

Water Only Cross Subsidy - Bristol Water

Objectives

To understand customer views on their willingness to contribute to an increased level of cross subsidy.

Format	Focus groups
Households (number)	358
Non households (number)	
Vulnerable customers	102
Future customers	
Retailers	
Stakeholders	
South West Water	
Bournemouth Water	
Bristol Water	

Impact on our plan and ways of working

The findings of this study provided us with an insight into customers' willingness to contribute to increased cross subsidy which will help shape our plan of eradicating water poverty across the region.

Date June 2023

Supplier DJS

Key messages – what matters most

What we did

- Quantitative interviews were conducted with 358 customers - 300 online and 58 face to face in April 2023.
- A contingent valuation exercise was conducted to understand customers' willingness and their extent to contribute to the social tariff.

What matters most

- Almost three-quarters are willing to contribute towards an enhanced social tariff for the period 2025-2030, however, customers expressed concerns around the cost of living and bill affordability both now and in the future.
- Over half of customers would be willing to contribute at least £1.00 per month to help others.
- There are significant sub-group differences, with older customers, and those in lower SEG groups and with lower household incomes typically having a lower WtC threshold.
- Around 1/3rd customers feel confident they'll be able to afford water bills over the next 12 months, however, customers are least confident about being able to pay gas and electric bills.
- Over 2/3rd have heard of priority services and around 1 in 6 say they are not aware but would like to know more.
- Around 3 in 5 are aware of financial support for customers struggling to pay, with BRL customers being most likely to have had support previously.
- After being informed of plans for increasing the support on offer to customers from 2025-2030, 47% find the changes acceptable and 32% unacceptable as they want company to cut profits to fund, feel it's not customers' responsibility, and that it's not affordable to pay more.

Are there differing views?

- Half of the customers agree with contributing to support customers who are struggling to pay, and just over a quarter disagree.

Next steps

We are taking this insight into our Customer Care Strategy, as it shows we need to do more to increase awareness of the support available.