

# South West Water Progressive Charging

## Objectives

To understand customer views on potential future charging options and gain insight on how well the options meet the charging principles.

Format	Focus Groups
Households (number)	48
Non households (number)	7
Vulnerable customers	
Future customers	
Retailers	
Stakeholders	
South West Water	✓
Bournemouth Water	✓
Bristol Water	✓

## Impact on our plan and ways of working

The research insights will inform further modelling and analysis of the charging options. It will be used to further develop the requirements of the proposed tariff trials and define the implementation plan for the PR24 business plan strategy on progressive charging.

### Topics

Storm overflow	Drinking water quality
Water resources ✓	Net zero/ climate change ✓
Nature	Affordability ✓

## Key messages – what matters most

### What we did

- Eight, 90-minute online focus groups were conducted with 55 participants where there was participation from a wide range of customers across all of our regions.
- Polls and interactive on-screen exercises were used to increase engagement and promote discussion.
- Participants read a pre-reading pack before the session and undertook a follow-up task to provide further reflections.

### What matters most

- Customers support the 4 design principles for charging: Simple and Clear, Fair, Support Right Behaviours, and Affordability. Predictability and stability is also important to business customers.
- Fairness is the most important aspect for customers. Paying for what you use is felt to be the fairest approach for charging.
- There is a consensus that most valuable uses (like the need for clean drinking water) should be priced the lowest and non-essential uses (like cleaning the car or watering the garden) should be priced highest.
- Customers are cautious about changes to charging, reflecting a lack of attention to water bills combined with loss aversion.
- There is importance of careful and clear communication of the reasons for any tariff change. Customers find seasonal tariff options challenging to understand.
- Participants are positive about and receptive to options that offer rewards/rebates linked to changes in customer behaviour.
- The top 4 options across all participants were identified as: 1) community rebates; 2) adjusting standing charges and/or variable charges; 3) under-occupancy capacity charge; and 4) rising block tariffs.

### Are there differing views?

- There are some differences in the views of charging options by customer location and group.

### Next steps

To embed the insights from this research into further modelling work and design of tariff trials to be included as part of the PR24 implementation plan. However, this research does not rule in or rule out any options considered.

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**Reference: South West Water Progressive Charging, August 2023**