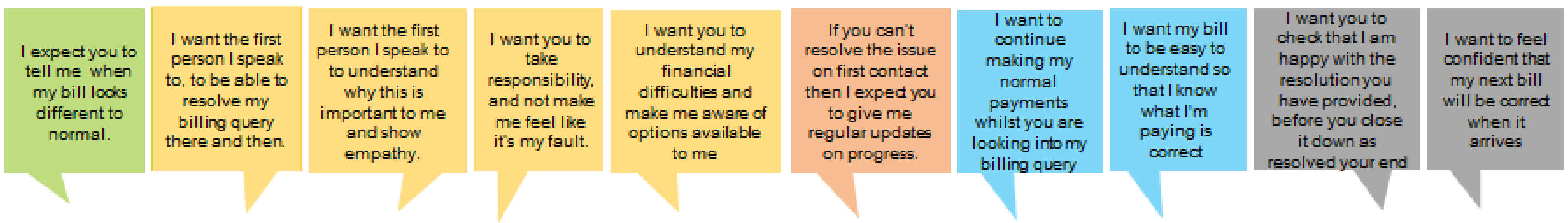
- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- CX25 Customer Expectations, Populus, June 2016
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR41 Stage 1 Customer Preferences Research, eftec/ICS April 2017

Retail services: billing.

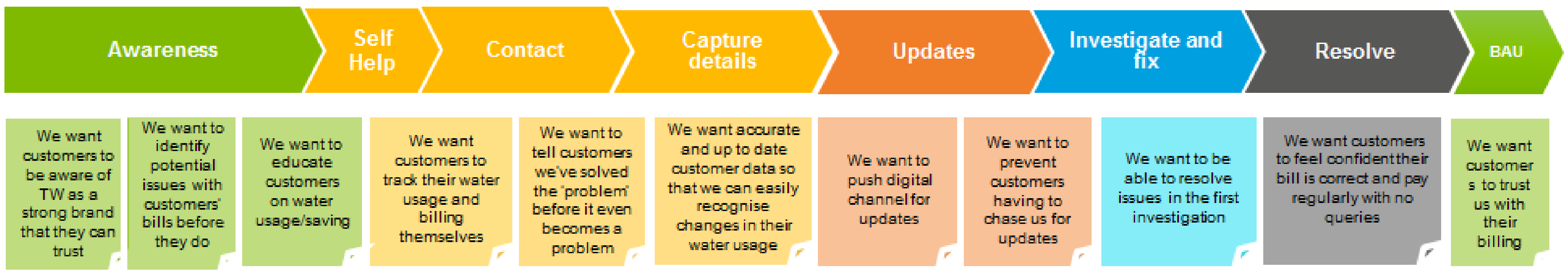
Query bill Journey – Customer Expectations

Our customer journey analysis looks for clues from a wide range of insights including immersion with customers who have experienced the journey, complaints and surveys. This insight tells us customers expect a proactive, personal, dependable and effortless service if they need to query a bill. They ask to be alerted to the issue, treated with empathy, kept informed and for the problem to be resolved.

Customer Wants & Needs



Stages of journey



Reference: TSD019-CX26e Customer Journey Mapping – bill query, Thames Water, 2015-17

Customer segmentation: debt.

We have made use of credit history data, alongside existing customer data, to identify customer behaviours around late payment and to inform our strategy around collections and new treatment strategies.

Eligible for Litigation (5%)	Collection Agency (15%)	Low Risk (40%)	Medium Risk (15%)	High Risk (20%)	Financially Vulnerable (5%)

‘Won’t Pay’ ⟷ **‘Can’t Pay’**

Customer personas help understand the customer experience of different segments and what they need and want.

Fran
Fast track customer
Fran is a customer who refuses to pay her water bill. Despite our attempts to contact her, she doesn’t interact with us...
Fran will be fast-tracked through collections.

Lionel
Low risk customer
Lionel, a coach driver, spends significant time away from home due to his work. Thames Water have to regularly chase him to pay his bill...
We set Lionel up on a direct debit, so he doesn’t have to worry about late payments.

Martin
Medium or High risk customer
Martin is out of work and is struggling financially. He has trouble paying his water bills, but we can help...
When dealing with Martin, it is important to show you care and offer him the appropriate payment options to suit his situation.

Reference: TSD019-CX53 Customer debt recovery segmentation, Thames Water, July 2016

Retail services: move home.

Key insights

Customers say moving home is often stressful and it is important that the service is quick and straightforward with many willing to do this transaction on-line. Those moving home have a relatively good customer experience where their issue is resolved quickly with little effort. A minority of customers experience problems such as being sent information to the wrong address or confusion over how metering affects timing of bills. Customers expect multi-channel choice for this journey, a clear transparent process and confirmation of the new/closed account.

Customer expectations

Confirmation of account set up within two days meets most customers expectations. They expect clarity over what is required, an effortless way of doing it, a reliable service with accurate information; transparency over tariffs and metering and to be made aware of any support if it is available. They look for confirmation that it is all set up and to be able to update their account easily.

Facts and figures

- Confirmation of account set up within 2 days meets three quarters of customers expectations.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CX25 Customer Expectations, Populus, June 2016
- CX26f Customer Journey Mapping - move home, Thames Water, 2015-17
- CX43 Customer Promises workshop, Thames Water, 2017

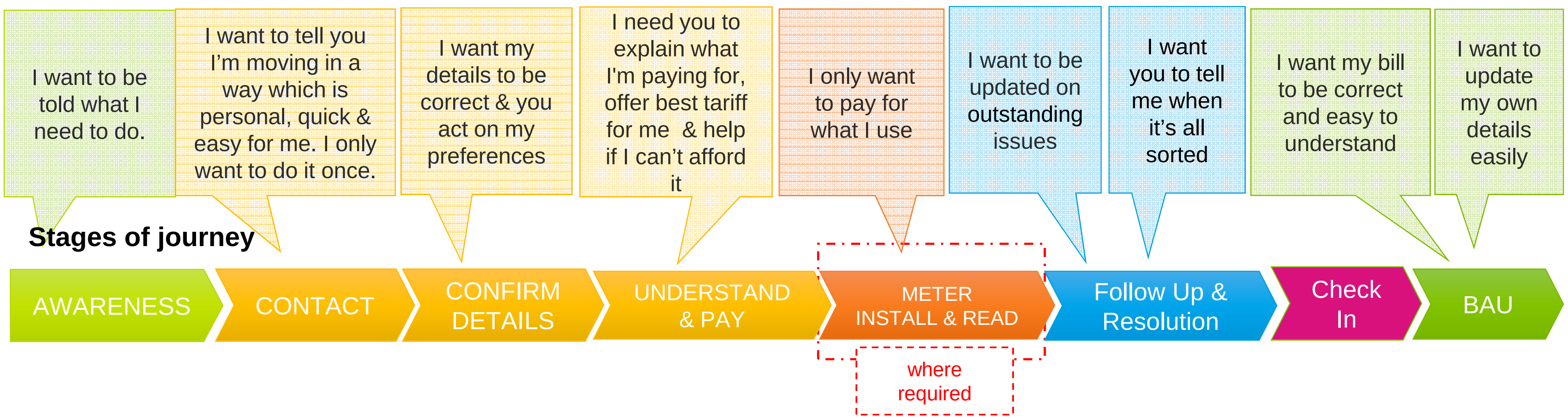
Retail services: move home.

Move Home Journey – Customer Expectations

Insight from our customer journey analysis using clues from immersions with customers who have experienced the journey, complaints and surveys. This insight tells us customers expect a clear, personal, accurate and efficient service with minimal effort.

- Confirmation that a new or closed account has been set up or closed down within 2 days meets three quarters of customers expectations

Customer Wants & Needs



Reference: TSD019-CX26f Customer Journey Mapping – move home, Thames Water, 2015-17

Deliver a safe and dependable water service.

12. Maintain the system to ensure reliability (water).
13. Provide high quality water that is safe to drink.
14. Provide a constant water supply.
15. Fix leaks: they are wasteful and suggest poor maintenance.
16. Help with leaks on customers' pipes.
17. Provide water at good pressure.
18. Help with hard water issues.

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

12. Maintain the system to ensure reliability.

Key insights

12. Maintain the system to ensure reliability (water). Customers want to rely on water coming out of the tap 24/7. They want the system to be proactively monitored, maintained and improved to ensure its reliability. They expect this to happen in the face of more severe challenges that might threaten their water service in the future. Customers place significant weight on maintaining current service levels and there is some appetite for improved levels of service. Customers call for reliability but if things go wrong, they are generally most concerned about the severity, duration and frequency of the problem and there are tipping points where the service starts to become unacceptable.

Be dependable and reliable

- Customers tend to take their supply of water for granted and like it that way. It is a basic utility that they do not really want to have to think about.
- They expect us to maintain infrastructure to ensure the network is fit for purpose providing safe and clean water on demand. They expect us to replace and renew ageing infrastructure, investing in long-term and cost-effective solutions and technology to maintain a reliable service. They call for minimal disruption but recognise and accept that this can happen where we need to carry out works.
- How we are maintaining infrastructure now is a key indicator of the confidence that customers have in how we can cope with future challenges.

'Tipping points' when things go wrong

- We know that when things go wrong, the factors that customers are generally most concerned about are the **severity, frequency** and **duration** of any service problem.

Customers are prepared to tolerate a service problem when it is not too severe, is relatively infrequent or does not last too long.

They find a 'tipping point' where the service being offered starts to swing from acceptable to unacceptable. The problem becomes more serious, happens more often or lasts longer.

Customers consistently characterise a problem as being unacceptable when it is severe, happens too often or goes on for too long.

12. Maintain the system to ensure reliability.

Key insights

Customer preferences research: maintain current service levels

The insights here come from our Willingness to Pay (WTP) research. WTP is a measure of (economic) value. It measures what customers are prepared to give up to secure/avoid a change in service. Values are an input to plan balancing value for money (VfM) assessments and do not measure the acceptability of bill changes. WTP does not represent the actual cost (i.e. customer bill impact) of maintaining/improving services.

- Customers place significant weight on maintaining current service levels. This is consistent with high levels of satisfaction with current service levels, as well as limited experience of service issues among customers.
- There is some appetite for improved levels of service, but customer valuations for individual service areas are relatively modest compared to current bill amounts. These are in the region of one to two percent of the current average bill for household customers for improvements from the current level of service.
- Customers prioritise improvements to water services in areas that are perceived to have the greatest direct consequence or impact for households, in particular, supply interruptions and the taste, smell and colour of water. They also have a relatively strong preference for investments to reduce leakage levels.
- Less weight is placed on improved service levels for water use restrictions, which is consistent with the lower level of disruption to customers from temporary use and non-essential use bans.

Facts and Figures

Service area	Service level change	Household
No water supply (4-8 hours)	20% (10,000 properties)	1.7%
Taste, colour, smell tap water	8% (10,000 properties)	1.4%
Water use restrictions (TUB & NEU	5% (1 percentage point)	0.3%
Leakage	4% (1 percentage point)	0.8%

The value for reducing the number of properties affected by no water for 4-8 hours each year by 10,000 properties is 1.7% of the average annual bill. This compares with 1.4% for reducing the number of properties affected by problems with the taste, smell and colour of tap water each year by 10,000; 0.8% for reducing leakage by 1% and 0.3% for reducing the chance of water use restrictions by 1%. In any give choice, around 55% of respondents chose the status quo option (current service levels) over the alternative scenarios that offered varying levels of improved or deteriorated service levels with changing bill amounts.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR26 Deep Dives, BritainThinks, September 2016
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017

13. Provide high quality water that is safe to drink.

Key insights

13. Provide high quality water that is safe to drink. Water safety and quality are of great importance to customers and they prioritise keeping the safety and quality of water at a high standard, which includes the replacement of lead pipes. Most customers are satisfied with water quality but some feel the taste, smell and appearance needs to be improved. A significant proportion do not drink tap water, some because of quality or safety concerns. If something goes wrong, customers consider having <u>no</u> water at all to be more inconvenient than having water that they cannot drink but can use for other things or having water that they have to boil.

Customer preferences research: maintain the service as it is

- When customers are asked to consider service improvements that they value across a range of water services, their priority is to avoid any deterioration in service. They place a modest value on improving the taste, smell or colour of water.

Customer preferences research: 'tipping points' when things go wrong

- For each type of water service disruption, including having to boil or not being able to drink water, the longer it lasts the more inconvenient it is for customers.
- When asked to think about the different types of disruption that might affect water services, customers place having to boil water or 'do not drink' notices behind having no water. No water at all is considered more inconvenient than having to boil or not being able to drink the water.

Lead pipes research

- When told about the amount of lead pipes in our water network (which includes supply pipes that are customers' responsibility), customers are concerned, particularly with the health risk that this could pose to children. They would like more lead pipes replaced than we had originally proposed in our February 2018 'Shape Your Water Future' business plan consultation.

Trust in tap water

- Around two thirds of customers rate our tap water as good or very good but a small minority consider it poor. Some buy bottled water, filter, boil or treat water often for aesthetic reasons. Customers spend around £50 to £100 per year on these products. Some customers are not confident in the quality of our tap water, in areas with higher complaints about water quality average expenditure on bottled water and filters is higher. There is the potential for education or engagement activities to improve trust and confidence in our tap water.

Facts and figures

- Just under 1% of customers said they had experienced a problem with the taste, smell or colour of their tap water in the last five years.
- 86% of customers are satisfied with their water supply overall, with 86% satisfied with the safety of their water and 81% satisfied with its taste and smell.
- 45% of customers say that any problems with the taste, smell and colour of tap water would have quite a lot or a lot of impact on their households day to day activities.
- Having to boil water before use is considered nearly 3 times worse for 3 to 4 weeks compared with 1- 2 days. Having a do not drink notice for 3-4 weeks is considered 1.7 times worse than no water for 0-4 hours.
- It is estimated that around half the water pipes that connect properties to the Thames Water network are made from lead, around 1.2 million pipes.
- 67% of customers in England and Wales say they usually drink tap water at home, 14% drink still bottled water and the rest say it varies too much or they do not usually drink bottled water 18% of Thames Water customers say they drink bottled water at home, significantly more than for the UK as a whole. This is higher in London at 20%. Approximately one third of household consumption of water by Thames Water customers is filtered or bottled.

13. Provide high quality water that is safe to drink.

Key insights

- If drinking water was contaminated customers say they would expect direct contact for reassurance. For some, home testing kits would provide additional reassurance.
- The reasons why people drink bottled water at home are different to the reasons away from home. Each has different implications for promoting behaviour change:
- *At home* key motivations are perceived negatives of tap water particularly taste/smell, safety and what is in it. This is despite the higher cost of bottled water. Customers need to be convinced that the taste and smell are acceptable and reassured about the safety and content of tap water.
- *Out and about* key motivations are lack of access to tap water, habit and convenience. Customers need to be given greater access to tap water via water fountains and licensed premises and be made aware of its availability as well as being challenged about this 'habit'. When told about Refill London (our initiative with City to Sea allowing people to refill their water bottles with tap water wherever they see a Refill sign in shops and cafes), customers react positively to our involvement, including the key promotional messages for the scheme regarding the environmental benefits and the fact that tap water has more quality checks than bottled water.
- People have become more aware and concerned about the effect of packaging waste on the environment. At the same time sales of bottled water have increased as consumers demand convenience and many recyclable plastic bottles end up in landfill.

Facts and figures

- Key reasons for consuming still bottled water at home are concerns about quality and safety: tap water is poor quality - taste/smell (49%); unsure of safety of tap water (34%); tap water might contain things that I don't want to drink (32%); bottled water is healthier (27%). There are also 'reluctant tap water drinkers' (12% of tap water drinkers) who cannot afford to drink still bottled water at home but would if they could. 11% gave concern about the environmental impacts of bottled water as a reason for tap water consumption.
- Bottled water consumption is higher away from the home - on the move (44%); at work (36%); cafes/restaurants (28%). This is because of difficulties accessing tap water (49%); just a habit (33%) and bottled is more convenient (30%). Most are aware that licensed premises have to provide free tap water when asked (81%) but this is not commonly done.
- The type of consumers more likely to drink bottled water at home are higher social grades ABC1, male, least deprived, older people and 'Suburbanites' as well as 'Cosmopolitans' (higher proportions of students and a diverse mix of cultures, professions and ethnicities) Reluctant tap water drinkers are more likely to be female, younger and have a lower household income. Growing up outside the UK has some influence. 70% drank tap water when growing up but those who drank bottled water or boiled their water are much more likely to drink bottled water now.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- EX02 Water Matters, CCWater, 2017
- PV11 Minority group analysis, Populus, 2013
- EX01 Tap water avertive behaviour study, eftec/ICS 2013
- EX03 Consumer attitudes to tap water, CCWater, 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43e Stage 2 customer preferences research - water services, eftec/ICS, May 2017
- CR61a Lead pipes online community task, BritainThinks, May 2018
- CC03a Business Plan consultation, Community Research and eftec, August 2018
- CX51 Water bottle refills, Verbalisation, February 2018
- CSD018 Customer Preferences Summary, Thames Water/eftec/ICS, June 2018
- EX19 A Wasted Opportunity, Ipsos Mori, June 2018

14. Provide a constant water supply.

Key insights

14. Provide a constant water supply. This is a high priority. Although interruptions are rare, and most customers are satisfied, they would not want interruptions to increase. The most important things are how often outages occur, how long they last and being kept informed. A supply interruption of around 8 hours starts to be seen as intolerable and 24 hours is considered unacceptable. Happening twice a year also starts to be seen as intolerable. Sufficient notice of planned interruptions is required. There are particular effects for non-household and vulnerable customers.

Avoid supply interruptions

- A constant supply of water is taken for granted. Customers expect to turn on the tap and water to come out. It is seen as a core aspect of service that should be prioritised. Customers do not want supply interruptions to increase and expect that our infrastructure will be maintained to ensure this is the case. They think the service is generally good and this view even extends to affected customers, who feel that a supply interruption has been low impact, or is sufficiently infrequent.
- Customers accept that an occasional outage might occur, but they do not expect supply interruptions to: happen too often; or last too long (but if it does they need us to tell them what is going on).
- When consulted on our draft Business Plan customers felt supply interruptions was an area where our service level should be higher than proposed.

Customer preferences research

- When customers are asked to consider service improvements that they value across a range of water services, their priority is to avoid any deterioration in service. They place a modest value on reducing supply interruptions.
- When just thinking about water service disruptions (quality, pressure and supply interruptions) again customers want the focus to be on avoiding supply interruptions as this has the greatest impact on them. Having no water is considered more inconvenient than having to boil or not being able to drink the water for example.

Customer experience

- Customers experiencing supply interruptions are generally tolerant, understanding and satisfied with the way the incident is handled. They phone, look at the website or use Twitter to find out what is happening. They have a relatively good customer experience compared with other service issues, tending to have to contact us only once and the issue is resolved. As a result they are more likely to be satisfied and to recommend us.

Facts and figures

- Fewer than 1% of customers reported experiencing a supply interruption problem in the last five years.
- Around four out of five customers are satisfied with the number of interruptions to supply without warning.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- CR37 Valuation bridging, eftec/ICS, 2015
- CX18/19 Enfield/Royal Wootton Bassett Events, Populus, June 2015
- CX25 Customer Expectations, Populus, June 2016
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CX26a Customer Journey Mapping – no water, Thames Water, 2015-17
- CX43 Customer Promises workshop, Thames Water, 2017
- CC03a Business Plan consultation, Community Research and eftec, August 2018

14. Provide a constant water supply.

‘Tipping points’ when things go wrong

- Frequency, duration and communications are the most important factors for household customers when thinking about unexpected interruptions to supply.
- Customers start to think having no water is intolerable if it happens twice a year. Happening every month on average is not tolerable at all.
- They also start to think it is intolerable if it lasts around 8 hours with 24 hours seen as intolerable.
- Customers expect to hear from us if there is a supply interruption. Putting something on the website is okay, but ideally they want more – text updates and door to door contact. No information is not tolerable. They want updates with specific, useful information.
- The timing of interruptions is not as important as other factors, but morning (6-9am) and evening are considered the most difficult times for customers to be without water unexpectedly.

		Tolerable			Not at all tolerable
Most important	Frequency	First time ever	Once before in 12 months	Four times before in 12 months	12 times before in 12 months
	Duration	3 hours*	8 hours	24 hours	48 hours
	Communication	Website, text updates and door to door	Website and text updates	Website	No information
	Timing	Middle of the night 11pm-6am	Middle of the day 9am-5pm	Evening 5pm-11pm	Morning 6am-9am
	Day	Weekend	Friday	Mid-week	Monday
Least important	Season	Spring / Autumn	Summer	Winter	

Green = tolerable (or acceptable) * nb no real difference between 3 and 4 hours
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)

Reference: TSD019-*CR26a Deep dives, interruptions to supply, BritainThinks, September 2016 (qualitative)*

Duration is important - having no water for 1 to 2 days is seen as almost three times worse than having a short supply interruption of 4- 8 hours. Customers do not see any real difference between interruptions of three or four hours.
Advance warning is important – having no water for 4- 8 hours with warning is considered half as bad as without any warning.

Reference: CR43e Stage 2 customer preferences research - water services, eftec/ICS, 2017 (quantitative)

14. Provide a constant water supply.

No water journey – customer expectations

Insight from our customer journey analysis tells us customers want to know where to go if they experience an outage, they want to be given advance warning where possible and expect the process to be personal and effortless with just one contact. The personal service extends to recognising if they have any particular needs. Customers value useful information such as when the water will be back on and how they can help themselves. They want dependable, reliable and timely information that will help them plan. They expect proactive recognition of the inconvenience they have suffered and reassurance that it will not recur.

- **Investigating** a supply interruption within 2 hours meets more than three quarters (77%) of customers' expectations.
- **Resolving** a supply interruption within 12 hours and returning the service to normal meets almost two thirds (64%) of customers' expectations.

Reference: TSD019-CX26a Customer Journey Mapping – no water, Thames Water, 2015-17

15. Fix leaks.

Key insights

15. Fix leaks: they are wasteful and suggest poor maintenance. Customers cite leaks as evidence of poor maintenance and call for network improvements. Leakage of treated water is seen as both a waste of money and of an important resource. Customers prioritise reducing leakage (over other resource options) to ensure sufficient supplies. They reluctantly accept it is not cost effective to fix some leaks but most feel the current leakage level is too high. Customers expect an ambitious step-change reduction in leakage. Thames Water must work towards being more in line with others in the sector. Customers consider a reduction to a leakage level of around 15% to be acceptable. They recognise that traffic disruption and cost may limit what is possible in the short term. When thinking about different aspects of the water service in the round, customers place significant weight on maintaining service levels. There is some appetite for improvements in water services, including reducing the level of leakage. Cost is important but not the only consideration. They want visible leaks fixed more promptly, within one or two days.

Also see message 24 'Ensure there is enough water available in the future' under 'Plan for the future'

Day-to-day perceptions and service interactions: maintain the system and avoid wasting water

- Leakage is a fairly top of mind issue that customers often spontaneously mention when thinking about their water service. Calls about leaks and flooding is the second most common water issue customers contact us about. When prompted to consider leakage specifically it is seen as both evidence of poor maintenance of the network and morally wrong to waste a precious resource. Both of these damage perceptions of our company.

- They call for investment in the network to ensure that it is maintained and improved. The impact of this, in terms of possible bill increases or disruption, are rarely considered at first but even when asked to consider these factors customers want fewer leaks. They want to see a step change in our leakage programme while acknowledging that there may be limitations on what should be aimed for in the short term. They say it sets an example for them to also use water responsibly.

Environmental concern has been identified as one of a number of core trends when looking towards the future. This suggests that wasteful consumption is the focus of increasing interest. Consumers are increasingly sensitive to, and less tolerant of, wasteful consumption such as leakage.

Facts and figures

- Just under 2% of customers said they had experienced a problem with leaks in the street.
- Only 20% of customers agree 'My water provider is currently doing enough to address leakages and ensure that there is a reliable water supply'.
- 79% of customers are dissatisfied with it taking up to 15 days to investigate a non-emergency leak.

15. Fix leaks.

Key insights

Water resources perspective: fix leaks to help with water supply

- Reducing leakage is seen as important. When considering how we plan for meeting future demand, customers say we should prioritise reducing leakage before finding new sources of supply. When considering a range of water resource options customers put leakage reduction second in their order of priority only behind water efficiency campaigns.
- Current levels of leakage are felt to be too high. Customers are shocked when told that 25% of treated water is lost through leakage. This concern is based on the leaks that they see so the situation is made worse when learning that a high proportion of leaks (70%) are in fact hidden. They do understand when it is explained to them that there is a point when it becomes too expensive to fix more leaks but they say cost is not the only consideration. They call for a balance reducing leakage and acceptable bill impacts and levels of disruption.
- Customers are uncomfortable with the idea that, instead of fixing more leaks, we would seek to replace the water lost by introducing more water into the same 'broken system'. This is seen as wasteful and short term thinking (as these leaks will need to be fixed in the long run when they get worse).
- They call for a reduction from the current leakage level of around 25% to a level that is comparable to the rest of the industry and are prepared to accept some impacts on their bill and disruption from roadworks to achieve this. They expect future leakage levels to be around 14% or 15% in the future.
- The customer willingness to pay estimates used in our value for money assessments indicate that customer see a benefit in reducing leakage to 19%; this increases if leakage is reduced to 16% but goes down if the leakage level is reduced as far as 10%.

Customer preferences research: improvements in leakage vs. other service areas

- When thinking about different aspects of the water service in the round, customers place significant weight on maintaining service levels. There is some appetite for reducing the level of leakage but not at any cost and value for money is important.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- PV01 Water Resources follow up, Populus, 2013
- PV02 Service levels tactical research, Community Research, 2012
- PV03 Service Levels, MVA Consultancy, 2013
- CX44a Journey data calls and complaints, Thames Water, 2016/17
- CX25 Customer Expectations, Populus, June 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR29c Leakage research, BritainThinks, April 2017
- CR43b Stage 2 customer preferences research - water resource options, eftec/ICS, April 2017
- CX26b Customer Journey Mapping – visible leaks, Thames Water, 2015-17
- CX43 Customer Promises workshop, Thames Water, 2017
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- CC03a Business Plan consultation, Community Research and eftec, August 2018

15. Fix leaks.

Key insights

Visible leaks

- Customers say we take too long to investigate and fix leaks when they report them. They want us to investigate promptly, fix within a reasonable time, fix in one go and fix permanently. A ‘reasonable’ timescale depends on circumstances with a faster time expected, for example if there is danger of freezing. When thinking about a visible leak, most think that a leak should be resolved within two days.

Visible leaks journey – customer expectations

Drawing on a range of clues, including customer contact data, we know that customers want an effortless way of reporting any leaks that they spot and want to know if we are already aware of it. They expect relevant and timely information and commitment to the time given to fixing it.

- **Investigating** a leak within 1 hour meets 100% of customers’ expectations; within 8 hours, 59%; within 24 hours, 47%.
- **Resolution** within 4 hours meets 95% of customers’ expectations; within 24 hours, 86%; within 48 hours, 69%; within 1 week, 29%

Customer Wants & Needs

- I want you to tell me about leaks that will affect me so I can make plans.
- I want to know who to contact if I spot a new leak.
- I want to tell you about leaks quickly and easily, the way I want to, and to only do it once.
- Before I report it, I want to find out if Thames Water are already aware of it, and whether it’s their responsibility.
- I want you to tell me what I need to know about leaks.
- I want you to only take relevant information and offer me extra support if I need it.
- I want you to make a promise and stick to it, or tell me when and why if it has to change
- I want accurate, useful & timely updates & to track repair online or via social media
- I want you to think about me when you plan the repair and minimise impact
- I want you to fix it quickly, all in one go.
- I want you to tell me when it’s all sorted, and leave the site clean and tidy
- I want peace of mind that you’ve gone and won’t be coming back

Stages of journey

Awareness → Contact → Self Help → Capture details → Updates → Investigate and fix → Resolve → BAU

Reference: TSD019-CX26b Customer Journey Mapping – visible leaks, Thames Water, 2015-17

16. Help with leaks on customers' pipes.

Key insights

16. Help with leaks on customers' pipes. Customers generally assume leaks at their property are their responsibility, but some are unaware or unsure particularly about responsibility for leaks on the supply pipe. It is a grey area and they would appreciate clarity on responsibilities. They appreciate any help we may offer, even if after investigation it transpires the leak is their responsibility. Customers call for a better customer experience, with proactive monitoring and alerts.

Welcome help with leaks on their pipes

- We say that customers are responsible with any leaks in the supply pipe to customers' properties but we will fix the first leak for free. This is seen as a good solution and preferable to individuals having to pay when these leaks occur. They trust us more than other providers, feel it shows we care and has a positive reputational impact. However customers are unaware of this policy and think that more should be done to tell them, particularly as they are simultaneously being sold insurance which ultimately they might not need.

Customer expectations

- Where there is a leak investigation arising from a high bill, more than half of customers are satisfied with our current service promise to contact within three days and if a leak is found most would expect the follow-up work to start within three days.

- Customers experiencing this problem discover it by finding a leak, experiencing low pressure or receiving a high bill. They find it easy to make the initial contact and have a positive first contact. The investigation is seen as complex and if told they are responsible, they can find this abrupt. Payment responsibility and compensation is not always clear until after final resolution. Repairs can take time and communications can be poor.

- They expect proactive monitoring of the network to avoid this problem such as being informed of unusually high usage; reassurance; a clear process with continuity between Thames Water and contractors; advice on what to do and confirmation of closure and responsibilities.

Facts and figures

- 20% of HH customers say they would want Thames Water to come and fix a leak. regardless of it being on their property; 21% would deal with it through insurance; 14% call a plumber; 12% customer fix it but would like Thames Water advice: 12% customer fix it but expect to pay; 10% Homeserve.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- PV01 Water Resources follow up, Populus, 2013
- PV02 Service levels tactical research, Community Research, 2012
- PV03 Service Levels, MVA Consultancy, 2013
- CX44 Journey data calls and complaints, Thames Water, 2016/17
- CX25 Customer Expectations, Populus, June 2017
- CR29c Leakage research, BritainThinks. April 2017

16. Help with leaks on customers' pipes.

Customer side leaks journey – customer expectations

Insight from our customer journey analysis using clues from immersions with customers who have experienced the journey, complaints and surveys.

This insight tells us that customers want to be made aware of their responsibility for their supply pipes, and they want an effortless way of reporting any leaks that occur to those pipes. They expect relevant and timely information and commitment to the time given to fixing it.

Customer wants and needs

- I need to know I'm responsible for my supply pipe
- I want to know what to do and who to contact if I spot a leak.
- I want to tell you about leaks quickly and easily, the way I want to, and to only do it once.
- I want you to tell me what I need to know about leaks.
- I want to give you the details about myself, my circumstances and the job, only once, and to be treated as an individual.
- I want you to make appointment booking easy
- I want you to confirm my leak and fix internal plumbing issues
- I can make my decision and inform you easily so it won't delay the job
- I want you to keep me updated via my preferred contact method
- I want you to fix it quickly, all in one go.
- I want you to tell me when it's all sorted, and leave the site clean and tidy
- I want peace of mind that you've gone and won't be coming back

Stages of journey

Awareness of responsibility → Awareness of leak → Contact → Capture information → Book appoint-ment → Investigate → Customer Decision → Updates → Fix → Confirm → BAU

Reference: TSD019-CX26c Customer Journey Mapping – customer side leakage, Thames Water, 2015-2017

17. Provide water at good pressure.

Key insights

17. Provide water at good pressure. Most customers are satisfied. They expect us to monitor and maintain pressure and see chronic ongoing low pressure as unacceptable. They consider pressure starts to become unacceptable if it takes around four times as long to fill a sink; happens more twice a year or more or lasts around eight hours or more. They would not want measures to improve pressure to adversely affect leakage or supply interruptions.

Maintain good pressure

A good flow of water is seen as a core part of our service and most customers are satisfied. Even those who are affected can be forgiving as incidents are not that frequent or, if it is an ongoing low level issue, it is not necessarily seen as a Thames Water problem.

Customers want the service to be maintained but don't think improvements are needed . Few support paying more to reduce incidents of low pressure because the service is seen as acceptable as it is. When compared with other water service problems low pressure for a limited period of time is generally considered less of an inconvenience than a supply interruption of 4 to 8 hours, for example. However, if water pressure is low all of the time, this is seen as relatively worse than a supply interruption of that length.

Low pressure is seen as inconvenient and annoying. Those who experience ongoing low pressure say it means that routine activities may take longer, some may change their behaviour such as taking fewer baths. There can be a lack of clarity over whether it is a supply issue or due to internal plumbing. Those who experienced a one-off incident find they are uncertain how long it will last and are unable to go about their daily routine.

Responsibilities

Water pressure is not solely seen as a Thames Water responsibility. In the case of high rise buildings, this is seen, at least in part, as the responsibility of the property developer or landlord to ensure good pressure.

Facts and figures

- Around 1 in 200 customers reported experiencing a problem with low water pressure in the last five years.
- 78% of household and 84% non-household customers are satisfied with the pressure of water supply.
- 7% of household and 4% of non-household customers reported experiencing low pressure in the previous five years.
- Customers think low water pressure all of the time is 1.5 times worse than being without water for 4 to 8 hours.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- CX18/19 Enfield /Royal Wootton Bassett Events, Populus, June 2015
- CX25 Customer Expectations, Populus, June 2016
- CR26f Deep Dives, Water Pressure, BritainThinks, September 2016
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR43e Stage 2 customer preferences research - water services. eftec/ICS May 2017

17. Provide water at good pressure.

‘Tipping points’ when things go wrong

		Tolerable			Not at all tolerable
Most important	Severity	It takes twice as long to fill a sink	It takes four times as long to fill a sink	It takes ten times as long to fill a sink	
	Frequency	First time ever	Once before in 12 months	Four times before in 12 months	12 times before in 12 months
	Duration	3 hours*	8 hours	24 hours	48 hours
	Communication	Website, text updates and door to door	Website and text updates	Website	No information
	Timing	Middle of the night 11pm-6am	Middle of the day 9am-5pm	Evening 5pm-11pm	Morning 6am-9am
	Day	Weekend	Friday	Mid-week	Monday
Least important	Season	Spring / Autumn	Summer	Winter	

Green = tolerable (or acceptable)
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)

Reference: CR26f Deep dives, water pressure, BritainThinks, September 2016 (qualitative)

- The severity of a water pressure problem is the most important factor followed by frequency and duration.
- The tipping point for severity is when it takes four times as long to fill a sink. Customers think ten times as long would be intolerable.
- The tipping point for frequency, or how often it happens, is twice in a year. If severe water pressure problems were to happen four times a year or more that is considered intolerable.
- The tipping point for how long a severe water pressure problem lasts is 8 hours. A day or more is not at all tolerable.

Duration is important - having low water pressure all the time is seen as around twice as bad as shorter periods of time up to 3 months. Customers do not see any difference between 1-2 weeks and 3 months. Chronic low pressure is seen as inconvenient and disruptive but shorter temporary incidents are more tolerable.

Reference: TSD019-*CR43e Stage 2 customer preferences research - water services. eftec/ICS 2017 quantitative*

18. Help with hard water issues.

Key insights

18. Help with hard water issues. Most customers are satisfied with hardness levels but they find it inconvenient and don't understand its cause. While they do not support softening water centrally, they would welcome service improvements in the form of information (including the health benefits and disbenefits of hard and soft water), advice on how to deal with hard water problems and product endorsement.

- Customers feel aggravated and inconvenienced by the adverse effects of hard water. They dislike the unsightliness of limescale and the cost associated with cleaning products, softening, filtering and replacing damaged appliances. It is not a 'top of mind' issue for a water company to act on, yet it is an ongoing inconvenience. But only a small minority of customer contacts are about water quality issues and few contacts concern hardness.
- When considering the idea of softening water that is put into supply, customers are concerned about the use of chemicals, how long it would take, the cost and that everyone would receive soft water whether they wanted it or not.
- Customers knowledge about hard water is hazy or simply wrong. They often do not know it is naturally occurring and instead may think it is caused by our treatment process. The natural message is new and interesting to customers and has the potential to improve product and brand perception.
- Some of the pros and cons of hard water such as the health impacts are also 'new news' that customers want to hear about. They would welcome authoritative, independent, credible information. Such communications could also have the potential to improve our brand perception and customer satisfaction ratings.
- Any endorsement of products by Thames Water is seen as useful, both making people aware of what is available, and providing confirmation from a respected source that they are effective. However, they do not think that Thames Water should subsidise customers purchasing such products.

Facts and figures

- 45% of customers are satisfied with the hardness/softness of their water, the equal lowest score of all water companies.
- Only one in five agree with the statement 'I don't care if my water is hard or soft' and almost half agree that 'soft water is better than hard'.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- CR37 Valuation bridging, eftec/ICS, 2015
- EX02 Water Matters, CCWater, 2017
- PV09 Hard water qualitative, Populus, 2012
- EX01 Tap water avertive behaviour study, eftec 2013
- PV11 Minority group analysis, Populus, 2013
- CR26e Deep dives, water hardness, BritainThinks, September 2016

Deliver a safe and dependable wastewater service.

19. **Maintain the system to ensure reliability (wastewater).**
20. **Reduce the incidence of sewer flooding.**
21. **Support customers who suffer sewer flooding.**
22. **Help with blockages in customers' pipes.**

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

19. Maintain the system to ensure reliability.

Key insights

19. Maintain the system to ensure reliability (wastewater). Customers want to rely on wastewater being taken away 24/7. They want the system to be proactively monitored, maintained and improved to ensure its reliability. They expect this to happen in the face of more severe challenges that might threaten their wastewater service in the future. Customers place significant weight on maintaining current service levels and there is some appetite for improved levels of service.

Be dependable and reliable

- Most agree we should do more to maintain the network and reduce blockages and sewer flooding.
- At a national level people think we should be aspiring for world leading infrastructure or solid improvements but, feel that infrastructure happens 'to them' not 'for them'. They trust the industry to make the right decisions, but want to understand what it is doing and why it is doing it. They want to discuss major infrastructure needs in their area, and want to be involved in a two-way conversation and to help them understand the benefits.
- How we are maintaining infrastructure now is a key indicator of the confidence that customers have in how we can cope with future challenges.

Tipping points

- We know that when things go wrong, the factors that customers are generally most concerned about are the **severity, frequency** and **duration** of any service problem.

Customers are prepared to tolerate a service problem when it is not too severe, is relatively infrequent or does not last too long.

They find a 'tipping point' where the service being offered starts to swing from acceptable to unacceptable. The problem becomes more serious, happens more often or lasts longer.

Customers consistently characterise a problem as being unacceptable when it is severe, happens too often or goes on for too long.

Facts and Figures

- 85% of customers say it is important to replace sewers when they show signs of wear and tear to avoid storing up problems for future generations.
- More than three quarters of customers (76%) say we should do more to maintain the sewage network and reduces blockages and sewer flooding.
- Over half (56%) of our customers say do more to reduce sewer blockages and collapses even if this means bill increases, while 12% disagree.
- 84% of customers are satisfied with their sewerage service overall.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR26 Deep Dives, BritainThinks, September 2016
- EX04 Attitudes to Infrastructure in Great Britain, Copper Consultancy, PBA, 2015
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017
- EX02 Water Matters, CCWater, 2017

19. Maintain the system to ensure reliability.

Key insights

Customer preferences research: maintain current service levels and prioritise improvements to reduce the number of customers affected by sewer flooding

The insights here come from our Willingness to Pay (WTP) research. WTP is a measure of (economic) value. It measures what customers are prepared to give up to secure/avoid a change in service. Values are an input to plan balancing value for money (VfM) assessments and do not measure the acceptability of bill changes. WTP does not represent the actual cost (i.e. customer bill impact) of maintaining/improving services.

- Customers place significant weight on maintaining current service levels. This is consistent with high levels of satisfaction with current service levels, as well as limited experience of service issues among customers.
- There is some appetite for improved levels of service, but customer valuations for individual service areas are relatively modest compared to current bill amounts. These are up to 0.5 percent of the current average bill for household customers for improvement from the current levels of service.
- Customers prioritise improvements to reduce internal sewer flooding as this is seen as having the greatest direct consequence or impact for households and is thought to be particularly distressing. They also have a relatively strong preference for investments to reduce pollution incidents and river quality.
- Less weight is placed on improved service levels to reduce smells from sewage treatment works as this is a problem that fewer customers experience.

Service area	Service level change	Household
Sewer flooding (internal)	5% (100 properties)	0.5%
Smell from sewage treatment	1% (100 properties)	0.1%
Pollution incidents (Category 3)	4% (10 incidents)	0.3%
River quality (Assessments 'good')	1% (1 percentage point)	0.3%

The value of reducing the number of properties affected by internal sewer flooding each year by 100 properties is 0.5% of the average annual bill. This compares with 0.3% for reducing the number of category 3 pollution incidents each year by 10; 0.3% for increasing the number of river quality assessments rated 'good' each year by 1% and 0.1% for reducing the number of properties affected by smell from STWs each year by 100. In any give choice, around 55% of respondents chose the status quo option (current service levels) over the alternative scenarios that offered varying levels of improved or deteriorated service levels with changing bill amounts.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR26 Deep Dives, BritainThinks, September 2016
- EX04 Attitudes to Infrastructure in Great Britain, Copper Consultancy, PBA, 2015
- CX36 Rant & Rave Customer Insight Pack, Thames Water, January 2017
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR41 Stage 1 Customer preferences research, eftec/ICS. April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017

20. Reduce the incidence of sewer flooding.

Key insights

20. Reduce the incidence of sewer flooding. Few customers have experienced sewer flooding but see it as a very serious issue, particularly inside homes. They want investment to reduce the incidence of sewer flooding - this is the highest priority wastewater service. They say solutions should be driven by reducing the number of properties at risk of internal flooding.

Customer preferences research

- Sewer flooding is a very important issue in customers' minds and something they think we should be improving. It is seen as the service failure requiring the most urgent response.

- When customers are asked to consider service improvements that they value across a range of water services, their priority is to avoid any deterioration in service. They place a modest value on reducing the risk of sewer flooding .

Solutions

- Most customers are unaware of the different options for sewer flooding and their largest considerations are risk and cost rather than the type of schemes that are put in place. They marginally prefer the option to create wetlands over and above increasing the size of sewers (1.6x) because of the benefits of habitat creation. But how the problem is dealt with is of lower concern and most say solutions should be driven by reducing the number of properties where internal flooding is prevented.

- Sustainable Drainage Systems and Green Infrastructure options, are both seen as good ideas. Most would expect us to undertake this type of activity anyway and do not necessarily feel that they should pay more for such schemes.

- Customers' lack awareness of the idea of surface water charging, lack understanding of the concept and tend to consider the charge unfair.

Facts and figures

- Just under 2% of customers said they had experience sewer flooding outside their property and 1% inside in the last five years.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR26d Deep Dives, sewer flooding and blockages, BritainThinks, October 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding, eftec/ICS, June 2017

21. Support customers who suffer sewer flooding.

Key insights

21. Support customers who suffer sewer flooding. Customers consider sewer flooding a distressing and unacceptable failure of service, particularly when inside customers' properties. Those who have experienced recurring issues expect more to be done to prevent it. Customers expect this to be a high priority with very prompt attendance and resolution as well as empathetic service and good communications.

Customer expectations

Few customers think about the likelihood of sewer flooding, and few have experienced it, but those who have report feeling desperate and wanting an immediate response. Customers are unforgiving of failure or a slow response. Considerable emphasis is placed on customer service and communication in this situation. They would expect sympathy, reassurance, efficiency, to be taken seriously and a visible presence on the scene. They want fast response times, within 1 or 2 hours, and follow up work and cleaning up to be done at the same time or at least within 24 hours. Current service levels fall short of expectation and improved response times is the most valued service aspect. There is no real understanding that it can take longer to allow time for flooding to recede or dry out. If our service falls short it gives the impression we don't care.

A small minority of contacts are about sewer flooding but those calling are less satisfied than the overall average. They find us easy to contact and experience a good prompt initial response. But those experiencing complex and recurring issues feel that the underlying issue is rarely sorted out; communication is poor and that it requires several visits from different parties. For customers with recurring sewer flooding problems there is a sense of resignation that we won't actually fix the problem permanently, but just put another 'band aid' on They expect that more is done to avoid this problem especially where there are recurring issues; it is treated with the highest priority with a very prompt response and that there is clear management of all parties to provide effective, permanent resolution and clear communication with customers.

Facts and figures

- Just under 2% of customers said they had experience sewer flooding outside their property and 1% inside in the last five years.
- Just under 1% of customers said they had not been able to flush their toilet in the last five years.
- 44% of customers said they had seen Thames Water campaigns that let customers know what not to flush down the toilet or sink.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CX25 Customer Expectations, Populus, May 2016
- CR26d Deep Dives, sewer flooding and blockages, BritainThinks, August 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017
- CX26d Customer Journey Mapping – sewer blockage and smells and floods, Thames Water, 2015-17
- CX43 Customer Promises workshop, Thames Water, 2017

21. Support customers who suffer sewer flooding.

'Tipping points' when things go wrong

Most important ↑ … ↓ Least important

	Tolerable	⟷		Not at all tolerable
Severity	It doesn't affect you using your property	You cannot access areas of your property	You cannot access areas of your property or use some facilities	You cannot access a large area of your property or use any facilities
Duration	3 hours*	8 hours	24 hours	48 hours
Location	In the street	In your garden	In the ground floor of your property	
Frequency	First time it's happened	Once every couple of years	Once a year	Twice a year
Timing	Morning 6am-9am	Middle of the day 9am-5pm	Evening 5pm-11pm	Middle of the night 11pm – 6am
Week day	Monday	Mid-week	Friday	Weekend
Who it affects	It affects lots of people in your area	It affects you and your neighbours	It just affects you	
Season	Winter	Spring / Autumn	Summer	

Green = tolerable (or acceptable)
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)

Reference: TSD019-*CR26d Deep dives, sewer flooding and blockages, BritainThinks, September 2016 (qualitative)*

- The severity, duration and location of sewer flooding are seen as the most important factors followed by the frequency.
- The tipping point for severity is quite straightforward – the difference between no flooding and it being anywhere in your property. At this point it is immediately seen as intolerable.
- Sewer flooding lasting anything more than around 3 hours is considered unacceptable.
- For many the point at which sewer flooding becomes unacceptable is if it happens once every two years. Any more often is unacceptable.

- **Severity is important –** compared with visible sewage around a manhole, flooding in ground floor rooms is considered 4.9 times worse; basement with living space (3.4 times) storage area (2.6 times); unable to use toilet (2.6 times); pools of sewage on the property or outside or preventing access (2 times) and damp patch in storage area (1.6 times)
- **Duration is important** – ground floor sewer flooding is 1.2 times worse for a week compared with 1 to 2 days.
- **Location is important** – sewer flooding inside a public building is considered 2.2 times worse than in a public space; in your property is 2.5 times worse and a household with special needs is 2.9 times worse.
- **Frequency is important** sewer flooding more than once a year is considered 6.8 times worse than once every fifty years. Sewer flooding every two years is 4.8 times as bad as once every fifty years.

Reference: CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS 2017 quantitative

21. Support customers who suffer sewer flooding.

Blockage/flooding/smell journeys – customer expectations

Our customer journey analysis highlights that customers want us to be personal and recognise the seriousness of the problem. They want us to be proactive at the different stages of the journey, transparent in what we do and dependable (keeping to our commitments).

- Investigating sewer flooding within 2 hours meets 75% of customers' expectations.
- Resolving a sewer flooding issue within 24 hours meets 67% of customer expectations.
- Investigating a blockage within 4 hours meets 67% of customers' expectations.
- Fixing a blockage within 12 hours meets 75% of customers' expectations.

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Customer Wants & Needs

Reference: TSD019-CX26d Customer Journey Mapping – sewer blockage and smells and floods, Thames Water, 2015-17

22. Help with blockages in customers' pipes.

Key insights

22. Help with blockages in customers' pipes. Most customers assume blockages on their pipes are their responsibility, though for some it is a grey area and would appreciate clarity, particularly when caused by other properties in the street. They appreciate any help we may offer, even if after investigation it transpires it is their responsibility. Customers living in blockage prone areas call for a better customer experience, where resolution and communication are more effective. Blockages lasting more than 24 hours, or happening twice a year or more, are seen as unacceptable.

Customer experience

Customers experiencing this problem say they find it easy to contact us and the problem is generally fixed within 24 hours. But some with complex or recurring issues experience a poorer service where resolution is slow or the problem is not resolved at all and communication suffers.

Blockages are the top reason for customers contacting us about waste issues accounting for almost half of all waste contacts. Customers contacting us about blockages are more likely on average to contact us more than once, more likely to contact by phone and more likely to have had their issue resolved. They have higher levels of satisfaction than average as well as higher levels of advocacy and are more likely to say it was easy to get the help they want. Resolution and personal interaction appear to create a more positive experience for customers.

Customer expectations

Most customers assume that a blockage in their home is their responsibility but for some this is a grey area,. Confusion arises over which parts of external pipes Thames Water is responsible for and where the customers' responsibilities begin. There is also confusion over shared pipes and customers would appreciate clarity.

Customers expect:

- A prompt response within a few hours. For some, our service promise of up to 24 hours is thought to be too long
- Effective resolution as quickly as possible
- Clarity over responsibility for pipes and blockages
- Information to help customers avoid blockages
- More information about the service available to clear blockages

For those living in problem areas or with recurring issues the expectation is for:

- Proactive communications
- Thames Water to take ownership of the problem including effective communication with contractors to maintain a good service to customers

Facts and figures

- Almost 4% of customers said they had experienced a blockage in or near their property in the last 5 years.
- 44% of customers said they had seen Thames Water campaigns that let customers know what not to flush down the toilet or sink.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- PV03 Service levels, MVA Consultancy, 2013
- CX25 Customer Expectations, Populus, March 2016
- CR26d Deep Dives, sewer flooding and blockages, BritainThinks, September 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS April 2017

22. Help with blockages in customers' pipes.

'Tipping points'

Most important — Least important

Tolerable ⟷ Not at all tolerable

Severity	There is a bad smell	Water drains away slowly and there's a bad smell	No water will drain away	
Duration	3 hours	8 hours	24 hours	48 hours
Frequency	First time it's happened	Once every couple of years	Once a year	Twice a year
Timing	Middle of the day 9am – 5pm	Morning 6am-9am	Evening 5pm-11pm	Middle of the night 11pm – 6am
Week day	Monday	Mid-week	Friday	Weekend
Location	Pipes in your property	Pipes owned by Thames Water		
Who it affects	It affects lots of people in your area	It affects you and your neighbours	It just affects you	
Seasonality	Winter	Spring / Autumn	Summer	

Green = tolerable (or acceptable)
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)
Reference: TSD019-*CR26d, Deep dives, blockages, BritainThinks, September 2016 (qualitative)*

- The severity, duration and frequency of a blockage problem are seen as the most important factors.
- The tipping point for severity when it starts to become intolerable is when there is a bad smell and water is draining away slowly. It is seen as intolerable when water does not drain away at all.
- Customers think having a blockage for around 8 hours is the point at which it starts to become intolerable and a day or more is not at all tolerable.
- The tipping point for frequency, or how often it happens, is once every couple of years while twice in a year is considered not at all tolerable.

Plan for the future.

23. Ensure long-term resilience.
24. Ensure there is enough water available in the future.
25. Help customers to use less water.
26. Ensure the wastewater system can cope in the future.
27. Help customers prevent sewer blockages.
28. Protect the service against future hazards.

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

23. Ensure long term resilience.

Key insights

23. Ensure long-term resilience. Customers have clearly articulated the service they expect from us and how this should be maintained (see messages from the customer experience, safe and dependable water and waste service and responsible company outcomes: 1, 5, 6, 7, 8, 9, 12, 13, 14, 15, 17, 19, 20, 21, 34 and 35 among others) and they expect us to plan for this service to be resilient in the long-term. They want it to meet future challenges including changes in weather and any consequent increase in flooding or drought; increased demand driven by population growth, household changes or changing customer expectations; and challenges such as cyber-crime and terrorism.

- Customers tell us that they expect infrastructure and service to be maintained. They call for investment in long term and cost effective solutions that meet future challenges such as population growth, household changes, climate change and changing customer expectations.
- Customers expect a 24/7 resilient and reliable service and expect us to plan to mitigate and recover from hazards including weather related events, terrorism and cyber crime and provide a resilient service into the future. They trust in our expertise and expect Thames Water to be able to deal with such hazards – they are more concerned with impacts on their water and wastewater service rather than the cause of the problem.
- When thinking about the water supply in particular, and planning for future levels of supply and demand, customers call for a resilient water supply into the future.
- Customer are generally supportive of major infrastructure projects where they can be shown to deliver solid improvements and benefits for the future, for example they are supportive of the Thames Tideway Tunnel when the reasons for it are explained. Support for this particular project suggests that customers want a wastewater system that will meet demand into the future. Similarly, customers are supportive of resilience plans in North East London, an area of higher risk. Most felt that the risk of losing water supply was completely unacceptable and wanted investment to avoid this happening.
- When service failures do take place customers expect clear, authoritative and timely communications about when the situation will be resolved and what to do in the meantime. They expect all communications channels to be used, many want to be able to talk to a Thames Water representative on the phone or in person rather than hear about the situation via social media, news media or word of mouth. Priority consideration and help should be given to customers in vulnerable circumstances and vulnerable businesses, and Thames Water should already know who these are. Alternative supplies should be easily accessible by all those impacted.
- Customers of all ages show concern for the future of younger generations. They say we all use water, and benefit from past investment and so should expect to do the same for future generations.

Facts and figures

- The majority of customers agree with the following statement 'Climate change and population growth mean that without proper planning there won't be enough water for everyone' (64%).
- Two thirds nationally say they have made a conscious decision to use less water. Saving money is the most important factor (42%).
- Four out of five customers say it is important that Thames Water plans for at least the next 25 years (80%).
- The majority of UK residents agree 'The UK is at a turning point; it needs to have a long term vision for infrastructure and the confidence to invest in it to ensure the UK continues to be a good place to live and work (78%).

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR29a WRMP Stage 1, BritainThinks, October 2016
- EX04 Attitudes to Infrastructure in Great Britain, Copper Consultancy, PBA, 2015
- *CR03 TTT customer understanding HH quant to 2019, Populus, 2015-2019
- PV11 Minority group analysis, Populus, 2013
- CR19 Intergenerational fairness , BritainThinks, October 2016
- EX13 Water saving, CCWater, October 2017
- CX18/19 Enfield/Royal Wootton Bassett Events, Populus, June 2015
- CX45e performance data freeze/thaw event learnings, Thames Water, June 2018
- CX26a/d Customer Journey Mapping – no water/visible leaks, Thames Water, 2015-17
- EX17 Customer experiences of the freeze thaw event, CCWater, June 2018
- EX20 National Infrastructure Commission public research, Ipsos Mori, May 2018
- *CR67a North East London Resilience Customer Research, Eftec/ICS, January 2019

24. Ensure there is enough water available in the future.

Plan for ensuring enough water

24. Ensure there is enough water available in the future. Most customers are unaware of the challenges to ensuring future water supplies. When understood they want plans to ensure sufficient supply to meet future demand. They also support best value planning taking account of a range of factors such as the environment, deliverability, flexibility and not just cost. Overall there is a preference for using what we already have more efficiently and effectively before we look for new sources. This means fixing more leaks and managing demand. They are supportive of help to be more water efficient, as well as reducing leakage, and have expressed preference for some new supply options over others to meet future demand. They also see metering as a fair way of paying for water, reducing consumption and helping customers manage their usage.

(*Also see message 15 'Fix leaks' under 'Deliver a safe and dependable water service'*)

Unaware of potential shortfall but do something about it

Customers expect us to be planning for the future and ensure that there is enough water. Few are aware of the potential for water shortages in the region in the face of challenges such as a growing population, different climate patterns and ageing infrastructure. This view is mirrored outside of our region where this is not at the forefront of most customers' minds. Views on the long-term supply of water are largely shaped by lived experience. Although aware of issues such as climate change and population growth, they do not link them to water supply. When made aware, they say planning to ensure there is enough water in the future is important. People have an expectation that water companies, governments and others will do what is needed to solve the issue of future water shortages. When informed about the problem of water scarcity, the vast majority of the general public are concerned and recognise it as a long term issue requiring immediate nationally co-ordinated action

- This aligns with a general mood of support for infrastructure development. At a national level people think we should be aspiring for world leading infrastructure or solid improvements where needed. They trust industry to make the right decisions, but want to understand what it is doing and why it is doing it. They want to discuss major infrastructure needs in their area, be involved in a two-way conversation and be helped to understand the benefits.

Customer preferences: keep us in supply as it is now and reduce the frequency of restrictions

- When thinking about a range of water services, the strongest preference is to avoid a deterioration in service. In the context of planning for the future, this in effect means increasing supply to maintain service levels at the same level as they are now and avoid any worsening of the situation. Customers place a modest value on reducing leakage and reducing the frequency of water use restrictions.
- Overall water use restrictions at their current expected frequency of implementation are not perceived to have significant impacts on customers' day-to-day activities. As such customers indicated that they were broadly satisfied with the current levels of service and do not want a deterioration. Customers did express some appetite for improved levels of service for the more severe restrictions such as rota-cuts. There is some support for an improvement to a chance of rota cuts happening once in 200 years rather than more frequently. Preliminary research on higher levels of drought resilience suggests that customers are broadly supportive of planning for higher levels into the future.

24. Ensure there is enough water available in the future.

Which options do customers prefer?

Reducing leakage

- Reducing leakage is seen as important. Customers are uncomfortable with the idea that, instead of fixing more leaks, we would seek to replace the water lost by introducing more water into the same 'broken system'. When considering a range of options customers put leakage reduction second in their order of priority only behind water efficiency campaigns. They say it sets an example for them to also use water responsibly.
- Leakage is considered wasteful and customers say we have a moral responsibility to fix leaks and not waste water. Current levels of leakage are felt to be too high. Customers do understand, when it is explained, that there is a point when it becomes too expensive to fix more leaks. However, cost is not the only consideration they say.

Future trend analysis suggests that wasteful consumption is the focus of increasing interest. Consumers are increasingly sensitive to, and less tolerant of, wasteful consumption such as leakage.

- They call for a reduction from the current leakage level of 25% to a level that compares well with the rest of the industry and are prepared to accept some impacts on their bill and disruption from roadworks to achieve this. The customer willingness to pay estimates used in our value for money assessments indicate that customer see a benefit in reducing leakage to 19%; this increases if leakage is reduced to 16% but goes down if the leakage level is reduced as far as 10% probably because the disruption and environmental impacts are considered too great.

Metering: There is also some support for metering to encourage water efficient behaviour. Metering is seen as a fair way of paying for water, reducing consumption and helping customers manage their usage. This mirrors what customers say across the UK although there are mixed views on whether it should be compulsory.

Water efficiency campaigns: Customers are supportive of water efficiency campaigns, help and advice. They are not sure if it would be that effective as a call to action but nevertheless feel it is important to do. There is a desire amongst the public for water companies, and the government, to support individuals to reduce their water usage in combination with individuals being responsible for avoiding wasteful behaviour. They are receptive to reusing water, for example using water from a washing machine to flush a toilet, with support for home adaptations to facilitate this. This mirrors broader preference for small-scale incremental improvements to infrastructure instead of significant technological changes.

For some, behaviour change could be prompted or encouraged by information on usage and the impact of reduced usage - which is seen as 'new news' - and a reminder of what Thames Water is doing and what other customers are doing, to give the sense that 'we're in it together'. Customers see that tariffs could lead them to be more water efficient but do not think it is fair to introduce tariffs that would not be imposed on unmetered customers.

Customers favour a number of new supply options to meet future demand. Customer preferences research, where a number of supply options were considered, points to a strong preference for the Teddington Transfer, followed by managing land use. The opportunity to use renewable energy was identified to be a significant issue for customers. Qualitative research points to the rationale behind customers' choices.

Each of the supply options is examined in greater detail in the table on next page.

24. Ensure there is enough water available in the future.

New supply options	Qualitative views	Odds ratio (strength of preference)
Transferring treated wastewater at Teddington	Customers tend to support transferring treated wastewater at Teddington. This option is generally favoured for providing a high yield, being simple, quick and cheap and there are few perceived negatives.	3.03
Managing land use (catchment management)	This option is seen as having wider environmental benefits but low yield and long lead times as well as Thames Water's lack of authority over landowners cause some to question whether this is a worthwhile option.	2.21
Water reuse	While some customers find the idea of water re-use unpalatable, many consider it acceptable and something that we in effect do anyway. However, once customers recognise the complexity of the process, and the energy used, they are less supportive of this option.	1.76
New storage reservoir	This option is seen as good for providing a high yield and being a simple technology as well as offering a long term option that provides wider environmental and social benefits. Customers see the disadvantages being the impact on local communities.	1.43
Using groundwater	Using groundwater is seen as simple, inexpensive and natural options. However, their relatively low yields mean they are not seen as having a major role to play.	1.30
Desalination	Desalination is considered a high yield option with a short lead in time and effective in a drought situation. However, it is not popular because of its higher energy use which is thought detrimental to the environment and potentially more costly. The complexity of the process, and therefore the enhanced risk of failure, is seen as a major disadvantage compared to 'simpler' solutions.	1.29
Water transfer	Water transfer is amongst customers least favoured options. It is seen as more complex, energy intensive and expensive and not therefore an option with much customer support despite also being seen to offer a high yield, long term solution and efficiency.	1.28

Cross water company research, involving customers from areas that would potentially be transferred from and to, also found that **water transfer** is the least favoured supply option after re-use and building new reservoirs. Customers expect assurances that companies selling the water only do so if they have a reliable long term resource; water is only taken when needed, transfer pipework is maintained; bill impact is minimised; trading is fair and environmental impacts are monitored and regulated.

24. Ensure there is enough water available in the future.

What is important when making the Plan?

When looking at how we keep the region in supply, customers favour solutions that balance different factors. While cost is seen as the most important factor, other criteria also come into play. Customers want plans to be flexible and long term (at least the next 25 years). They say the plan must be deliverable, sustainable, minimise the environmental impacts and be resilient. Similarly, customers prioritise cost considerations ahead of what option is chosen and whether it would reduce the risk of restricting water use. during drought.

Most important	
Cost	Most important factor. Solution must be affordable for Thames Water and this is especially crucial as it impacts customers bills
High importance	
Deliverable	Must be proven to work, tried and tested, least likely to waste money and effective
Sustainable	A long term solution that will also save on future costs
Environmental	Minimise the environmental impacts and where possible provide environmental benefits
Resilient	This matters as the future is unpredictable. Water stress is going to get worse so have contingency plans
Moderate importance	
Acceptable	Thames Water ought to consult with and reassure customers, especially as there is no competition in their sector, but not at the expense of other criteria
Adaptable	Has to adapt to changing circumstances. Customers find it difficult to separate this from resilience which may account for it being marginally lower importance

Similarly in water trading research customers see sustainability, environmental impact and the volume of water produced as key evaluation criteria when choosing solutions.

Facts and figures

The majority of customers agree with the following statements:

- Climate change and population growth mean that without proper planning there won't be enough water for everyone (64%).
- I am concerned about the environment and give a lot of thought to environmental issues (60%).
- I don't waste water as I try to live a green lifestyle (63%).
- Nationally 79% say they have not heard anything in the last year which might affect the reliability of water supplies. Of those who had, the following were mentioned – flooding/increased rainfall (20%), water quality (16%), drought (9%), burst pipes/leakages/ageing infrastructure (8%), climate change (5%), immigration/growing population (2%).
- Two thirds nationally say they have made a conscious decision to use less water. Saving money is the most important factor (42%).
- It is important that Thames Water's plans for the future are flexible to accommodate changes (82%).
- Four out of five customers say it is important that Thames Water plans for at least the next 25 years (80%).
- Three quarters of customers agree that the negative impacts of taking water out of the environment should be considered when developing a long term plan for water supply (75%).
- When informed, 7 in 10 customers are concerned about water scarcity.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, Mar 16
- PV11 Minority group analysis, Populus, 2013
- PV01 Water resources follow up, Populus, 2013
- EX05 Public perceptions of recycled water, Cranfield University, 2012
- EX03 Consumer attitudes to tap water, CCWater 2016
- EX04 Attitudes to Infrastructure in Great Britain, Copper Consultancy, PBA, 2015
- CR29a WRMP Stage 1, BritainThinks, October 2016
- CR41 Stage 1 Customer preferences research , eftec/ICS, April 2017
- CR43a/b Stage 2 customer preferences research - water resources level of service and options, eftec/ICS, May 2017
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR29c Leakage Research, BritainThinks, April 17
- EX13 Water saving, CCWater, Oct 2017
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, Dec 2017
- CX52 Water resources messaging, Verbalisation, March 2018
- CR65 Water Trading, Verve, July 2018
- EX20 National Infrastructure Commission public research, Ipsos Mori, May 2018
- *CR69 Drought Resilience and Chalk Stream Customer Research, Britain Thinks, March 2019

25. Help customers use less water.

Key insights

25. Help customers use less water. **Few are aware that demand is projected to exceed supply. They call for greater efforts to increase awareness and help customers be more water efficient. They are supportive of education through schools and information, advice, advertising and 'freebies' to help customers understand the need and reduce their consumption. Where campaigns have taken place, customers' awareness and understanding of the issue and their use of water saving devices has increased and reported water consumption has decreased.**

Wasting water is seen as a moral issue so water efficiency is positively received. Customers say we should make efficient use of supplies before building new resources. Customers by and large accept the underlying need to reduce water consumption, but they want to know that we are doing our bit.

Education and campaigns

Customers are supportive of education through schools to promote awareness and understanding of water efficiency. Some customers feel they are already water efficient, and could not use less, but overall there is widespread support for education, information, advice, advertising and 'freebies' to help customers understand the need and reduce their water consumption. This was reinforced during the 2018 dry weather when the majority of customers said they expected guidance on water usage from their water company.

Evidence suggests that consumers may be engaged better by a coherent set of messages that raises their awareness of the 'bigger picture' about water resources, rather than just suggesting ways they can save water. Information about why behaviour matters could help to make targeted water saving behaviour changes messages resonate with customers more effectively. When customers have a better understanding of why they are asked to reduce their water consumption, they may be more receptive to such messages. Sharing information on what we're doing and what other customers are doing could also encourage some with the sense that 'we're in it together'. Where campaigns have taken place, customers' awareness and understanding of the issue and their use of water saving devices has increased and water consumption has decreased.

Metering

It is broadly accepted that extending metering is an essential part of reducing water use in the region. Customers support a roll-out of the metering programme and feel it should be given priority although they would prefer to choose rather than it being compulsory. Metering makes customers more aware of their water use. Most agree that metering is fair and expect that it will save them money. Customers in areas where we are starting to install smart meters are not clearly understanding the benefits to them and this is impacting motivation to make or keep appointments for meter installation.

Tariffs

Customers see tariffs as a potentially effective way to encourage behaviour change, although they worry that they would be personally worse off. They are resigned to tariffs being compulsory, if implemented but it is seen as unfair that unmetered customers would be unaffected.

Wasteful consumption has always been a potent issue but this is now the focus of increasing interest. Consumers do not want excessive or wasteful consumption and expect brands to help them minimise waste in an easy and pain free way.

Facts and figures

- Just over half of customers think 'Using a water meter can reduce your monthly bill' and just over a quarter (26%) think it will mean bills are higher.
- Almost a third (31%) say 'We should feel free to use as much water as we want and not feel constrained by water meters'.
- 88% of progressive metered customers agree I understand why meters are being installed.
- 72% of customers said they tried to be more careful with water usage during the recent dry weather (summer 2018) but 68% said they used more water than usual.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- PV01 Water resources follow up, Populus, 2013
- PV11 Minority group analysis, Populus, 2013
- PV04 PR14 Deliberative research, Opinion Leader, 2012
- PV08 Progressive Metering, Populus, 2016
- PV12 Water campaign efficiency, Populus, 2014
- CX42a/b Water efficiency campaigns, Populus, 2017/2018
- EX13 Water saving, CCWater, October 2017
- CR29a WRMP Stage 1, BritainThinks, October 2016
- CR62 NHH tariff trial, Populus, October 2014
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- CX52 Water resources messaging, Verbalisation, March 2018
- CX56 Dry weather event evaluation, Verve, August 2018

26. Ensure the wastewater system can cope in the future.

Key insights

26. Ensure the wastewater system can cope in the future. Customers want us to ensure there is a resilient wastewater service into the future, to meet increased demand and changing weather patterns. They are positive about measures such as the creation of wetlands but say that solutions that will best cope with increased demand are more important than the options themselves. When the reasons for the Thames Tideway Tunnel are explained to customers there is a much higher level of support than opposition for the project.

Plan for the future

- Customers give little thought to sewerage services and don't want to do so. They simply expect to flush and waste to go away. They consider it incumbent on us to maintain the system, minimise failures and ensure it is resilient into the future. If not, it is seen as both distressing and bad for public health.
- Customers understand that with a growing population, different climate patterns and ageing infrastructure, there is a need for investment to maintain a reliable sewerage service. Customers place a high value on maintaining sewage services and reducing the risk of sewer flooding, in particular. How we are maintaining sewage infrastructure now is a key indicator of the confidence that customers have in how we can cope with future challenges.
- Flooding from rainfall is thought to be increasingly likely and is seen as unpredictable and out of Thames Water's control. Nonetheless it is considered a high priority to plan for due to the distressing nature of sewer flooding.
- This is set within a wider context of support for infrastructure development. At a national level people think we should be aspiring for world leading infrastructure or solid improvements.
- Support for the Thames Tideway Tunnel is an indication of customer support for a sewerage system capable of coping with future demand. Support for the project is significantly higher than opposition.
- Customers expect us to protect against severe hazards that may be increasingly likely in the future such as weather, technology and socio-political events. They think about the impact that the hazard would have on services, rather than the hazard itself, and would not want services to deteriorate.

Options

- Customers are positive about measures such as the creation of wetlands but say that solutions that will best cope with increased demand are more important than the options themselves. They are happy to leave it to the expert

Facts and figures

- 60% of Britons agree that we are not doing enough as a country to meet our infrastructure needs and 76% are of the view that investment in infrastructure is vital to future economic growth.
- Water supply and sewerage is included amongst the infrastructure that are seen as a priority for investment (17%) as well as flood defences (45%).

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- EX04 Attitudes to Infrastructure in Great Britain, Copper Consultancy, PBA, 2015
- *CR03 TTT customer understanding HH quant to 2019, Populus, 2015-19
- CR52 Resilience Deep Dive, BritainThinks, February 2017

27. Help customers prevent sewer blockages.

Key insights

27. Help customers prevent sewer blockages. Customers consider it a priority to be educated about what can and cannot be put into sewers and feel we should directly engage with customers to understand the consequences of their actions and help them behave responsibly. They are supportive of education programmes in schools. Our Bin it Don't Block it campaigns have been shown to increase customer awareness and change reported behaviour. Customers expect us to work closely with manufacturers to make it clear what can and cannot be flushed away and in the development of sewer-friendly products.

Education and campaigns

Most customers have not seen campaigns about what not to flush down toilets or sewers but this is something that most think we should do.

In the absence of information:

- Customers are aware that wet wipes and fat are an issue but full and detailed knowledge is low
- They have a mechanical view of waste and drains and develop their own rules of thumb of what they think is acceptable to dispose of down the drain
- They think of their own home and environment rather than the bigger picture
- This is an out of sight, out of mind issue where once gone from the sink or toilet it is forgotten
- Customers current behaviour, and thus potential barriers to change revolve around three key factors: convenience, hygiene and risk. They want to avoid anything that will increase inconvenience, or be more unhygienic in their eyes and many think there is a low risk of causing a blockage because it hasn't happened so far.
- If customers have actually experienced a blockage they are likely to have a very different attitude but this is relatively rare

Thames Water's Bin it Don't Block it Behaviour change campaigns have been successful in increasing awareness and understanding of this issue and many, including food service establishments claim it has changed their behaviour. In using the Whitechapel Fatberg to promote Bin it Don't Block it messages, awareness of the issue increased, messages cut through strongly and perceptions of Thames Water were enhanced, particularly on transparency and clarity.

Facts and figures

- Almost 4% of customers said they had experienced a blockage in or near their property in the last 5 years.
- 80% of customers agree that Thames Water should do more to educate customers about what not to flush down toilets and drains.
- 80% of customers (in a Bin it t don't block it campaign area) agree that Thames Water should be promoting better waste disposal through campaigns.
- Nearly two thirds of Londoners were aware of the Whitechapel fatberg and four out of ten associated it with Thames Water.
- Nationally, 61% had heard of the term 'fatberg'
- 12% are unaware that sanitary products should not be flushed down the toilet and 1 in 10 who had used a condom in the last year said they had disposed of it in the toilet.
- 35% nationally considered wet wipes labelled 'flushable' to be flushable
- 47% say they have poured cooking oil down the sink.

Key references (TSD019-)

- PV13 Bin It & misconnections communication development , Populus, April 2014
- CX32a/b/c Bin it Don't Block it campaign, Populus, 2016/2017
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017
- CX50 Whitechapel Fatberg customer impact, Populus, December 2017
- EX23a & b Sanitary Survey & Fatberg Survey, Lanes for Drains, March & June 2018

28. Protect the service against future hazards.

Key insights

28. Protect the service against future hazards. Customers expect us to protect against severe hazards that may be increasingly likely in the future such as weather, terrorism and cyber-crime. They think about the impact the hazard would have on services, rather than the hazard itself and would not want services to deteriorate.

- Customers tell us that they expect investment in the long term and cost effective solutions to be put in place to deal with challenges such as increasing population and climate change.
- Customers expect us to plan for future hazards including weather related events, terrorism and cyber-crime. They expect us to plan for a service that is resilient to these hazards and trust in our expertise to do this.
- They are generally supportive of the Thames Tideway Tunnel, when the reasons for it are explained. This is indicative of support for protecting against weather related hazards.

Facts and figures

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research. BritainThinks March 2016
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- *CR03 TTT customer understanding HH quant to 2019, Populus, 2015-2019

Be a responsible company.

29. Affordable bills: make charges affordable and value for money.
30. Affordable bills: share the cost.
31. Affordable bills: keep bills stable.
32. Affordable bills: support low income customers.
33. Meet the needs of customers in vulnerable circumstances.
34. Protect and enhance the environment: improve and protect the quality of rivers.
35. Protect and enhance the environment: avoid pollution.
36. Protect and enhance the environment: use renewable energy but don't charge me extra.
37. In the community: contribute to the local community.
38. In the community: provide access to the environment.
39. In the community: minimise the inconvenience of roadworks.
40. In the community: minimise the impact of our sites.
41. In the community: reduce odour.
42. An ethical and transparent company.

Deliver an effortless customer experience

Deliver a safe and dependable water service

Deliver a safe and dependable wastewater service

Plan for the future

Be a responsible company

Thames Water

29. Affordable bills: make charges affordable and value for money.

Key insights

29. Affordable bills: make charges affordable and value for money. Most of our customers think water charges are affordable and are satisfied that the service offers value for money. A large minority of customers feel they struggle to pay their bills but only a few get financial support with their water bill. Financial assistance is appreciated by those who receive it but they suggest we could be more proactive at an earlier stage

- The majority of customers consider water bills to be affordable and to offer value for money. This may in part be because household customers water charges are typically considerably lower than other utility bills. As a consequence concerns about value for money and affordability may be directed at energy companies where charges are relatively high and a greater proportion of customers outgoings.
- However, a significant minority do not think water charges are affordable or value for money and struggle to pay their household bills, including water bills.
- Customers on low incomes and/or receiving financial support are more likely to be concerned about the affordability of bills. They are more concerned about leakage and the impact on their bills; are more likely to try and use less water to save money and are more likely to be concerned about metering in case it impacts their bill.

Facts and figures

- 66% of customers are satisfied and 12% dissatisfied with the value for money for Thames Water's water service. 69% are satisfied and 10% dissatisfied with the value for money of the sewerage service.
- 51% of customers say that the current bill and service levels are very good/good value for money.
- 69% of customers agree that both their water and sewerage charges are affordable, which is lower than the industry average (74%). 18% disagree that it is affordable.
- 61% of customers agree that both their water and sewerage charges are fair (same as the industry average). 19% disagree that it is fair.
- 30% of customers say they sometimes or always find it difficult to pay their household bills each month.
- 21% of customers say they sometimes, frequently or always find it difficult to pay their water and wastewater bill each month.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- PV06a/b Social Tariffs, Populus, 2012/13
- EX02 Water Matters, CCWater, 2017
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR22 Social Tariffs, Populus, December 2016
- CR08a/b Deliberative overlays, BritainThinks, March 2016
- CR58c Social Tariffs, Populus, March 2018

30: Affordable bills: share the cost.

Key insights

30. Affordable bills: share the cost. Everyone should contribute. Each generation benefits from past investment and so should expect to do the same for future generations. Costs should also be shared across the region

- Customers of all ages show spontaneous concern for the future of younger generations. They acknowledge that intergenerational fairness is relevant to many policy debates but they do not see it as being relevant to the water sector. We all use water, and it is an essential resource and therefore should all expect to contribute.

- Older customers feel they can still expect to benefit from much of Thames Water's investment and they show a strong sense of social responsibility towards future generations, wanting their children and grandchildren to enjoy the same level of service as they have done. This is echoed by younger customers who feel there is a social and generational responsibility to look out for each other.

- Customers consider the current system to deliver a high quality service, they therefore fully support any measures which aim to ensure that the system continues to deliver a high quality service in years to come, and recognise that investment is vital to securing this.

- They also expect work to be carried out across the whole region (not just in London) as required. Most customers think that costs for investment should be shared throughout the region although some suggest that London benefits disproportionately. In general customers do not tend to hold different perspectives depending on where they live but there could be specific communities that hold different views in response to local issues.

Facts and figures

Key references (TSD019-)

- CR19 Intergenerational Fairness , BritainThinks, October 2016
- CR07 PR19 Deliberative Research. BritainThinks March 2016

Share the cost: intergenerational fairness.

As part of our ongoing conversation with customers we brought together five different generations – customers aged 16 to 80 – to hear their views on intergenerational fairness. It is customers who ultimately pay for our infrastructure investments through their bills, and often over very long periods of time, and we know that how we spread the cost over time can affect different generations in different ways. We wanted to hear what customers thought was the fairest way of doing this.

Click on the image to hear our customers' views in their own words (use slide show view if using powerpoint file) – an internet connection is required.

Reference: TSD019-CR19 Intergenerational Fairness, BritainThinks, October 2016

31. Affordable bills: keep bills stable.

Key insights

31. Affordable bills: keep bills stable. Customers value consistency in bill levels with stability or smooth changes.

- Customers trust Thames Water to treat them fairly when it comes to billing because they feel that bills are currently transparent and easy to understand.
- Having viewed different types of bill profile, customers overwhelmingly value consistency above all else; this is often used as a proxy for trust. Frequent bill changes are hard for customers to keep track of and would work to undermine trust.
- Change which results in a bill decrease is viewed differently, some customers are willing to forgo consistency in favour of short term gain, but most would still prefer to have consistency.
- When considering a rebate of £4 per year in bills in the 2020-25 period, as a result of performance and spending in 2015-20, the bill adjustment system is widely supported and felt to be a fair way of operating. This small adjustment in the bill was well received and is consistent with customers preference for bill stability or smooth change.
- Significant increases to bills need to be clearly communicated. This was roughly seen to apply to any bill increases of £30 or more in a year. This is essential to maintaining trust.
- When considering markets other than water, low income consumers want certainty over finances and billing and struggle with constrained and fluctuating finances particularly if they have a health condition which fluctuates, or have dependent children.

Facts and figures

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR19 Intergenerational Fairness, BritainThinks, October 2016
- PV07a/b/c Revenue allocation research, Populus, September 2014
- CR61b Reduced bill profile online community task, BritainThinks, May 2018
- CR61c PR14 Reconciliation online community task, Britain Thinks, August 2018
- *EX21 Getting a good deal on a low income, Britain Thinks, December 2018

32. Affordable bills: support low income customers.

Key insights

32. Affordable bills: support low income customers. Most customers accept paying some extra on their bill to support a discounted tariff for low income customers. They welcome our other forms of financial assistance and urge us to better promote all our schemes to eligible customers.

Low income customers

- Low income customers can be particularly concerned about leakage which is seen as wasteful and increasing bills.
- They are more likely to conserve water, even if unmeasured, and have concerns about metering and that it could increase their bill. They welcome financial support.
- Like others they say severe water restrictions would have a significant impact on their lives. They would pay to avoid the risk of this happening but would like reassurance of where this money is going.
- They favour the most cost effective options for any new water supply and dislike tariffs which are seen as unfair to customers.
- Low income customers on social grade E (casual labourers, state pensioners and those on benefits) report being impacted to a greater extent by service issues in their day to day life compared with customers overall.
- These customers are more likely to think our bills are poor value for money and more likely to want bills to be reduced and current service levels maintained.

When considering markets other than water, low income consumers want certainty over finances and billing and struggle with constrained and fluctuating finances particularly if they have a health condition or dependent children. Their energy can be taken up worrying about balancing finances, so the reliability of services is very important as is clarity in marketing, contracts and billing, supportive customer service and different ways of communicating.

Our review of Priority Services has identified ten key themes which can also be applied to customers who struggle to afford their bill (see page 76).

Financial assistance

- Customers were asked about helping to pay towards a discounted rate which would help up to 300,000 customers per year who struggle to pay water and wastewater bills. A majority supported an additional payment of up to £11 on annual bills (up to £5.50 for wastewater only customers), to go towards this social tariff.
- Most feel that customers on a social tariff should be metered and encouraged to use water efficiency measures.
- Most feel that the social tariff should be used to help customers on a low income or with a disability.
- Customers feel positively towards us for offering the social tariff, Customer Assistance Fund and the Trust Fund schemes, but they query what they consider the low take-up and feel they should be better promoted to those eligible. Information within bill statements and leaflets sent directly to customers were seen as the most effective ways to communicate about the support available.
- Customers acknowledge shareholders' payments into the Trust Fund, but feel they could contribute more.
- A large minority of customers feel they struggle to pay their bills but only a small minority get financial support for their water bill. A very small proportion of customers are formally recognised as vulnerable and on Thames Water's special registers and tariffs.

Facts and figures

- 37% of customers agree 'I struggle to pay all the bills and meet the financial commitments I have at the moment'.
- 21% of customers say they sometimes, frequently or always find it difficult to pay their water and wastewater bill each month.
- Metered customers on WaterSure: 7,714 (0.3% of metered properties).
- Customers on Watersure Plus Social Tariff 48,957 (0.9% of billed households).
- Customers on Water Direct 5,727 (0.1% of billed households).
- 67% of customers are aware of our financial assistance offerings (excluding direct debits and payment plans), this is also 67% among those who consider themselves financially vulnerable.
- 79% of dual service customers accept an additional payment of up to £11 on their annual bill and 74% of wastewater only customers accept an additional payment of £5.50 on their annual bill, to go towards a social tariff (2018).

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- PV06a/b Social Tariffs, Populus, 2012/13
- CX45c Performance data to CCWater, Thames Water, 2017/18
- CR22 Thames Water Social Tariffs 2016 Report, Populus, December 2016,
- CR58b Vulnerability Customer Insight, Thames Water, March 2018
- CR58c Social Tariffs, Populus, March 2018
- CC03a Business Plan consultation, Community Research and eftec, August 2018
- CR66 Corporate and Financial Responsibility, BritainThinks, July 2018
- CX04b NPS Brand Tracker – Support Services Awareness, Populus, August 2018
- *EX21 Getting a good deal on a low income, Britain Thinks, December 2018

33. Meet the needs of customers in vulnerable circumstances.

Key insights

33. Meet the needs of customers in vulnerable circumstances. Some customers are in vulnerable circumstances where they require a greater level or different type of support that is understanding of and appropriate to their needs.

We are developing our understanding of the needs of customers who may be in vulnerable circumstances or who may not participate in our usual customer research activities. These customers can have different perspectives on our service or require greater levels of support and more personalised communication. It is recognised that for some of these groups, vulnerability may not be a permanent situation. There is low awareness and understanding of our Priority Services Register but customers are supportive of the idea and would like to be told more about it.

Customers with disabilities and health conditions

- Water quality, pressure, interruptions to supply and restricted toilet use can be of particular concern to customers with specific medical conditions or disabilities.
- In particular, those with high water use due to a medical condition may rely on an uninterrupted supply for their treatment and there is some concern that we may not appreciate the potential risk to their health caused by any outage.
- They may also be more concerned about metering and the impact on their bill when they are water reliant.
- These customers can require additional support and understanding when experiencing different customer journeys, due to anxiety and other conditions which may be impacted by any disruption to their normal routine.
- Customers with disabilities and health conditions say it would be more difficult for them to adapt in the event of a water shortage and want Thames Water to prioritise them in an emergency. Hosepipe bans would not have a significant impact but an Emergency Drought Order would and is something they would be open to paying more for to reduce this risk. Those with mental health conditions note that severe restrictions could significantly impact their mental wellbeing.
- Customers in this audience have very loose support networks and may not have anyone that they can count on to help them in an emergency. More frail customers in this group would find it difficult to cope themselves in an emergency.
- Severe water restrictions such as rota cuts is something they say they can cope with, however, it is important to note that these customers tend to be reluctant to admit they require support.
- Research with people with mental health problems across all regions showed that this audience consider it relatively easy to deal with water companies, compared with other utilities, as they do not have to think about choosing a supplier, or do not worry about the risk of the service being cut off.

Customers with learning difficulties

- These customers can require additional support and understanding when experiencing different journeys.

Older and socially isolated customers

- Older socially isolated people can be particularly concerned about leakage and the impact on bills.
- They tend to have limited interest in planning for the future and feel their water use is limited.
- Older customers (75+) have a stronger preference for maintaining current service levels.

Facts and figures

Priority Services Register Category	2017/18
Need support with communications	8,830
Mobility & access restrictions	54,410
Need support if supply interruptions	56,835
On password scheme (preventing bogus callers)	3,555

Source APP4 Vulnerability tables

57,340 Thames Water household customers are on the Priority Services register (2018).
46% of customers are aware of our non-financial support services. This increases to 54% among those who consider themselves in need of support or in vulnerable circumstances. 94% of customers are satisfied that the services we provide are easy to access, including 91% of customers who considered themselves in need of support/in vulnerable circumstances.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR08a/b Deliberative overlays, BritainThinks, March 2016
- CR29b WRMP Stage 2, BritainThinks, December 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, Additional results for vulnerable customers, June 2017
- CR58b Vulnerability Customer Insight, March 2018
- CX45c Performance data to CCWater, Thames Water, 2017/18
- CX45b Performance data PSR numbers, Thames Water, May 2018
- EX18 Essential services and people with mental health problems, BritainThinks, May 2018
- CX04b NPS Brand Tracker – Support Services Awareness, Populus, Aug 2018
- *CR67a North East London Resilience Customer Research, Eftec/ICS, January 2019
- *CX60 Priority Services Register NPS, Populus, March 2019

33. Meet the needs of customers in vulnerable circumstances.

Our review has identified ten key themes that reflect the needs of customers in vulnerable circumstances.

Staff	Diversity	Range of Flexible Options	Personalisation	Make it Simple
Key focus is on training, recruitment, support and empowerment. Awareness and recognition of vulnerability should be embedded across all employees	We need to recognise and understand the diversity of our vulnerable customer base, so we can develop our offering to address this	One size doesn't fit all –we need to ensure we offer a range of options to meet different needs (but less is more)	We should be tailoring the support and services we offer to an individual's specific needs.	All aspects of the vulnerable customer journey should be as simple as possible (application, renewal, eligibility criteria, support, advice). For customers and advisors

Proactive	Awareness	Partnerships	Omni-Channel	Joined up
We need to proactively find, engage with and support our vulnerable customers	We need to grow awareness of our vulnerable customer offerings at both a general and specific level (e.g. language line)	These are integral to everything. We need to actively seek alliances that will benefit our customers	We need to embrace digital – but there must be non-digital channel alternatives too	Ensure that our approach to affordability and priority services are closely linked both internally and externally

This research involved interviews, insight gathering and benchmarking with:

- Customers
- Water, utility and service organisations
- Experts and partners from charities and other organisations related to affordability and priority services
- Thames Water staff who work with and support customers in vulnerable circumstances

Reference: TSD019-CR58b Vulnerability Customer Insight, March 2018

- **Awareness -** vulnerable customers overall had a low understanding of the Priority Service Register (PSR) and call for more information through a number of channels, particularly bills, letters and general advertising. They wanted to be able to see eligibility criteria as much as learning about support on offer.

- **Diversity and personalisation** - not all felt they needed special consideration (due to existing support networks of friends and family), but all could see the value of the priority service when given more detail. Vulnerable customers struggled with supply interruptions and longer interruptions - collection of water could be challenging especially if friends or carers are not always available

34. Protect and enhance the environment: improve and protect the quality of rivers.

Key insights

34. Protect and enhance the environment: improve and protect the quality of rivers.
Rivers are important to customers and something many use. The majority are satisfied with the quality of river habitats and rate them as good or moderate. They value improving river water quality. Rivers start to be seen as unacceptable when they are slow flowing, unclear and slightly stagnant and when this goes on for a month or more.

Customer preferences: maintain the service

- When considering the wastewater service in the round, customers primarily want to avoid a deterioration in service. However, there is some appetite for improved levels of service but the value for reducing river quality incidents is low. This suggests that demonstrating value for money, and the perceived impact that improvements will have on customers, are key.

Customer expectations

- The most important attributes for river quality incidents are severity and duration. The tipping point beyond which things are not felt to be acceptable are when the water is slow flowing, unclear and slightly stagnant, and when it lasts for more than a month or so.
- There is a strong preference for reducing litter at river sites. The strength of preference for improving fish, wildlife, water flow and clarity and plant levels are similar to each other.

When considering chalk streams, almost all customers were unaware of chalk streams and their importance as a rare habitat. But when asked to think about environments worthy of protection, many referenced bodies of water (rivers, lakes, the sea). Once they understood more about the issue, they felt that chalk streams and vulnerable watercourses should be protected. When considering this in isolation, there was support for a potential bill increase to fund Thames Water's commitment to protect chalk streams. This was the first stage of customer engagement on this topic and will be explored further.

Facts and figures

- 79% of customers had been to a river in the last 12 months to visit or walk along; 37% for boating, rowing canoeing or sailing and 27% for fishing.
- Most go to a local river – 55% travel up to 5 miles.
- When rating their local river: 36% of customers rate it *good* with a rich mix of plants, fish and wildlife, normal river level and flow and clear water; Half say it is *moderate* with a limited range of plants and wildlife, river levels that are sometimes low and water can be murky in places; 6% consider their local river environment *poor* with algae, weeds, little wildlife and stagnant in places with muddy water.
- Around 80% of household customers are satisfied with the quality of river habitats non-household customers are less likely to be satisfied (50%).

34. Protect and enhance the environment: improve and protect the quality of rivers.

'Tipping points'

	Tolerable ↔			Not at all tolerable
Duration	A week	A month	It's been a problem for as long as you can remember	
Frequency	Once	Around once every few years	Around once a year	More than once a year
Severity	The water is clear but you can see litter in it	The water is clear but it seems to be flowing slightly slower than usual	Water is flowing slower and is not as clear as usual, and there is a slightly stagnant smell	
Use	Not used for recreational activities	A popular spot with runners/walkers	Lots of fishing takes place here	Used for watersports
Location	In a rural area	Middle of a town/ city	More than 10 miles away from your home	Less than 10 miles away from your home
Season	Winter	Spring/Autumn	Summer	

Green = tolerable (or acceptable)
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)

River quality

- The duration, frequency and severity of poor river quality are the most important factors for customers when thinking about river quality.
- Customers are prepared to tolerate short term river quality problems but if it has always been a problem they are less forgiving.
- The tipping point when river quality starts to be seen as problematic is if it happens once every few years. Happening once a year or more is seen as intolerable.
- The tipping point when customers start to see rivers as intolerable is when they are slow flowing, unclear and slightly stagnant.
- Poor quality in waters used for fishing starts to be a concern and where it is used for water sports is not considered tolerable.

Customers prefer improvements to the river environment that they can see i.e. reducing litter (which is not a Thames Water responsibility). Beyond that they value **improvements to fish, wildlife, water flow and clarity and plant levels** similarly to each other. Customers are:

- 9.8 times more likely to prefer no litter than a lot
- 5.5 times more likely to prefer good quality fish and wildlife levels over poor
- 5.0 times more likely to prefer good water flow and clarity over poor
- 4.4 times more likely to prefer good quality plant levels over poor

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- PV05 Final Acceptability testing, eftec & ICS, June 2014
- CR26c Deep Dives, River Quality, BritainThinks, September 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017
- CR43c Stage 2 customer preferences research - river environment, eftec/ICS, June 2017
- *CR69 Drought Resilience and Chalk Stream Customer Research, Britain Thinks, March 2019

35. Protect and enhance the environment: avoid pollution.

Key insights

35. Protect and enhance the environment: avoid pollution. Rivers are important to customers and they value reducing pollution incidents as the natural environment is important to them. Customers are to some extent forgiving of a one-off pollution incident as long as the environment can be restored. They do not expect to see incidents happening more frequently. Pollution incidents start to be seen as unacceptable when fish die or when untreated sewage is visible and smelly.

Awareness and expectations

- Customers give little thought to sewage pollution incidents and it is not something they generally have direct experience of. They have little knowledge of Thames Water's impact or responsibilities but expect us to avoid polluting. If it does happen, they expect us to clear it up as quickly as possible as well as improve the quality of polluted rivers to bring them up to standard. Customers are concerned about the visible signs of pollution such as the appearance of the water, diversity of wildlife, smell and litter, particularly in their local rivers.
- Generally customers were satisfied with the response that Thames Water makes in the event of any incident and the regulation by the Environment Agency. They welcome preventative measures to avoid pollution incidents such as sewer cleaning and the Thames Tideway Tunnel.

Customer preferences: maintain the service

- When considering the wastewater service in the round, customers primarily want to avoid a deterioration in service and do not want to see the situation deteriorate. However, there is some appetite for improved levels of service but the value for reducing pollution incidents is low. This suggests that demonstrating value for money, and the perceived impact that improvements will have on customers, are key.

Customer expectations

- For pollution incidents, customers are concerned with frequency, severity and duration. They are to some extent forgiving of a one-off incident as long as the environment can be restored. But become unhappy if the incident goes on for more than a month or so. They do not expect to see incidents happening more frequently.

Facts and figures

- 79% of customers had been to a river in the last 12 months to visit or walk along; 37% for boating, rowing canoeing or sailing and 27% for fishing.
- Most go to a local river – 55% travel up to 5 miles.
- When rating their local river: 36% of customers rate it *good* with a rich mix of plants, fish and wildlife, normal river level and flow and clear water; Half say it is *moderate* with a limited range of plants and wildlife, river levels that are sometimes low and water can be murky in places; 6% consider their local river environment *poor* with algae, weeds, little wildlife and stagnant in places with muddy water.
- Around 80% of household customers are satisfied with the quality of river habitats and the number of pollution incidents. non-household customers are less likely to be satisfied (50% river habitats and 41% pollution incidents).

35. Protect and enhance the environment: avoid pollution.

'Tipping points'

Pollution incidents Tolerable ↔ Not at all tolerable

Most important

Duration	24 hours	A month	3 months	The river never fully recovers
Frequency	Once	Around once every few years	Around once a year	More than once a year
Severity	A minor sewage leakage and fish have died as a result	You can see untreated sewage in the water and it smells bad		
Use	River is not used recreationally	A popular spot with runners/walkers	Lots of fishing takes place here	Used for watersports
Location	In a rural area	Less than 10 miles away from your home	More than 10 miles away from your home	Middle of a town/ city
Season	Summer	Spring/Autumn	Winter	

Least important

Pollution incidents

- Duration and frequency are the most important factors for customers when thinking about pollution incidents.
- Customers are prepared to tolerate pollution lasting up to around 3 months. If the water never fully recovers that is considered intolerable.
- The tipping point when pollution starts to be seen as problematic is if it happens once every few years. Happening once a year or more is seen as intolerable.
- The tipping point when pollution incidents start to be seen as not acceptable are when fish die or when untreated sewage is visible and smelly.
- Pollution in waters used for walking and fishing are a concern.
- Customers are more concerned about affected waters in the summer and in towns and cities.

For a good quality river, customers say that a category 1 incident (most severe) is 4.5 times worse than a category 3 incident (least severe)
They value improvements to pollution incidents based on the severity of the incident as well as the quality of the river beforehand.
When testing the weight given to Category 3 pollution incidents relative to other services, customers placed this in line with sewer flooding in the home.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- PV05 Final Acceptability testing, eftec & ICS, June 2014
- CR26c Deep Dives, River Quality, BritainThinks, September 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR43d Stage 2 customer preferences research - sewer flooding. eftec/ICS, June 2017
- CR43c Stage 2 customer preferences research - River environment, eftec/ICS June 2017
- CR63 Customer valuation testing, eftec/ICS February 2018

36. Protect and enhance the environment: use renewable energy but don't charge extra.

Key insights

36. Protect and enhance the environment: use renewable energy but don't charge me extra. The majority of the public support the use of renewable energy. When considering new water resource options, customers tend to value those that use renewable energy more highly. Evidence from the energy sector suggests that while customers show notable concern about climate change they have weak appetite overall for compromising on energy use or price to support green commitments.

- At a national level around three quarters of the public express support for renewable energy with around two thirds supporting bio-mass technology for the supply of their energy. But few are willing to pay more for having their energy supplied through renewables.
- Customer awareness of what we currently do in relation to renewable electricity is low.
- Our current and future plans regarding renewable electricity are well received, with environmental and cost benefits perceived as the key advantages, although some customers think we could do more.
- While environmental concerns are important, there is little customer appetite for us to speed up our renewable electricity strategy if it means an increase to bills.
- Customers trust us to be experts in our field, making the right long term decisions for them, including the generation of our own power.
- When considering different water resource options, using renewable energy increases customer preferences for an option.

Trend analysis suggest a trend towards eco-aware but pragmatic consumers who expect corporate environmental behaviours, such as the use of renewable energy, to be the norm. At the same time they want this delivered at no detriment to the customer such as higher charges.

Facts and figures

- 76% of the public support the use of renewables.
- 65% support biomass renewable technology
- Almost all customers (98%) are positive about Thames Water's plans for renewable electricity over the next 5 to 10 years.
- A majority of respondents (71%) would prefer Thames Water to follow its current plans for using renewables, with no increase to bills a priority.
- A quarter felt that it would be preferable to use more renewables more quickly even though this would be expected to increase customers' bills in 2020-2025 but reduce them in the longer term.

Key references (TSD019-)

- EX08 DECC renewables, DECC, November 2015
- EX09 Public attitudes to the household energy market, Cambridge Energy Report, 2014
- CR12b Renewable electricity online community task, BritainThinks, August 2017
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR43b Stage 2 customer preferences research - water resource options, eftec/ICS, April 2017
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017

37. In the community: contribute to the local community.

Key insights

37. In the community: contribute to the local community. Where we have a presence in local communities, customers do not necessarily expect us to do more than minimise the impact of our sites. They would though welcome more such as jobs and apprenticeships for local people, involvement in local issues, community investment programmes and access to sites for recreation.

- Local activities based around a site have the greatest potential to positively impact the community. Customers support investment in the local community such as:
    - jobs and apprenticeships for local people
    - using influence and resources to assist or support local causes
    - activities that help to reduce the disruption where we have long term roadworks in an area
    - activities that reduce the disruption of our sites
    - activities that enhance the local environment
- Thames Water customers care about biodiversity and expect the company to take action to preserve it. Customers are generally impressed by the information about Thames Water's current biodiversity strategy and support remains high, even when presented in the context of a potential bill increase. Learning about Thames Water's biodiversity plans generally makes customers more positive about the organisation.
- Customers would like Thames Water to use a range of channels to communicate these types of initiatives in the locality including, for example, local press, posters on the site and in local shops and community centres. They do not want leaflets through their doors on community investment activities.
- These local activities are in addition to broader corporate responsibility activity that is expected of a large company and should be offered throughout the region. Communities where we have a presence welcome more.

Facts and figures

Key references (TSD019-)

- CR32 Being a good neighbour, BritainThinks, March 2017
- CR12d Biodiversity online community task, BritainThinks, January 2018

38. In the community: provide access to the environment.

Key insights

38. In the community: provide access to the environment. Customers say the natural environment is important to them – and river environments are a key part of this. They improve quality of life and access is valued for providing places to relax, exercise and spend time with family. They would like to see more access to local sites for recreation purposes.

- The natural environment is seen to be very important, both at an individual level as well as for society more widely. It is seen as an important factor in improving quality of life and feeling relaxed and contented. Customers think of the natural environment in terms of wildlife and plants as well as different landscapes including woodland, rivers, countryside and the coast. The river environment is thought of as not just the river itself but the area around it as well.

- Customers would like to see more access to sites for recreation if the amenity is local to them. This is seen as a positive benefit and is welcomed.

Facts and figures

Thames Water has around 100 sites/activities managed either by the company or our partners. They provide access for a range of heritage, nature, recreation, sporting and educational activities. Some provide access continuously while others are open to members or on an occasional basis.
Modelling of site visit data found that the average value to customers of a visit to our recreational sites was £4.

Key references (TSD019-)

- CR26c Deep dives, river quality, October 2016, BritainThinks
- CR32 Being a good neighbour, BritainThinks, March 2017
- CX45a Thames Water performance data- AR Sites Savills, Thames Water, July 2017
- CSD018 Customer Preferences Summary, Thames Water/eftec/ICS, June 2018

39. In the community: minimise the inconvenience of roadworks.

Key insights

39. In the community: minimise the inconvenience of roadworks. Roadworks by utility companies and highway authorities are seen as an inconvenience and disruptive to customers' daily lives. Customers do, however, recognise the need for roadworks for the maintenance and upgrading of infrastructure. Where roadworks occur, customers want planning, advance warning, co-ordination with other utilities/highway authorities to avoid digging up the road repeatedly, working at times which minimise inconvenience, speedy completion and information about what roadworks are for and how long they will last.

- Most customers are affected by Thames Water roadworks and they see them as inconvenient and disruptive to their daily lives. They dislike lack of advance warning, works going on for protracted periods, not seeing anyone working at the site and apparent lack of coordination with other utilities or highway authorities.

- However, at the same time, customers recognise the need for repairs and maintenance and want to see evidence of active upgrading of the network. They feel that works should be planned, rather than emergency, as far as possible. Customers want advance notice, works carried out as quickly as possible, co-ordination with other utilities/highway authorities to avoid digging up the road multiple times and information about what roadworks are for and how long they will last. They also expect that sites are safe and secure, considerate and respectful behaviour when we are working in local neighbourhood and that we take responsibility for any issues that may occur.

- Customer expect personal and proactive engagement and communications. Any roadworks in the local area that last for a week or more are considered long term and they expect to be consulted on any local issues; to be informed about what the works are for and how long they will last; to be given a named contact and to be updated f anything changes.

- Customers generally respond positively towards signage that reflects our refreshingly clear brand values and this helps to create a more favourable impression of Thames Water but this is not in widespread use.

Facts and figures

- 0.5% of customers said they had experienced being inconvenienced by Thames Water roadworks in the last 5 years.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- EX07 TfL Lane Rental Scheme , TfL, July 2014 to March 2015
- CX29 Hatton Garden Streetworks, Populus, May 2016
- CR32 Being a good neighbour, BritainThinks, March 2017
- CR41 Stage 1 Customer preferences research y, eftec/ICS, April 2017

40. In the community: minimise the impact of our sites.

Key insights

Customers who live near our sites expect us to keep the impact on their local neighbourhood to a minimum. Those living near sewage treatment works are more likely to notice some impacts compared with water treatment works, for example. They expect, at a minimum, low levels of disruption; for Thames to take responsibility for any incidents that do happen; hidden, well maintained sites and respectful staff and contractors.

- Customers living near sludge sites thought the impact on them was minimal. Any odour, vehicle movement or noise issues were generally seen as infrequent and part of 'country life'.

Facts and figures

Key references (TSD019-)

- CR32 being a good neighbour, BritainThinks, March 2017

41. In the community: reduce odour.

Key insights

41. In the community: reduce odour. Overall, odour is not seen as a major problem as it affects relatively few people but there is support for some investment in measures to reduce odour. Most have rarely noticed the problem and assume the way we manage odour is good. Where it does occur, the severity of the smell is the most important factor, particularly if it penetrates inside the home. We should minimise the impact of odour and keep affected customers informed about what is happening and what we are doing to rectify it.

Most unaware of odour issues

- Most customers are rarely or never affected by smells from sewage treatment works and it is not seen as a big problem or a priority. As they haven't really noticed a problem, they assume that the way we manage odour is good. There is little expectation from the majority of customers that odour can ever be completely eliminated.

Maintain the service

- When considering the wastewater service in the round, customers primarily want to avoid a deterioration in service. However, there is some appetite for improved levels of service but the value for reducing odour is modest demonstrating that value for money, and the perceived impact that improvements will have on customers, are key.

- Some of those who live near works suggest the problem is improving. Some have never thought to contact Thames Water about odour and feel it is only to be expected when living near to works. They place a higher value on reducing odour and all customers are willing to pay a small amount. But overall there is limited support for paying for service improvements as performance is currently considered acceptable.

Customer expectations

- When asked to think about it, most sympathise with customers living near works and the problems they suffer, such as not being able to use their gardens or open windows, mosquitoes and selling their homes, particularly if they have little choice about where they might live (social housing tenants, for example). They suggest that those suffering odour problems should be offered a discount, be kept informed about why it happened, and what is being done to rectify the problem and reassured that it is being taken seriously.

- Customers who live near our sites expect us to keep the impact on their local neighbourhood to a minimum. They expect, at a minimum, low levels of disruption; for Thames to take responsibility for any incidents that do happen; hidden, well maintained sites and respectful staff and contractors.

Facts and figures

- Just under 2% of customers said they had experienced an unpleasant smell from sewage works or sewers in the last five years.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR06 Thames Water Foundation Review, Accent, November 2015
- PV05 Final Acceptability testing, eftec/ICS, June 2014
- CR26b Deep Dives, Odour, BritainThinks, October 2016
- CR41 Stage 1 Customer preferences research, eftec/ICS, April 2017
- CR32 Being a good neighbour, BritainThinks, March 2017

41. In the community: reduce odour.

‘Tipping points’

		Tolerable			Not at all tolerable
Most important	Severity	There is a faint smell outdoors	There is a strong smell outdoors but not smell indoors	There is a strong smell outdoors and a faint smell indoors	There is a strong smell outdoors and indoors
	Duration	3 hours	8 hours	24 hours	48 hours
	Other problems	You can see the plant from your property	Traffic from tankers	Noise (from sewage plant and tankers)	Flies
	Frequency	Once a year	Twice a year	Four times a year	Ten times a year
	Season	Winter	Spring / Autumn	Summer	
	Timing	Middle of the night 11pm-6am	Morning 6am-9am	Middle of the day 9am-5pm	Evening 5pm-11pm
Least important	Week day	Monday	Mid-week	Friday	Weekend

Green = tolerable (or acceptable)
Amber = in dispute, tipping point for many (but not all)
Red = intolerable (or unacceptable)
Reference: TSD019-*CR26b Deep dives, odour, BritainThinks, September 2016 (qualitative)*

- How bad the smell is, and how long it lasts, are the most important factors to customers when thinking about odour.
- Customers say they would find odour intolerable if it penetrates their home.
- An odour lasting for 8 hours starts to become problematic and a day or more is seen as intolerable.
- Other factors that customers say they would find intolerable are noise and flies.

42. An ethical and transparent company.

Key insights

42. An ethical and transparent company. Some customers express concerns about the privately-owned, profit making and monopoly status of Thames Water. As a public service provider, they want to feel the company cares for its customers and is not only motivated by profit. Customers would like us to demonstrate transparency about the company's finances, including shareholder investment and profits, and how customers' money is spent. They also wish to understand how their interests are protected by the regulator. Customers expect Thames Water, as a large company, to be undertaking a number of corporate responsibility activities including donating to charity and educational programmes. These are in addition to local neighbourhood activities such as providing access to sites and community investment programmes for environmental enhancement and educational outreach.

Some customers see Thames Water as a corporate entity that makes a lot of money. Our monopoly position means they judge us differently to companies that operate in competitive markets. Customers can't shop around so some say they are at the mercy of 'fat cats' who serve shareholders rather than customers. They are aware that the sector is regulated, but suspect we effectively have a free rein.

Few customers recall hearing anything about the company's finances. When they have, the sentiment is predominantly negative with concerns about large dividends for shareholders, foreign investors transferring high levels of debt to Thames Water, fines and tax avoidance.

After prompting on our current corporate and financial practices and our proposed enhancements in this area, customers feel we have listened to customers and stakeholders, acknowledged past mistakes and are heading in the right direction. The current levels of debt and gearing seem risky, so our proposal to decrease gearing, increase equity and share with customers some of the benefits from the low cost of new debt was welcomed. On tax the concern was less about not paying corporation tax and more about the potential impact on customer bills when the deferred tax is due. Customers appreciate it where we can keep bills low as a result of corporate and financial practices, though in the case of two specific resilience schemes, if the schemes didn't occur, they wanted the limited 'rebates' to be reinvested in the service.

Customers feel positively about receiving a leaflet from Thames Water with their annual bill. They say it demonstrates transparency and openness. They respond well to information which tells them where their money is going and explains this in precise, real-life terms that customers can identify with and understand. The media campaign associated with the Whitechapel fatberg appears to have enhanced perceptions of Thames Water, particularly on the company's transparency and clarity.

It is widely expected that Thames Water undertakes corporate responsibility activities throughout the region such as:

- Charitable donations
- Educational programmes and
- Educating the public about water efficiency.

Other activities such as access to sites for recreation and community investment programmes are unexpected, but welcomed, where they are local (see message 37: Contribute to the local community).

Authenticity is a core emerging trend. Customers feel entitled to assess all aspects of corporate activity and this needs to be recognised. There is also a trend towards eco-aware but pragmatic consumers who expect environmental corporate social responsibility as a default without bearing the pain. 'Doing the right thing' will be seen as a fundamental approach to the way a company operates.

Facts and figures

- Around one in five customers are detractors in our Brand tracker – one of the reasons for this is our monopoly position.
- When prompted 5% of customers recall hearing something about Thames Water's finances (August 2017).
- Customers give an average score of 7.2 when asked to rate how much they trust Thames Water (10 being trust completely), which is the lowest level in the industry.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR32 Being a good neighbour, BritainThinks, March 2017
- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19
- CX04a NPS Brand Tracker leakage hot topic, Populus, October 2017
- CX06 Brand interactions, Populus, 2015
- CC02 Your Water Future conversation, Community Research, July 2017
- CR10b/11h Annual billing leaflet online community task, BritainThinks, February 2016 and March 2017
- CX50 Whitechapel Fatberg customer impact, Populus, December 2017
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- EX14 ICS service trends, Institute of Customer Service, December 2017
- EX02 Water Matters, CCWater, 2017
- CR66 Corporate and Financial Responsibility, BritainThinks, July 2018
- CR66a Back In Balance package, BritainThinks, August 2018

42. An ethical and transparent company

Click on the images to hear our customers' views on our corporate and financial responsibility, in their own words. (Use slideshow view if using PowerPoint – an internet connection is required.)

Household customer Reading

The social tariff makes a huge difference. I'm happy to pay a couple of pounds to it but I do feel perhaps Thames Water should match that.

Household customer Reading

The thing that bothered me most is the gearing.

Household customer London

Yes they are responsible... Something has happened. Now they've got no choice.

Non household customer London

There are areas of the financial side of things that are a little shocking, but I don't know as much about business as others so it's probably the way most companies are operated.

Household customer Reading

Is it customers footing the [tax] bill? Or are they going to have to borrow money again and get themselves in more debt?

Household customer London

The rise in gearing over the last ten years is a major challenge to be faced by Thames Water and its new management team.

Household customer London

It's starting to be a responsible company... They've started to shut down their account in the Cayman Islands... It's a good step forward.

Non household customer London

For what they've got on their hands, how many customers they have and much responsibility, they're doing pretty well. In reality no one thinks about that side of things [ownership, debt, etc.].

Reference: TSD019-CR66 Corporate and Financial Responsibility, BritainThinks, July 2018

Customer segments.

For vulnerable customers see message 33
For debt segmentation see page 31

Wastewater-only customers.

Key insights

- A significant proportion of our customer base only receive sewerage services from us and are billed by their water only company.
- Only around a third of our wastewater-only customers are aware that their sewage service is supplied by Thames Water. This is a significant proportion of our customer base that is disengaged.
- They have no touchpoint with us but want only one channel of contact with their supplier. We know that brand performance is higher for customers who contact us. Wastewater-only customers are less likely to have contacted Thames Water, and so have a poorer perception of our brand, which in turn influences customer satisfaction ratings if they do have a service interaction.

Facts and figures

- More than a third of Thames Water household customers are billed by their water only company (WoC) and only receive sewerage services.
- Only around a third of wastewater-only customers are aware that their sewage service is provided by Thames Water.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- *CX04 NPS Brand Tracker, Populus, 2015-19

Mentions of wastewater-only customers elsewhere in this report:

- 32. Affordable bills: support low income customers

Metered and unmeasured customers.

Key insights

Metered customers

- Often more positive about metering as a way of saving water (although they will generally have chosen to move into a metered property or have opted to have one).
- See metering as a way of providing customers with a detailed assessment of usage and for tailoring advice and incentives to promote water efficient behaviour.
- More likely to actually look at their bill and recognise they are paying for what they use.
- Increasing demand from customers for metering supports water efficiency and online account management objectives.

Unmeasured customers

- Less likely to understand their bill, making it potentially difficult for them to challenge Thames if they suspect a mistake.
- Generally supportive of metering, particularly if they are made aware of the potential for water shortages and that meters can help to detect leaks in the network.
- See it as a fairer way to pay, although often don't favour compulsory metering
- But some currently unmeasured customers are concerned that they will pay more.

Facts and figures

- Around 1.4 million household customers are directly billed and metered. This is growing as we progress with the metering programme but the vast majority of customers are currently not metered.
- More than 2 million directly billed household customers are unmeasured with the bill being based on the rateable value of their property.
- 40% of household customers are metered.

Key references (TSD019-)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- PV08 Progressive metering, Populus, 2016
- CX45c Performance data to CCWater, Thames Water, 2017/18
- CX45d Metering performance data to CCWater, Thames Water, 2017/18

Mentions of metered and unmeasured customers elsewhere in this report:

- 4. Be personal: tailor the service
- Retail services – billing
- Retail services – move home
- 24. Ensure there is enough water available in the future
- 25. Help customers use less water
- 32. Affordable bills: support low income customers

Tenants and landlords.

Key insights

Local authority and housing association (LAHA) tenants

- A large proportion of customers are LAHA tenants who are billed by their landlord. They have little or no direct relationship with us and their LAHA is their first port of call, who they expect to have more ‘clout’ to get any issues dealt with.
- Migration of LAHA tenants to become directly billed by Thames Water provides the opportunity for a direct relationship. LAHA tenants are a diverse and frequently “vulnerable” audience with complex and often specific needs. Money may be tight, budgeting is a constant balancing act and anything that affects household finances can cause problems. A choice of payment methods is key for these customers making a transition, although many will ultimately opt for the short term manageability of a payment card. They also appreciate more information on how to save money/water.
- Cost is a key concern for LAHA tenants, they like paying a fixed amount each month as this helps them plan their finances. As a result they have concerns over metering which they feel would increase and vary what they pay each month.

Private tenants

- Private tenants are also disengaged, with their landlord often being their first port of call. They are often not really sure how much they pay for water and it can be part of their rent.
- They are likely to move home more frequently and welcome greater transparency about their bills including understanding why their bill might change if they move to a similar rented property.

Landlords

- Private landlords need quick and effective contact with Thames Water, as this role can be part of an already busy day-to-day life. They want to provide a good service to their tenants, and don’t want to risk losing them.
- They feel that Thames Water’s current response to service failures is in need of improvement, in terms of response times and compensation.
- Maintenance is a key concern and often landlords will try to fix problems themselves, but there is an appetite for pipe insurance and for a list of certified providers to help resolve issues.
- Some would like enhanced account management to avoid some of the problems that can arise with being the middle man between the tenant and Thames Water.
- A linked account for the landlord and tenant would be appreciated, so landlords can easily contact us on behalf of the tenant. This would also ensure that bills can be paid in between tenancies.

Facts and figures

- There are 388,000 local authority and housing association (LAHA) tenants in our customer base who are billed by 72 Local Authorities or Housing Associations.
- There are around 3,300 private landlords.

Key references (TSD019-)

- CR08b Deliberative overlays- Tenants and Landlords, BritainThinks, March 16
- CX39 LAHA transition to direct billing, Populus, September 2016

Non-household retailers.

Key insights

Non-household retailers are particularly concerned with any aspect of the relationship with Thames Water (Wholesale) that impacts billing of their non-household end-consumers.

- NHH retailers would like to see better routine communication with them and their customers, making the customer experience the focus (rather than process/policy). They would like to be treated more like the end customer. This should include proactive notifications about planned and emergency work. Personal interactions with key contacts at Thames Water are considered good.
- NHH retailers prioritise an improved method for submitting forms, with the ability to track the status of services - a portal like other wholesalers offer. This should enable submission of bilateral forms with form validation / pre-populating Supply Point (SPID) data from Central Market Operating System (CMOS) and standardised formatting.
- NHH retailers also see the improvement of data accuracy as a priority, particularly that which impacts the charges they pass on to the customer, including meter reading.
- Most NHH retailers are open to Thames Water having some level of direct contact with their customers, although only under certain circumstances such as unplanned events and the operational/technical side of the wholesale water/wastewater market.

Facts and figures

- There are currently 21 non-household retailers actively dealing with non-household customers in the Thames Water area.
- One of these retailers (Castle Water) has a large share of the non-household customers in the area (90%+).

Key references (TSD019-)

- CR64b NHH retailer forum, Thames Water, November 2017
- CR64a NHH Retailers, Populus, April 2018

Non-household end-consumers.

Key insights

Non-household customers' needs and expectations are generally similar to household customers but they are particularly likely to be concerned about service failures as it potentially costs them loss of trade and customers.

- Regarding service failures, non-household customers expect proactive contact, an explanation, an apology and higher levels of compensation. They expect that more could be done to identify vulnerable businesses and put in place enhanced communications and emergency provision.
- Non-household businesses operating in sectors using machinery and appliances affected by hard water are concerned about the impact on their operating costs. There may be benefits in providing tailored advice for high volume water using businesses that are particularly affected by hard water.
- A constant supply of water and good water pressure is very important for some non-household customers, where water is integral to their operations, and sufficient flow is necessary for operations to be completed in a timely and effective way.
- Some non-household customers report having been adversely affected by leaks around their premises causing inconvenience to themselves and their customers.
- Large businesses say restrictions such as emergency drought orders would have a significant impact on their business operations and temporary bans could have an impact depending on what is banned and how long it goes on for. They say a resilient and reliable water supply is important and they would pay to improve resilience and reduce the risk of water use restrictions, they prioritise water resource options which would provide large amounts of water, offer a long term solution and are not energy intensive.
- Non household customers are keen to see improvements in leakage and sewer collapses but show concern with disruption that roadworks would bring.
- Non-household customers are concerned with river habitats and related pollution incidents, recognising pollution from industry, overflows from sewers and fly-tipping as key pressures.
- Service areas where non-household customers' willingness to pay values have a stronger influence than household customers are supply interruptions and water restrictions involving a non-essential use ban (ie: non-domestic uses of water), and areas where they have a lower influence are odour and water restrictions involving a hosepipe ban.

Facts and figures

- There are almost 300,000 non-household connected properties in the Thames Water region representing around 5% of the customer base.
- 38% of SME businesses in the Thames Water area are aware that it is possible to switch their water and wastewater retail service provider. 6% claimed to have switched supplier.
- Other barriers to switching supplier are poor knowledge of the different retailers and what they offer, a reluctance to spend time and effort researching options and comparing prices, negative experiences of switching in other sectors and a perception of being locked in with a current supplier.

Key references (TSD019- or TW-CSE-A3- if preceded with *)

- CR07 PR19 Deliberative Research, BritainThinks, March 2016
- CR26 Deep Dives – odour, supply interruption, low pressure , water hardness, river environment & pollution, sewer flooding & blockages , BritainThinks, September 2016
- CR29a/b WRMP Stage 1+2, BritainThinks, December 2016
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR41 Stage 1 Customer preferences research, eftec/ICS April 2017
- CR43a/b/c/d/e Stage 2 customer preferences research – water resources, resource options, river environment, sewer flooding, water services, eftec/ICS, May 2017
- CR49 Interim acceptability testing, BritainThinks, November 2017
- CX18/19 Enfield/Royal Wootton Bassett Events, Populus, June 2015
- CR29c Leakage research, BritainThinks, April 2017
- *CR01 TTT customer understanding NHH quant to 2019, Populus, July 2015-2019
- EX15 Business awareness of retail water market, CCwater/Populus, January 2018
- EX16 Business experience of retail water market, CCWater/Creative Research, May 2018

Developer Services customers.

Key outcomes for Developer Services customers are 'an effortless customer experience' (see below) and 'planning for the future', including the updating of communication systems, proactively promoting sustainability and managing current infrastructure in preparation for future developments.

All Developer Services customers would like some form of consistent/named one-to-one open dialogue relationship with Thames Water, which would help in overcoming problems and delays that occur for different processes. Specific needs for different developer segments could be met with a mix of improved communication, centralisation and collaboration with us.

Strategic developments
Major construction
Land developers
Qualifying Authorities

Customers with highly complex projects would like:

- More information sharing to collaborate on future plans (eg: smart meter roll out, high water usage predictions, network surveys and new regulations).
- Greater co-ordination with own engineers (and more of them) and other utilities.

Housebuilders
Engineering consultants

Customers with mid-level complexity projects would like:

- Access to mapping data and an online hub to simplify and track applications.
- To work more closely with us to find solutions and speed up processes as issues and delays arise.

Self Lay Providers

Partners with mid-level complexity projects would like:

- Thames Water to educate our staff and other Developers about their role.
- Access to our GIS mapping system and to be able to work on a wider range of our jobs (like branch connections).

Small builders
Home owners

Customers with lower complexity projects would like:

- A simplified website with a live webchat tool and an online hub with templated and trackable online application forms.
- Some first timers would use a paid-for service to save them hassle.

Key references (TSD019-)

- CR56a Developer Day feedback, Populus, November 2016
- CR56b Developer Services Deep Dive, Verve, May 2017
- CR56c Developer Day pre-survey, Thames Water, January 2018
- CR56d Developer Day poll, Thames Water, January 2018

Sludge (biosolids) customers.

Key insights

Thames Water's sludge customers value the relationship they have with their account manager and the service and product that they receive from them. Some have a few suggestions where improvements could be made to their dealings with the company.

- Some customers would like to see improvements to communications – clearer information about the product itself, more timely correspondence about the status of their purchase and clearer labelling of the maps used for delivery and spreading. They would also like to feel that any instructions they've given regarding delivery and spreading have been observed.
- Some would like to see more flexibility in the timing of delivery and spreading, particularly in order to co-ordinate with dry weather conditions.
- Some call for more product to be available and at a lower price if possible.

Facts and figures

- In 2017-18 Thames Water provided sludge (biosolids) to 456 customers in England, and the product was used on approximately 30,000 hectares of agricultural land.

Key references (TSD019-)

- CR55 Sludge Customer feedback, Thames Water, 2017-18

Future customers.

Key insights

Future customers rarely think about their water and waste service, but they tend to be quite environmentally conscious and so recognise the challenges and need for investment for the future.

- Future customers do not expect financial security in the future and they tend to live for today. Lifestage progression may not be possible for many without parental help.
- However there is a sense that it is up to each generation to adapt to their situation, and as everyone uses water it feels fair that all age groups of bill payer would contribute equally to the cost of maintaining and improving water and waste services now and for the future.
- Future customers (including school children) rarely think about their water service so find it harder than others to engage with the scale of the challenge of supplying water in future. They tend to be more environmentally conscious than other customers, so they are willing to take responsibility by changing their habits, although they'd expect Thames Water and the government to take the lead on solving any water shortages in future. They prioritise water supply options which would reduce wastage and have little environmental impact (e.g. reducing leakage).
- Future customers are willing in principle to pay more to improve the water and waste service, reducing the risk of things like pollution and drought restrictions. However, they find it difficult to engage with the associated bill impacts of this.
- In terms of hazards to water and waste resilience they are more concerned about the risk of cyber crime than other customers - they felt this sort of thing was likely to happen in future whereas other customers hadn't considered it.

Facts and figures

- For the purposes of our research we defined future customers as being non bill payers that are aged 16-24. One of our studies also engaged school children aged 11-15.

Key references (TSD019-)

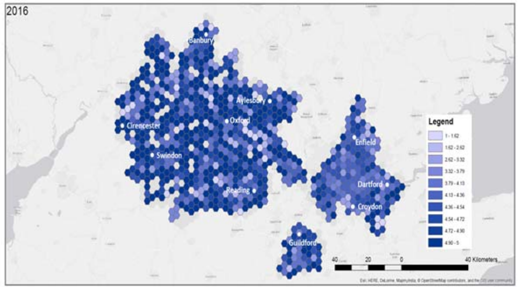
- CR17 Future customers Summer School, Populus, September 2015
- CR19 Intergenerational Fairness, BritainThinks, October 2016
- CR20 Future Trends Outputs for planning, Thames Water/ Foresight Factory, December 2017
- CR29b WRMP Stage 2, BritainThinks, December 2016
- CR52 Resilience Deep Dive, BritainThinks, February 2017
- CR49 Interim acceptability testing, BritainThinks, November 2017

Similarities and differences across the region.

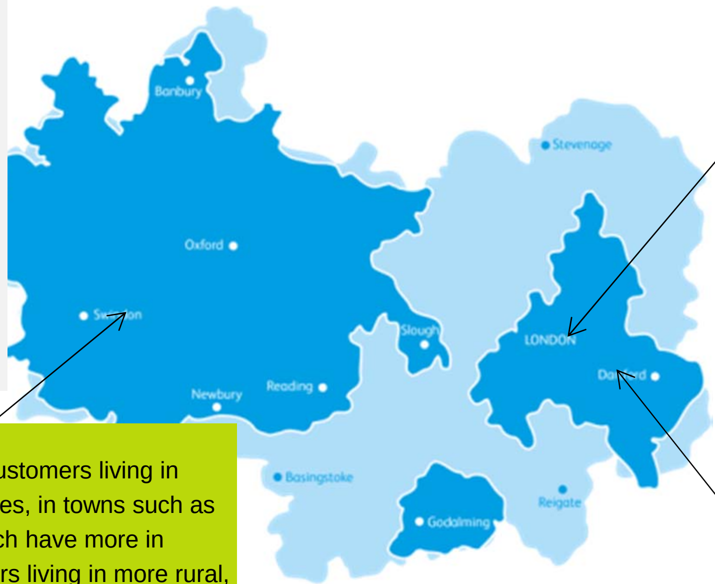
Differences across the region.

Region wide
There is a high level of consistency between customers across the region. There are some variations between different areas but no clear pattern emerges. Differences may be explained by a combination of social, economic and demographic factors as well as where people live.

When customers need to contact us, there is no particular pattern of differences in their satisfaction across the region. There are pockets of higher and lower scores spread across all parts of the Thames Water area.



Local issues (water resource planning)
Customers' views on having a water resource in their area change depending on the resource and the community. In Teddington, for example, the Teddington Transfer scheme is seen as among the best options and to have few long term impacts. Residents in Abingdon expressed concern for anyone directly affected by any new reservoir and increased congestion but ultimately they felt the benefits outweigh local disruption. They all stress the importance of Thames Water educating people in the local community about the challenge faced by the region and the impacts of the options on the local community in the short and long term.



Inner London customers are marginally more likely to consider our service poor value. This may in part be driven by lower incomes for some (but not all) customers in this area. They live in a more densely populated area with more pipes. They tend to use less water.

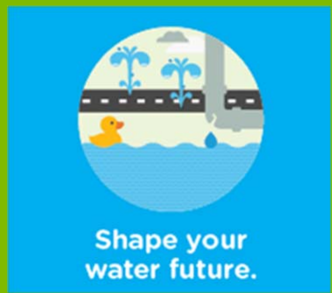
The customer preferences research shows inner London residents *less* likely to opt for a package of services that represents their current situation for water services. But in contrast, they are *more* likely to opt for the current situation for wastewater services.

When considering water resource options, Inner Londoners have a stronger preference for catchment management (managing land use) than those living elsewhere.

Outside London
Rural and urban Outside London includes customers living in more densely populated areas, with more pipes, in towns such as Swindon, Reading, Oxford and Guildford which have more in common with London. It also serves customers living in more rural, less densely populated areas with fewer pipes. They tend to use more water in rural areas. Customers are more likely to be concerned about pollution in towns and cities than in rural areas. Customers outside London are *more* likely to opt for a package of services that represents their current situation compared with those from inner London. But they are *less* likely to opt for the current situation for wastewater services.

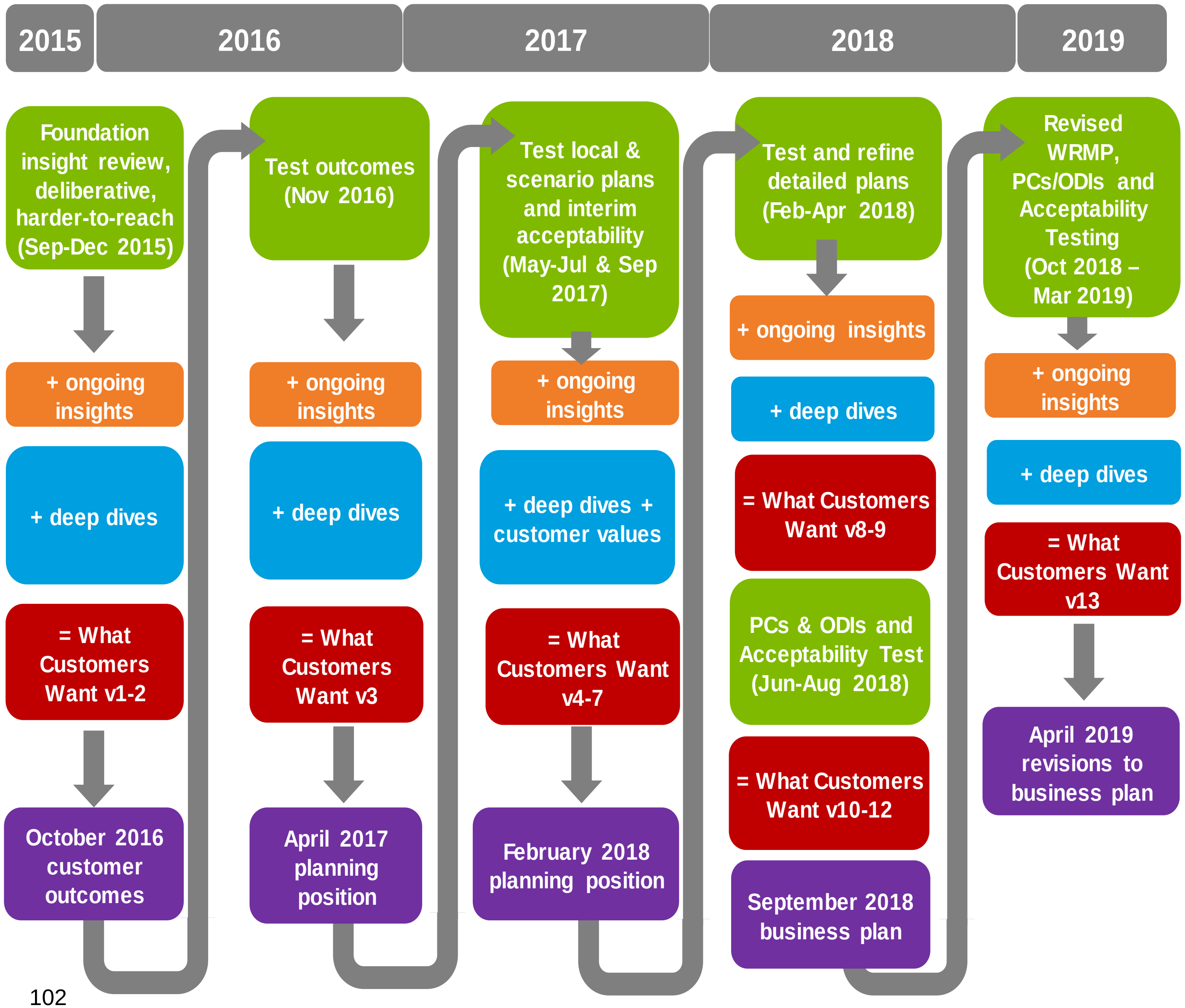
Outer London customers are *more* likely to opt for a package of services that represents their current situation compared with those from inner London. But they are *less* likely to opt for the current situation for wastewater services.

Testing business plan proposals.



Thames Water

Customer engagement for the business plan.



- Our customer engagement programme for the PR19 Business Plan is described here.
- We have used our understanding of what customers want to develop our plans.
- In this section we describe the testing with customers of the main components of the Business Plan as it evolved.

Stages of the iterative engagement process:

1. Foundation
2. Gathering ongoing insight
3 & 4. Deep dives and customer preferences (values)
5. What Customers Want insights triangulation
6. Testing

Outcomes tested and what customers told us.

Provide an effortless customer experience	93% say detailed elements are clear 82% say detailed elements fully describe what is involved
Deliver a safe and dependable water service	90% say detailed elements are clear 82% say detailed elements fully describe what is involved
Deliver a safe and dependable wastewater service	93% detailed elements are clear 79% say detailed elements fully describe what is involved
Plan for the future	88% detailed elements are clear 70% say detailed elements fully describe what is involved
Be a responsible company	91% detailed elements are clear 73% say detailed elements fully describe what is involved

Reference: TSD019-CC01 Outcomes Conversation, Thames Water, January 2017

What was tested and what customers told us.

Which of three bill and service options was preferred?

76%
preferred bills **stay the same** and we can deliver some improvements to our service

21%
preferred bills **reduce slightly** (e.g. £5 over 5 years) and our service will stay very much the same as it is now

3%
preferred bills to **reduce more** (e.g. £10) but our service will also reduce, with an increased risk of things going wrong

No option for a bill increase was provided

Where should time and resources be focused?

- 27% of comments related to keeping bills the same and improving services.
- 17% of comments related to bills staying the same with no associated mention of service levels.
- 17% of comments related to reduced bills and services to be kept the same.
- 2% of comments related to paying more for a better service.

However, this is without an option given for an increase in bills for an improved service.

A Customer Charter and Customer Promises were tested.

- The proposed Customer Charter resonated with customers. 90% said it covers the commitments they would expect to see and 82% agreed it is ambitious enough.
- Almost all customers (95%) said that the promises we'd like to make to customers look reasonable.

Reference: TSD019-CC02 Your Water Future conversation, Community Research, September 2017

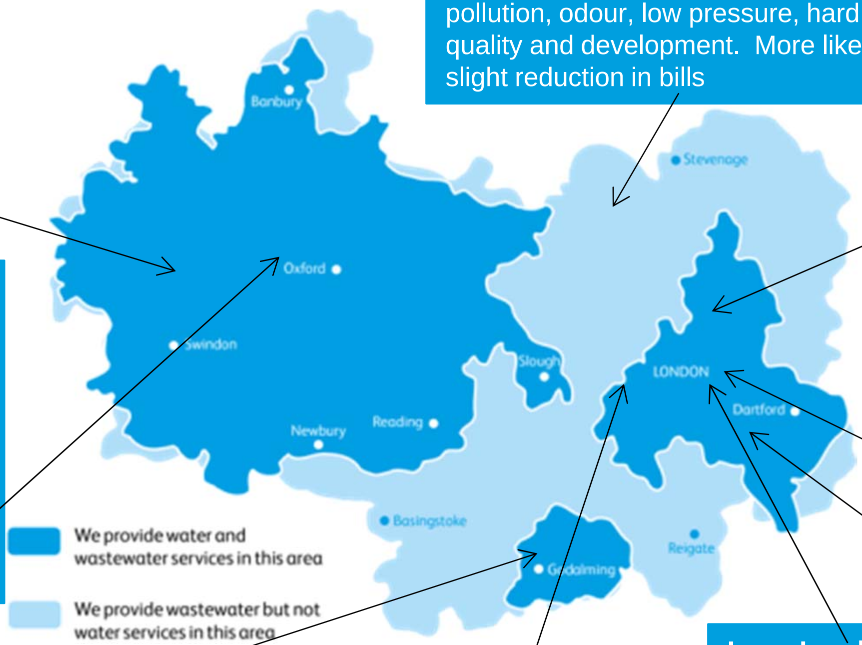
What customers told us, across the region.

There are common themes that customers talk about in most areas of our region. Customers raise concerns about leaks and bursts, pollution, sewage treatment works and odour, low pressure, hard water and water quality, sewer flooding, blockages, pressure from development and communications.

Gloucestershire and Wiltshire
Odour, hard water/water quality, sewer flooding, blockages, development. Customers here also expressed support for the restoration of the Cotswold Canal to support water supply.

Oxfordshire and Berkshire
Leaks/bursts, pollution, low pressure, hard water/water quality, sewer flooding, blockages, communications, development. Customers here also talked about potential plans for a reservoir (both for and against), roadworks and supporting the community.

Buckinghamshire, Bedfordshire, Hertfordshire and Essex Leaks/bursts, pollution, odour, low pressure, hard water/water quality and development. More likely to prefer a slight reduction in bills



North London
Leaks/bursts, odour, low pressure, hard water/ water quality, sewer flooding, blockages

East London
Leaks/bursts, odour, sewer flooding, blockages, communications. Customers here also raised the issue of billing transition from social housing.

Surrey and Hampshire
Odour, sewer flooding/blockages, development

West London
Leaks/bursts, pollution, odour, low pressure, hard water/ water quality, blockages, communications. Customers here expressed concerns about odour from Mogden and supply interruptions

Inner London A higher proportion commented on high bills. There was less call to take care of the environment.

South London
Leaks/bursts, low pressure, hard water/water quality, development. Customers here also talked about mains replacement.

Reference: TSD019-CC02 Your Water Future conversation, Community Research, September 2017

What was tested.

Five service and bill options were tested with customers. These five options are based on Thames Water's business planning scenarios:

Orange = 'Reduced' Pink = 'Maintain' Blue = 'Minimum effective' Purple = 'Enhanced' Yellow = 'Very stretching'

Your current bill: £374*	2025 Orange option	2025 Pink option	2025 Blue option	2025 Purple option	2025 Yellow option
Leakage: The percentage of water supply lost due to leaks.	24%	23%	21%	21%	20%
Water Interruption: Number of properties affected by an unexpected interruption to water supply that lasts over 4 hours	93,000	93,000	87,500	83,000	45,000
Water rationing: How often water rationing is needed.	Once every 125 years	Once every 200 years	Once every 200 years	Once every 200 years	Once every 200 years
Sewage Flooding: Number of homes flooded by sewage each year	1220	1170	1110	1050	1050
Pollution Incidents: Number of times each year that sewage enters rivers.	370	330	320	300	300
Sewer Collapses: Number of sewer collapses each year (this is a measure of the condition of the sewerage system)	565	560	560	555	555
Response Times: Response time to emergencies like internal sewer flooding	4 hrs	4 hrs	4 hrs	2 hrs	2 hrs
	Your bill in this option: £356	Your bill in this option: £374	Your bill in this option: £392	Your bill in this option: £416	Your bill in this option: £463
	Your current bill: £374	Your current bill: £374	Your current bill: £374	Your current bill: £374	Your current bill: £374

☐ = In the pink option service levels in 2025 are the same as in 2020

Bill levels
Different bill levels ('high', 'medium' and 'low') were tested to investigate the impact that this has on customer choice.

** Example (average bill) shown here. Customers were shown their actual bill and what it would be for each option. This example is at the **high** bill level.*

Reference: TSD019-CR49 Interim acceptability testing, BritainThinks, November 2017

What customers told us.

Unacceptable options

The **yellow option (very stretching)** is unacceptable because the bill increase would be unaffordable for some and the improvement in service is not seen as value for money.

Acceptable options

Customers tend to favour options that equate to either **their current bill amount with some improvement in service** or **a small increase in bill with improvements in service**.

The three base bill levels determine which of the three middle options meets this requirement:

- At the high base bill level, the **pink (maintain) and blue (minimum effective)** options are most acceptable because they offer either the same or slightly improved service levels for either the same or a slightly increased bill.
- At the medium base bill level, the **blue (minimum effective)** and **purple (enhanced)** options are most acceptable because they offer improvements in service for either the same or a slightly increased bill.
- At the low base bill level, the **purple (enhanced)** option is the most acceptable because it offers a marked improvement in service for the same bill.
- While the **orange (reduced) option** is considered broadly acceptable, very few customers select it as the most acceptable because they do not want a reduction in service**.**

Base bill level	Most acceptable option
High	**pink (maintain)** and **blue (minimum effective)**
Medium	**blue (minimum effective)** and **purple (enhanced)**
Low	**purple (enhanced)**

Customers want to maximise what they get for their money, as long as this seems like good value.

Reference: TSD019-CR49 Interim acceptability testing, BritainThinks, November 2017

February-April 2018 | **Detailed plan consultation**

What was tested and what customers told us.

Eight service areas were presented to customers, testing preferred levels of service and corresponding impacts on the bill:

Sewage flooding

52% chose a service level within 2% of our proposal
(1,192 – 1,228 sewer flooding incidents per year)

No water

54% chose a service level <u>within 6%</u> of our proposal
(137,553 – 146,332 properties with a 3hr+ supply interruption)

Water quality – lead pipes

52% chose a service level of 22-45% <u>above</u> our proposed level
(50,751 – 60,000 lead pipes replaced)

Leaks

52% chose a <u>higher</u> service level
than our proposed 15% leakage reduction
(no range option given, just 15% or “more”)

River pollution

70% chose a service level within 5% of our proposal
(256 – 280 minor pollution incidents)

Drought

55% chose a service level within a year of our proposal
(Protect all customers in the event of severe drought by 2029 -2030)

Wet weather resilience

52% chose a service level within 3% of our proposal
(207,500 – 217,999 properties at risk of sewer flooding in a severe storm)

Social Tariff

53% chose a service level within 5% of our proposal
(286,000 – 300,000 households on the social tariff)

Reference: TSD019-CC03a Business Plan consultation, Community Research and eftec, August 2018

What was tested and what customers told us.

The Water Resources Management Plan was shown to customers. This set out how we plan to provide a secure and sustainable supply of water over the next 80 years (2020 to 2100).

- The majority of customers were positive about the **overall plan**, assuming it can be delivered without a significant cost to them. They felt that it reflected their priorities, and were reassured that Thames Water is thinking ahead.
- They recognised water supply as being a key future issue and welcomed that this was being addressed via a number of different solutions, and supported the need to plan for resilience to drought, with some customers supporting action to achieve resilience earlier.
- There was strong support for more action to reduce leakage, with a call for this to be a business priority. Some customers felt that **leakage** targets did not go far enough, although a number of customers raised concerns about deliverability and the need to do the job properly and manage disruption. Overall customers were supportive of metering and many suggested that the **metering** programme could be more ambitious, with more promotion of water efficiency.
- Of the different water resource options, customers were most positive about the **reservoir,** they saw it as an investment for the future, securing the water supply and also providing recreational and leisure activities for the local community, although they wanted reassurance that those currently living there would be treated fairly and the construction to be considerate of the local community. They were also broadly positive about **Teddington abstraction** as they saw it as making the most of existing resources, although there were concerns about the environmental impact. Most participants were not keen on the idea of **water reuse** although they became more positive as their understanding of how it would work developed. Views about **water transfer** were mixed with many feeling it was a sensible solution if other regions have an excess of water, and they instinctively liked the idea of greater co-operation and partnership between companies, however some raised concerns around what would happen in a drought.

Reference: TSD019-CC03b WRMP consultation, Community Research, August 2018

What was tested and what customers told us.

Performance Commitments (PCs)

A comprehensive suite of measures

- Customers showed they largely understood proposed measures and agreed to their inclusion in the business plan. They are happy that the measures cover all important areas of Thames Water's performance and leave no gaps.

Stretching performance targets

- Customers tend to agree targets were stretching for some performance measures. For a large minority of proposed targets customers had mixed views and, for a few, they question if the target could be more ambitious, particularly in cases of flat profiles.
- Presented with historical information and Thames Water's rationale for the proposed target, most were considered to be stretching. This includes a number of targets where Thames Water would not be reaching 'frontier' or 'upper quartile' by 2025.
- A small number of targets were felt to be less ambitious. This was primarily the case in relation to targets that would lead to flat performance, or only very slight improvement.
- For some targets, customers felt unable to judge whether they are stretching or not. This was primarily the case for new measures, where there is little or no historical or comparative performance information currently available.

Reference: TSD019-CR27 Performance Commitments and ODIs, BritainThinks, June 2018

Incentives

The proposed nature of any incentives (i.e. reputational, penalty only, reward & penalty)

- There is moderate support for the principle of incentives (including both underperformance penalties and outperformance payments).
- Voting indicated that customers were relatively split on preferred incentive types.
- Customers tended to want outperformance payments where they wanted a strong incentive for improvement in areas considered particularly important. However, some customers express concerns about incentivising water companies for 'doing what they should be doing already' and resent the idea that bills could rise as a result of outperformance on some less important issues.
- For some measures, customers think reputational-only incentives are appropriate – for example, for new measures or where they think a financial incentive might create a perverse incentive. However, some customers think that reputational-only incentives will have less effect on Thames Water's behaviour.

The extent and timing of potential impact on bills

- Though customers tend to prefer stable bills, they were open to the use of financial performance incentives, and accept some bill variability to enable this.
- The level of variability that is acceptable differs. Low income and non-household customers tend to prefer low levels of bill variability – they have a stronger preference for stable bills.
- Customers have no preference whether bills vary on an annual or on a five-year cycle.

How individual measures contribute to the overall bill impact

- Customers do not want a **single measure to be the focus of incentives** (and thus bill impact).
- Customers dislike the potential for one measure to dominate the variable part of the bill. They tend to prefer the potential contribution of each measure to be equal or weighted to reflect customer priorities.

Reference: TSD019-CR27 Performance Commitments and ODIs, BritainThinks, June 2018

Incentives

Whether customers want to differentiate between asset health vs. service measures?

- Customers thought both asset health and service delivery measures were equally important – in trade-off exercises, they found it difficult to choose between the two.
- Customers found this a thought-provoking discussion but found it difficult to reach definitive conclusions on this issue.
- They tend to prioritise the long term over the short term but feel that this should not come at the expense of day-to-day service delivery. In practice, many customers found it hard to choose between specific asset health measures and service delivery measures.

ODI incentive rate: justification for different mechanisms for calculating rewards and penalties

- Different kinds of calculations are considered appropriate for different measures – but this is a difficult topic and there were no strong views.
- Some customers feel that more punitive incentive rates are appropriate but only for measures where underperformance would have a serious environmental or health and safety impact.

Whether caps/collars/ deadbands should be applied to individual ODIs?

- Given the preference for stable bills, most customers support limits on incentive structures (i.e. caps, collars, and deadbands). They recognise it as a justified structure to limit the company's and customers' financial exposure**.**
- When questioned measure by measure, some customers were concerned that by applying caps, collars and deadbands, Thames Water may not be sufficiently incentivised to improve performance, especially for measures where significant improvements are needed.
- In general, customers are more in favour of deadbands than caps & collars. They can see the advantages of deadbands for measures subject to small amounts of variation. While they can see the advantages of caps and collars to limit financial exposure and prevent any one measure dominating, they also have concerns that caps and collars may disincentivise on issues they consider to be particularly important.

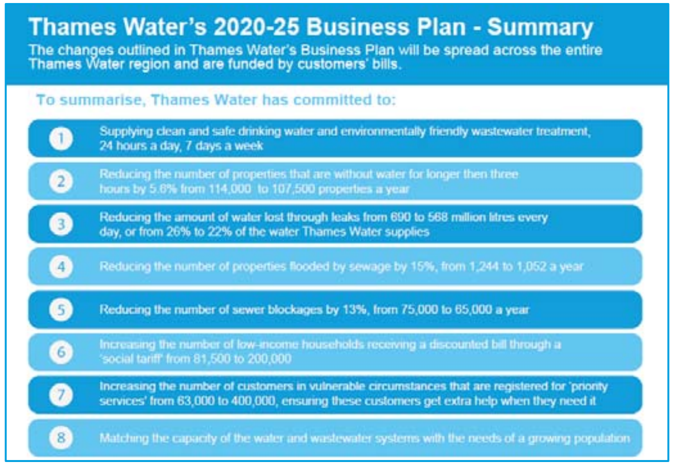
Reference: TSD019-CR27 Performance Commitments and ODIs, BritainThinks, June 2018

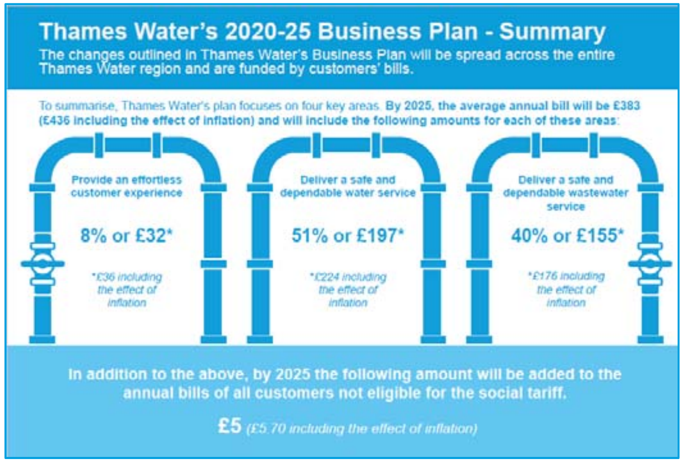
Incentives

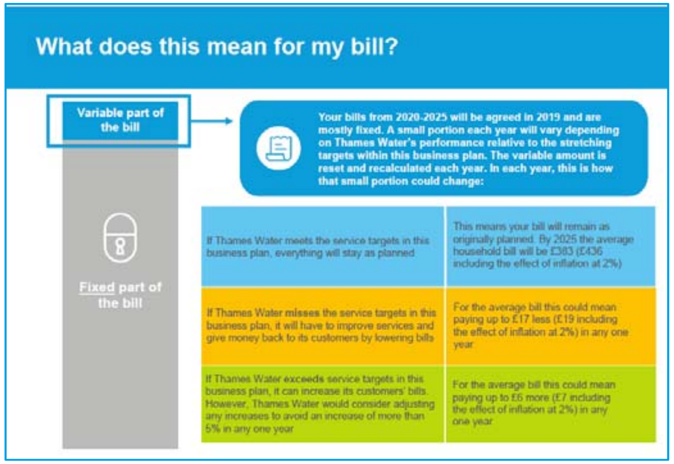
Caps and collars	Deadbands
• **Generally supported – to limit financial exposure and prevent any one measure dominating. However concerns it may disincentivise.** • When discussing caps, collars and deadbands at an abstract level, there is some preference for them as a means of limiting the variability of incentives – and customers' financial exposure. • When discussing caps and collars for specific individual measures, some customers were concerned that caps and collars may disincentivise Thames Water from making improvements on measures where they think the company is currently performing poorly, or where they would like to see as much improvement as possible. • Importantly, where customers opposed a cap and collar on a specific measure, they were doing so in the context of a cap on the total level of bill variability of +/- 3% RORE. • As such **opposition to a cap and collar cannot be seen as endorsement of unlimited penalties or rewards.**	• **Customers tend to be in favour of deadbands.** • Customers could see advantages of deadbands for measures subject to small amounts of variation (e.g. due to variations in weather or third-party activities), which customers felt would not represent significant over- or underperformance by Thames Water. • Customers do not want deadbands where they feel Thames Water needs to improve its performance significantly (e.g. leakage and lead) or where they want a strong incentive for the company to outperform.

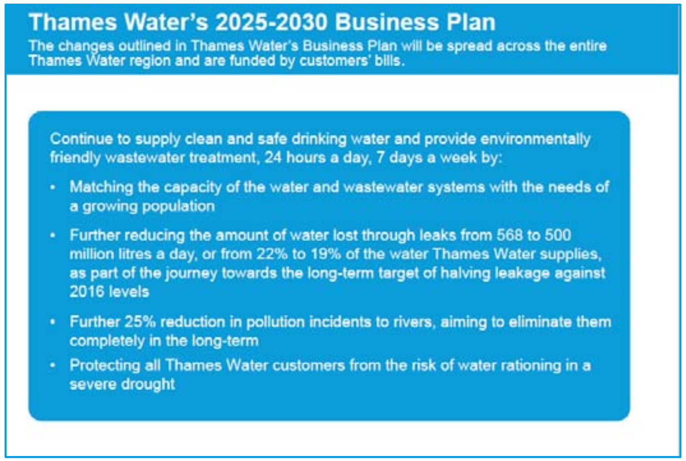
What was tested.

Customers were asked to asses the acceptability and affordability of their 2025 and 2030 bills, based on our final plans, including proposed service levels & improvements and potential ODIs impact. The average annual combined household bill tested for 2025 was £383 and for wastewater-only was £170. For 2030 the amounts tested were £424 and £181 respectively (figures including the effects of inflation were also provided).









Reference: TSD019-CR50b Final Acceptability Test stage 2, Populus, August 2018

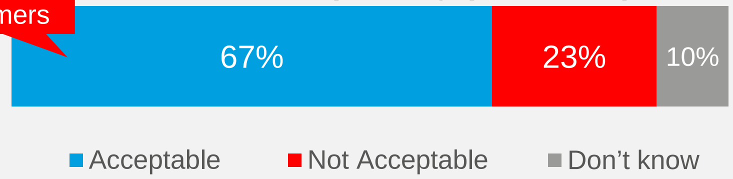
August 2018 | **Final acceptability testing**

2020-2025 plan – All household customers

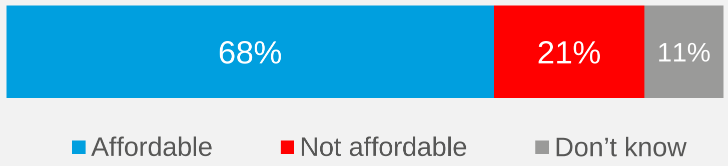
Customers think Thames Water should reach 63% acceptability and 62% affordability to implement this business plan

Above % required by customers

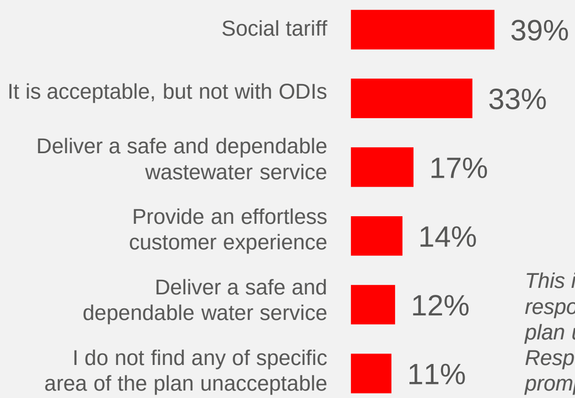
Informed Acceptability (with ODIs)



Informed Affordability (with ODIs)

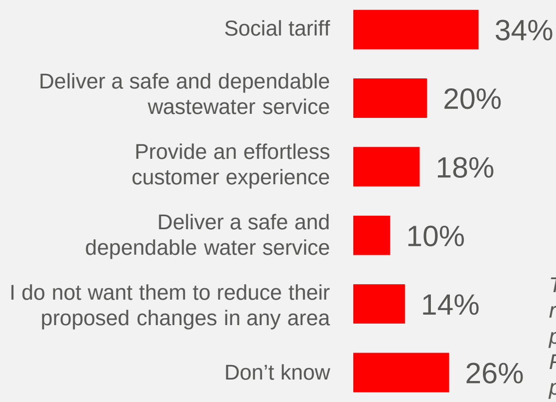


Which areas do customers find unacceptable?



*This is amongst the **23%** of respondents who found the plan unacceptable. Respondents were shown a prompted list.*

Which area would you change to make it more affordable?

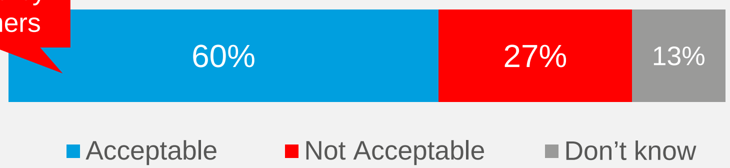


*This is amongst the **21%** of respondents who found the plan unaffordable. Respondents were shown a prompted list.*

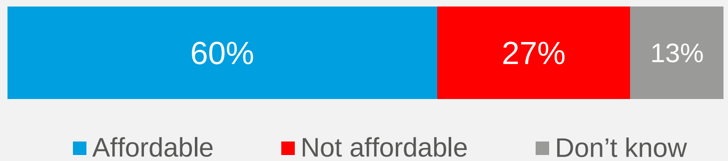
2025-2030 plan – All household customers

Below % required by customers

Informed Acceptability



Informed Affordability



Reference: TSD019-CR50b Final Acceptability Test stage 2, Populus, August 2018

October-November 2018

Revised WRMP consultation

What was tested and what customers told us.

We consulted customers on our revised Water Resources Management Plan.

- Customers, other than local residents opposed to the reservoir, were largely positive about Thames Water's engagement and willingness to reconsider options in the light of new information.
- There was a widespread call for more aspirational **leakage targets**. Some wanted clarity on how targets would be achieved and greater ambition. There was support for demand management..
- Views differed about the removal of Teddington **Direct River Abstraction** (DRA) from the Plan. Many welcomed Thames Water taking on board concerns about its potential negative environmental impacts but there was concern that a central early part of the plan had been removed at this late stage; a feeling that mitigation measures had not been thoroughly explored before deciding to remove it and that replacement schemes were not yet thoroughly researched and seemed high risk. This was frequently, but not exclusively, an opinion given by those opposed to the reservoir.
- Individuals opposing the reservoir suggested that the environmental concerns around **reuse schemes** had been overemphasised, and suggested re-introducing a larger version of the Beckton scheme in addition to the Deephams scheme. Amongst other customers, the reuse scheme at Deephams was the most polarising supply option Some saw it as a quick, self-sufficient solution that could help reduce the amount of water drawn from rivers. Others found it difficult to believe that the water would be of a standard acceptable for drinking water and particularly disliked the need for more chemicals and higher energy use.
- With the exception of local residents opposed to the Oxfordshire **reservoir,** customers tended to be positive about the reservoir option. Support was based on its large yield, that it was a Thames Water source of water that didn't involve piping it in from other regions and that it offered benefits to the local society, economy and landscape, in terms of recreation, jobs and, once built and matured, a positive addition to the local landscape. These customers were also largely positive about the **partnership with Affinity Water**, citing the sharing of costs and expertise. They did, however, stress the need for a 'good deal'.
- There was support for a **transfer via Cotswold Canals**, rather than a pipeline, from some local residents. They cited benefits to the local economy, the environment and cultural heritage. The aspects of the **Severn Thames Transfer** that some customers liked included taking water from an area where there was surplus, wildlife protection and the collaboration between water companies. These positives were, however, outweighed by concerns about the reliance on other regions for water, local ecology concerns and disruption during construction. The option of water transfer from the Midlands using the **Oxford Canal** attracted moderate support, with some assuming that this kind of water transfer was already in place.

Reference: TW-CSE-A3-CC04-WRMP further consultation, Community Research, January 2019

What was tested and what customers told us.

Additional research on PCs and ODIs was completed to further understand customer views on:

- the mains burst target
- per capita consumption incentives
- using incentives to deal with future issues and uncertainties
- the overall package of incentives
- the role of enhanced incentive rates
- supply interruptions incentive rate

This was deliberative research with a small sample of customers. As such the findings are not statistically robust but provide an approximate indication of customer views and strength of feeling.

Mains bursts target

- Customers understood the relationship between the main bursts and leakage targets.
- 67% of respondents accepted a stable target in the short term – with longer term trend downwards. Those that disagreed are concerned about Thames Water already being in the bottom 25% of water companies.

Per Capita Consumption

- 88% of respondents thought that Thames Water and its customers should not be rewarded or penalised for reductions in PCC delivered by other organisations and government policies.
- 4% of respondents thought Thames Water needs to pick up any "slack" and should be responsible for the whole target given it will be hard to disentangle the two.

ODI bill impact range

- When comparing the ranges of all WASCs – Thames Water's range (2% up and 5% down) was most preferred (36%) and Severn Trent's range (8% up and 9% down) was least preferred (75%).
  - Of the 53% that want to see the Thames Water range stay broadly the same – two thirds (63%) opted for Thames Water as their most preferred company
  - Of the 44% that want to see the Thames Water range amended – 40% opted for a company with a symmetrical bill range; 24% chose Southern Water with a narrower range

Reference: TW-CSE-A3-CR70a PCs and ODIs 2019, Eftec/ICS, March 2019

- 53% of respondents thought the range proposed by Thames Water should stay broadly the same, seeing it as a fair balance between outperformance incentives and the potential increase on bills. 44% of respondents indicated the range should be amended.
- The overall average bill range preferred by the respondents was +3.6% to -5.1%.

Enhanced incentive

Broad support for Thames Water to pursue enhanced rates for areas where we are currently performing well namely reducing pollution incidents and the health of the sewer network.

As well as enhanced rates for outperformance, customers want there to be sufficient penalties in the framework.

Dealing with future issues

A mechanism to log up and down for population growth should be in place (although not needed as a PC), and ODIs should encourage quicker delivery of the NELR scheme.

Supply interruptions

- Customers think Thames Water could be more ambitious in its supply interruptions targets
- However, 24 out of 34 (71%) of respondents did not agree that Thames Water should amend the business plan target for supply interruptions as far as the Ofwat proposed target. 10 out of 34 (29%) respondents did agree.
- Customers would rather Thames Water maintains its proposed incentive rate put forward in its draft plan – instead of adjusting it to be more in line with Ofwat’s views.
- 24 out of 33 (73%) respondents rejected amending the incentive rate to fall within the range proposed by Ofwat – preferring to keep the draft plan proposed target and associated incentive rates.
- Customers want asset health and performance to be managed, with 25 out of 34 (74%) of respondents comfortable with the approach to developing condition/health incentives.

Reference: TW-CSE-A3-CR70a PCs and ODIs 2019, Eftec/ICS, March 2019

March 2019

Final acceptability testing revised plan

What was tested.

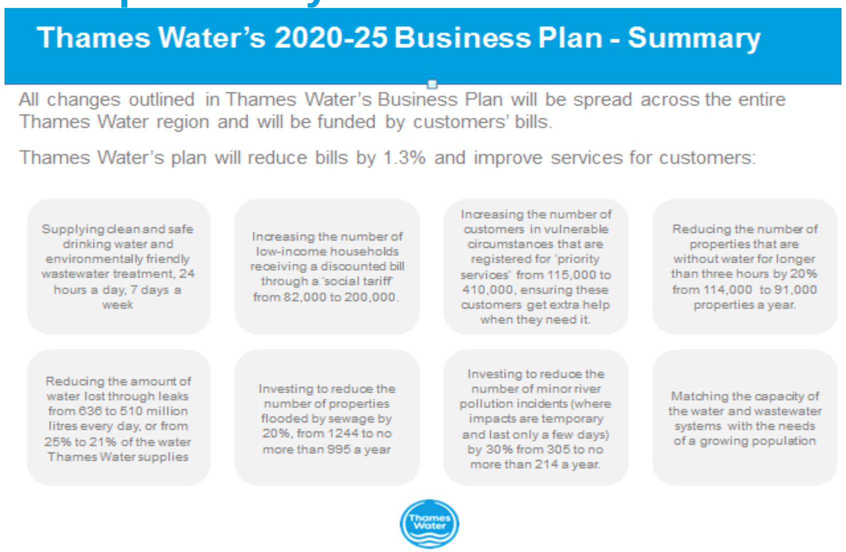
We tested the acceptability and affordability of our Business Plan in accordance with different scenarios:

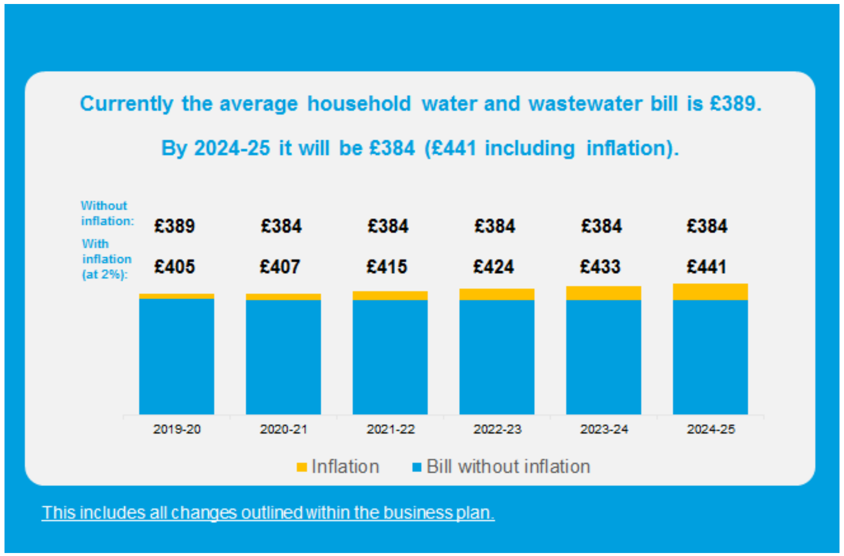
- Before (uninformed) and after (informed) providing information about changes to service levels
- With and without the potential bill impact of ODIs
- With and without the impact of inflation

We also asked customers what percentage acceptability and affordability they thought we should achieve before going ahead with our plan.

The survey was carried out on-line. We will supplement this with a face to face survey to test the Plan with those customers with no or low internet access. We are confident we will not see significant differences in findings between the surveys, and that if there were to be differences they would not materially alter the overall acceptability and affordability of our April submission.

Example survey screens





Reference: TW-CSE-A3-CR71 Final Acceptability Testing, Populus, March 2019

March 2019

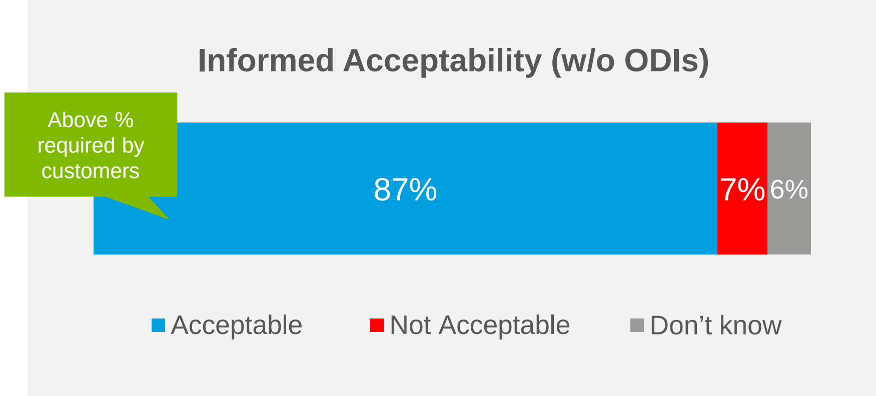
Final acceptability testing revised plan

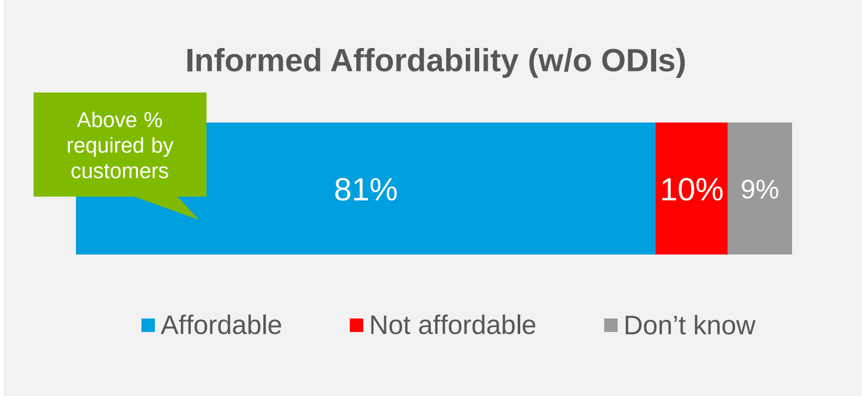
Figures used in Ofwat data tables and documents

Survey <u>without</u> inflation

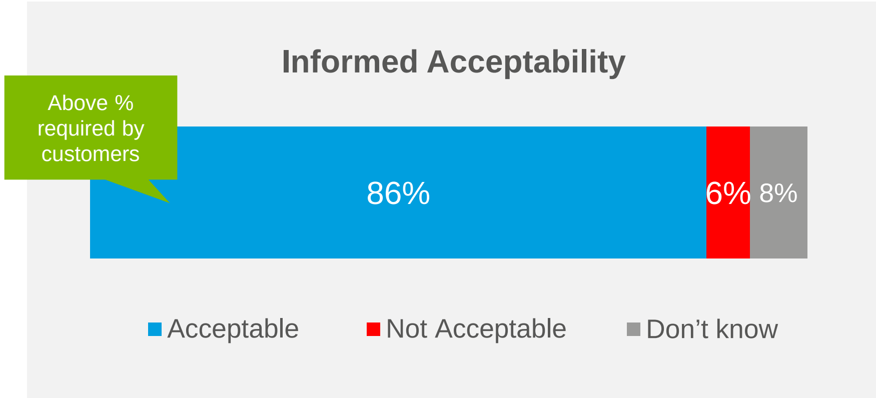
2020-2025 plan – All customers

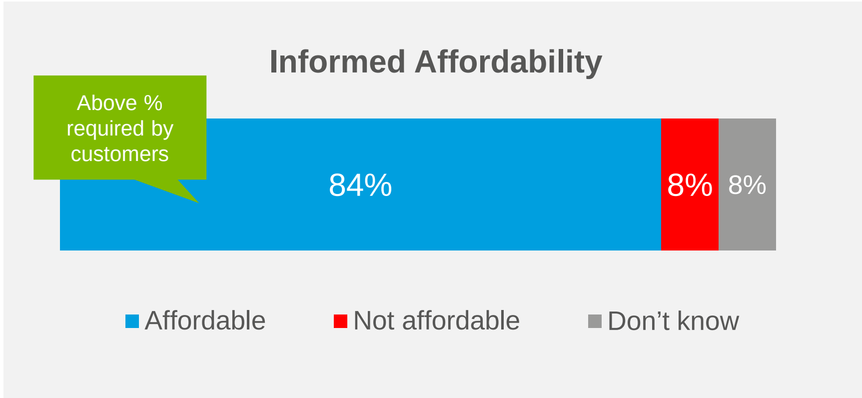
*Customers think Thames Water should reach **69%** acceptability and **67%** affordability to implement this business plan*





2025-2030 plan – All customers





Base: All household customers (1,014)

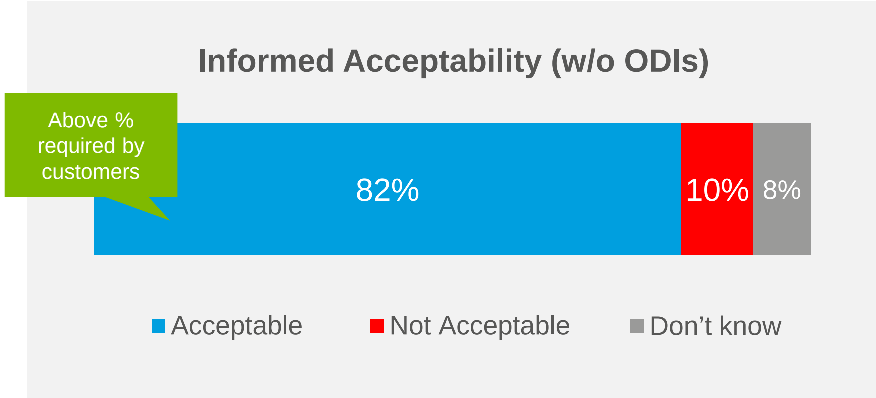
Reference: TW-CSE-A3-CR71 Final Acceptability Testing, Populus, March 2019

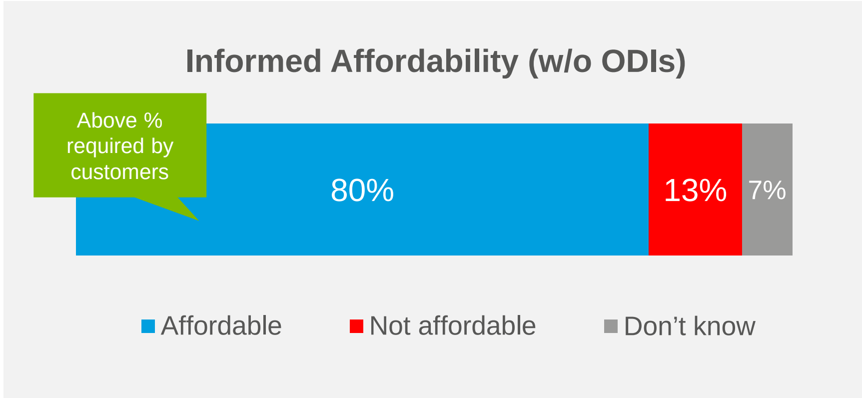
March 2019 | **Final acceptability testing revised plan**

Survey with inflation

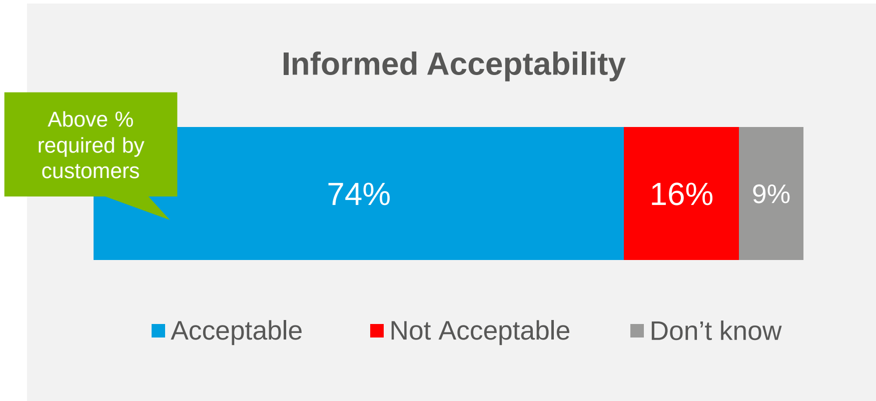
2020-2025 plan – All customers

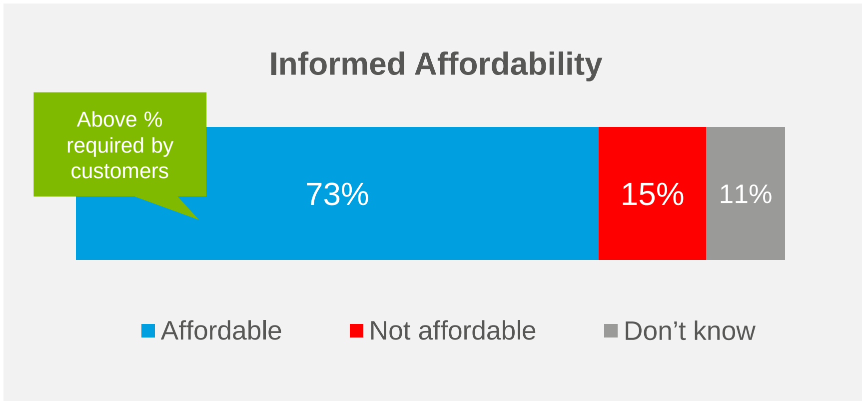
*Customers think Thames Water should reach **66%** acceptability and **61%** affordability to implement this business plan*





2025-2030 plan – All customers





Base: All household customers (1,023)

Reference: TW-CSE-A3-CR71 Final Acceptability Testing, Populus, March 2019

Find out more.

This document was prepared by **Customer Strategy & Insight** in **Customer Experience.**

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In consultation with the Customer Engagement Working Group.