



Help for those who need it most
**United Utilities Vulnerability
and Affordability Report 2016/17**

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About this report



Providing support for customers in vulnerable circumstances is more important than ever.

This is the first in what we intend to be an annual review of our progress in providing vulnerability and affordability services. By publishing this report we hope to prompt further engagement with other service providers and organisations, and promote open discussion and collaboration to improve the support that is offered to customers who need it most.

Our responsibilities

United Utilities provides vital water and wastewater services across the North West region. Like all service providers, we have a responsibility to assist our customers who are in vulnerable situations.

Often, those people who are in need of additional support aren't easy to spot - there is no set profile. All of us can find ourselves in a situation of vulnerability at some point in our lives, and circumstances are varied and unique. While some of us will face long term or even life-long challenges, others may need short term support to get through a particularly tough time, such as a recent bereavement.

When factors like ill health, unemployment or separation or divorce make it more difficult to manage finances, we want to do our part to help our customers in vulnerable circumstances during these difficult times by having

the necessary support and channels in place. Whatever the circumstances, it is vital that we can adapt the way we engage with them so that we meet their needs and expectations.

All companies have a duty to continuously strive to improve services, perhaps by interacting with customers in a face-to-face environment, and working with partner organisations to engage those people who seem hardest to reach. However, this isn't simply about 'us doing' and 'us giving'; it's about empowering our customers so that they have the tools to access the services they want and need.

This report lays out our framework for assisting customers in vulnerable circumstances, including what we are doing now and how we aim to continue to develop this in the future through our own initiatives and by working with other specialist charities and organisations.

Where we operate

Challenges faced in the North West

United Utilities serves seven million customers across the North West.

We have one of the largest populations of economically-deprived households in the country, with higher than average unemployment². The North West faces some significant vulnerability, so it is important to offer proactive assistance to those who could benefit from it.

We are challenging ourselves to improve the scale and effectiveness of the support we offer against a background of rising household costs, falling real term wages, Universal Credit reform, a difficult economic environment and a decrease in the percentage of people of working age⁴. How we respond to these challenges will be crucial to securing and maintaining our customers' trust and confidence.

The North West is also below the English benchmark for several other key indicators of deprivation, spanning not just financial, but also educational, physical, and mental health indicators³.

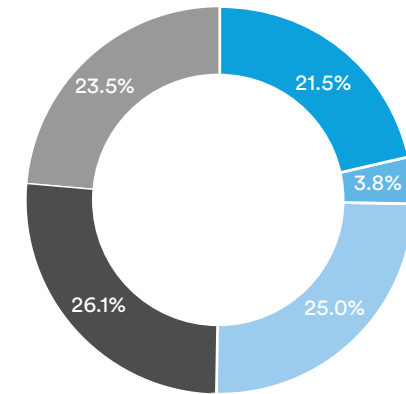
The North West has higher than average numbers of people claiming Jobseekers' Allowance and Universal Credit⁵, which we know can make people more likely to fall into arrears⁶ and has led to people reporting cutting back on food, heat and electricity in order to cope⁷.

However, we also know that not all of our customers will face the same challenges, or will be impacted in the same way if they do. This is why it is important for us to identify and register those customers who may benefit from our additional tailored service.

Challenges

- Over half of the most deprived neighbourhoods are in the North West¹.
- One in four people will be impacted by mental health problems at some point in their life.
- One in seven people have a literacy age of less than seven years old.
- 68 per cent of low and middle income households have less than one month's income in reserve.
- There are currently 850,000 people in the UK today with dementia.

Around 50 per cent of households in the North West are under financial pressure⁸



● Affluent ● Rising prosperity ● Financially comfortable
● Financially stretched ● Financial adversity

1. 51 per cent of the one per cent most deprived LSOAs in England are in the North West region
2. As measured by the Government's Indices of Multiple Deprivation 2015
3. Public Health England, Public Health Profiles 2009-2016
4. Office for National Statistics 2011
5. Office for National Statistics 2015 rate as a % of population aged 16 and over, compared to UK average
6. ARCH & NFA submission to the Work and Pensions Committee's call for evidence in relation to the introduction of Universal Credit 2016
7. Money Line Impact Report 2016/17
8. Based on Acorn data 2006

How we define vulnerability

Vulnerability and affordability

Our values of delivering the best service to customers, in a responsible manner and at the lowest sustainable cost, mean that we take the time to understand all of our customers, including those who may have traditionally found it difficult to raise concerns.

We recognise our customers face many challenges every day, such as individuals who are disabled or chronically sick; have mental health conditions or learning difficulties; are of pensionable age or have language barriers¹. However, we understand that anyone may find themselves in a vulnerable situation and, as such, we have removed the labels and complexity from our sign up process.

If yourself, a friend or a family member is in need of our services we can offer you help, whatever your situation. This may be permanent or transient depending on the circumstance and the individual, and could be caused by things like changes to the wider social and economic landscape, or a significant life event such as bereavement, divorce or loss of a job².

There is often a link between customers with affordability issues and those in vulnerable circumstances. Factors such as ill health, unemployment or bereavement make it more difficult to manage finances.

However, affordability problems are often complex and affected not only by bill size and income, but other factors such as water efficiency, payment methods and assistance offered by companies and government.

Other groups who are more at risk include: low-income households; parents with dependent children; adults living alone; and pensioners. But many others do not fall into these categories and so it is vital that people register to the service to ensure we can identify those who may need additional support.



One customer was motivated to write in after speaking to one of our Priority Services advisors:

“I have been through breast cancer... and had to have chemotherapy and radiotherapy last year. Throughout my journey my water rates bill was very high and I was extremely stressed. Debbie has gone above and beyond her role - she has been an absolute angel by reassuring me regarding my bill and sorting an affordable payment plan. I have the utmost respect for her and I feel that this must be recognised.”

1. Ofwat. Practitioners' pack for water companies to accompany Ofwat's vulnerability focus report, 2016

2. Christians Against Poverty, The freedom report.

Our Priority Services scheme

Flexible support for our customers

We believe in delivering great customer service for everyone. One of the ways we do this is by working with partners and customers to identify services that would benefit those in vulnerable circumstances. Any customer who needs additional support – whether for the short or long term – can join the Priority Services register and get access to our dedicated, trained team.

And behind the scenes, our network teams carefully plan work to minimise disruption to Priority Services customers. If we do have to turn off the water supply we try to proactively contact Priority Service customers, via their preferred method, to keep them updated. If there is a prolonged water outage we can supply personal deliveries of bottled water, where needed.

In 2016 we rebranded our schemes for customers in vulnerable circumstances as 'Priority Services', making it easier to identify and more consistent with the energy sector. This makes it easier for customers, and organisations who are supporting people, to find.

We promote the service through common customer touchpoints, such as moving home and receiving bills, and we also train our call agents and home visiting staff to spot the signs of vulnerability so they can recognise when a customer might benefit from registering with the scheme.

Physical Mental health Financial Language Life events

← A complete and dedicated service when our customers need it most →

Working with partners, stakeholders and charities to drive registration.
Training for employees to spot and support those customers who are 'suffering silently'

With guidance from our appropriately-trained advisors, customers can select from tailored offerings that best suit their needs.

- Bottled water delivered directly to their door in the event of prolonged disturbance to their supply.
- Knock and wait protocol when visiting homes of customers who may have limited mobility, so they do not have to rush.
- Quarterly meter reading if a customer is blind or partially sighted.
- Nominee scheme for our customers who have difficulty in communicating, so a friend or family member can manage their account on their behalf.
- Choice of preferred mode of contact.
- Updates, help and guidance about water supply issues or flooding.
- Password scheme when visiting customers' homes to help protect them against bogus callers.
- Proactive bill and tariff review.
- Finance advice and guidance.
- Braille, large print or audio leaflets and bills.
- Key language leaflets.
- Translation service.
- Next Generation Text service to help people with hearing loss access our call centre.
- Meter relocation for customers who find it difficult to access their meters.

Our Priority Services scheme



We have developed our Priority Services registration process with advice from support agencies.

Customers can register for the scheme over the phone with one of our skilled agents, or if they'd rather, use our simple and easy to read printed or online application form. This was awarded the Crystal Mark for clarity by Plain English, which ensures documents are 'free from jargon', allowing customers to fully understand the services and support offered. There is also a subtitled video that offers customers more information.

Since the relaunch of our scheme, we have increased our register by 50 per cent in one year alone.

Alongside this, our website and app are designed with accessibility in mind to ensure that customers can access the information they need. Our website also contains access information about all of our reservoir sites, ensuring that anyone who wishes to use these sites for recreation can do so safely.

All customers have the option to set a password with us if we ever need to visit their home so that they know the caller is genuine. This is also available as a written passwords service for customers with hearing impairments. Through our partnership with the Alzheimer's Society we also encourage staff to become dementia friends so they can better assist customers who may need support.



Our nominee scheme allowed us to help a carer's family member who had mental health issues, without putting them through any additional stress or worry. His carer told us:

“United Utilities’ support has unburdened him of a huge amount of worry and we will both be forever grateful for Susan’s help and concern. Over the years I have had to deal with a number of people in different organisations and this is the first time that I have been compelled to report just how fantastic they have been. Susan even explained further services United Utilities offer and we have gladly accepted.”

Our affordability schemes

Financial support for the North West

Many people in the North West are in uncertain financial circumstances, so we try to handle non-payment sensitively and identify those customers most likely to find payment difficult. 'Bad debt' costs around £16 of the average annual water bill. We use leading debt management practices to keep this as low as possible and avoid putting others under financial strain. For those customers who are struggling to afford their bill we promote a culture of making payments (however small) and offer several avenues of assistance. If any of our Priority Services customers fall into debt we have a segmented approach, which allows us to offer more sensitive and tailored help and guidance.

One of the most effective ways to reduce overall levels of debt is to support people before they fall into debt. To do this we offer flexible payment plans and options to help customers manage their budget. Nearly 70 per cent of our customers benefit from an annual £5 discount for paying by Direct Debit, and we continue to encourage this option with a wide range of payment day options to match customers' incomes. Customers can also pay by payment card, online, over the phone, on our app, through their banks or by cheque, so every person should be able to find an option that is convenient for them. We also offer transfers back into a customer's bank account if they are significantly in credit on their account in order to help them manage their budgets.

We offer a variety of money-saving advice and provide free water efficiency devices, which can help cut bills for those on water meters and reduce water heating costs across the board.

To ensure that we promote these savings to as many customers as possible we have our annual roadshows that take place across the North West, giving us the chance to speak to customers face-to-face. We also use this as an opportunity to help customers decide if a water meter could save them money with the use of our online calculator. If a customer goes ahead with our free meter option we also give them a two-year period in which they can swap back if they turn out not to save money, or for any reason want to revert back to their old charges.



A couple in part-time employment had been slowly building up debt over a few years. When we got in touch they told us about their financial circumstances. We were able to help by putting them onto our Payment Matching scheme. This is what they said:

“Been worried sick for a few years now about how on earth I was going to pay all that money back. The lady was so helpful and very understanding, and with help from you paying half what I pay was like a miracle for me. SUCH a weight off my mind. Wished I had done it sooner rather than later. You were amazing, thank you.”

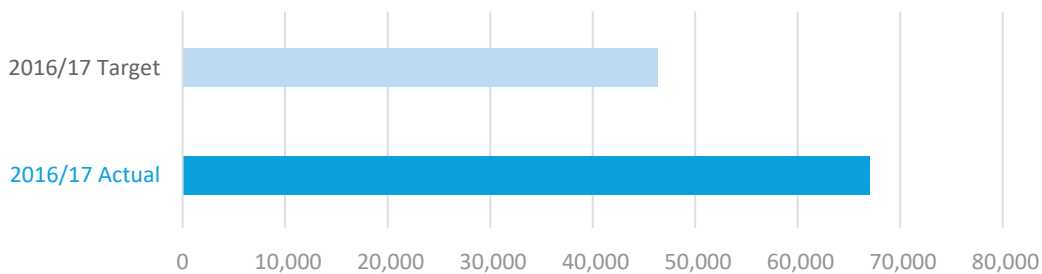
The couple have maintained their payments and are on their way to clearing their debts.

Our affordability schemes

For customers facing financial hardship we offer a wide range of financial assistance schemes. These are displayed prominently on our website and can be explained over the phone by our dedicated team.

These schemes allow customers, who would have otherwise been unable to pay any of their bill, start to pay off a proportion of their bill while reducing their debt. This has, in part, allowed us to provide further support while also reducing costs.

Number of customers on financial assistance schemes vs target figures



We also offer non-financial assistance, such as our Water Direct scheme. For customers who are in debt and receive government benefits, we can ask the Department for Work and Pensions (DWP) to pay their water bill directly, which for some customers gives them better control over their finances. We currently have 40,000 customers paying via DWP and the proposed changes to data share with DWP could help further.

We recognise that customers who face debt and affordability issues for water charges are highly likely to face them for other creditors as well. Under the pilot, we are supporting customers to get help with all their debts by introducing them to PayPlan and StepChange – some of the UK’s largest free money advice providers.

Financial assistance schemes



Payment Matching – For customers already in debt, this scheme helps them get back on track. For every £1 they pay, we pay £1 off too. After six months, for every £1 they pay, we’ll pay £2 until they’re back on track.



Help to Pay – If a customer receives Pension Credit and has fallen into debt, we can cap their bill at a fixed £250 (40 per cent less than the average bill).



WaterSure – For customers on benefits with a water meter, who use a lot of water for essential purposes, such as those with large families or with a medical condition, this scheme caps their charges at the average bill amount.



Back on Track – If a customer is behind with their water bills and is on benefits, we can help by fixing their bill at a lower level they can afford.



Trust Fund – For those customers in severe financial hardship, the independent United Utilities Trust Fund can provide grants to give them the fresh start they need.

Reaching the hardest to reach

Our Town Action Planning initiative

United Utilities recognises that while more help is now available than ever before, awareness of assistance schemes remains relatively low¹. We have been working hard to develop innovative ways of getting the most vulnerable in society to engage with us. We launched our Town Action Planning (TAP) initiative in 2016, which targets some of our most vulnerable customers, giving support when they need it most.

Suitably-trained staff visit customers' homes to help assess their entitlement to our assistance schemes. TAP uses customer segmentation data to focus on towns and postcodes where customers are most likely to be experiencing water poverty (3 per cent or more of someone's income is required to cover water charges) and are not responding to our normal engagement strategies.

We have limited the number of questions so it doesn't feel like an interrogation, but each visit takes 45 minutes so that we can listen and fully understand the customer's situation to find a long term sustainable solution – not a quick 'cash fix'. We only set up payment plans that are affordable, sustainable and in the best interests of the customer. We can even agree a payment plan there and then. Before visiting somewhere we engage with Citizens Advice and councils to better understand an area. We use leaflets to pre-announce our visit, meaning customers feel more comfortable when we knock on the door. The literature we use is targeted at an audience where we know reading ages are lower than average. A message of help and support is combined with information about those already benefitting from the initiative in their neighbourhood, helping to promote a community feel. So far our scheme has covered 16 towns, with more planned for the next 12 months.



A customer who lost their job due to mental health illness hadn't been in contact despite our campaign of 'Can I help you?' letters. They had also failed to pay several debt collection agencies. After receiving a doorstep visit as part of our Town Action Planning strategy we discussed their circumstances and established that the customer qualified for our Back on Track scheme, which reduced their annual bill by £442. The customer also applied for our Trust Fund and was awarded a grant of over £3,000. The customer has now set up a Direct Debit and is up to date on payments.

1. Consumer Council for Water. Delivering Affordability Assistance to water customers: cross sector lessons 2016

Reaching the hardest to reach

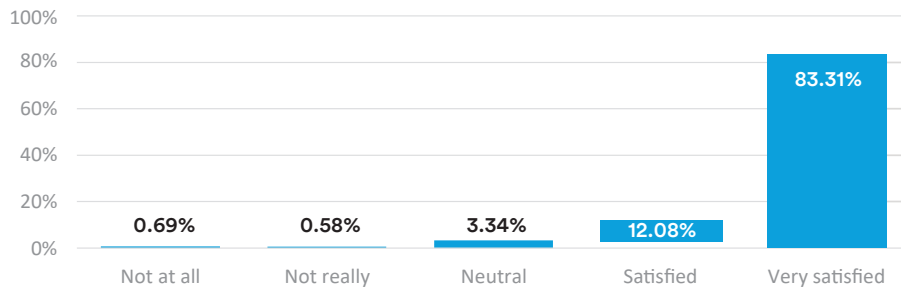
48 per cent of our 28,000 visits had a successful outcome. We've avoided 10,000 customers being outsourced to Debt Collection Agencies (DCAs), agreed payment plans for 6,000 customers and registered nearly 100 customers onto our Priority Services scheme. Where DCAs are measured solely on cash collection, we're now measuring success on the number of tariffs set up and accounts resolved, helping customers move out of debt and into the payment habit.

A sample of 600 of the people we visited were surveyed and asked how satisfied they were with their visit. We achieved an average of 4.76 out of 5. Customers said:

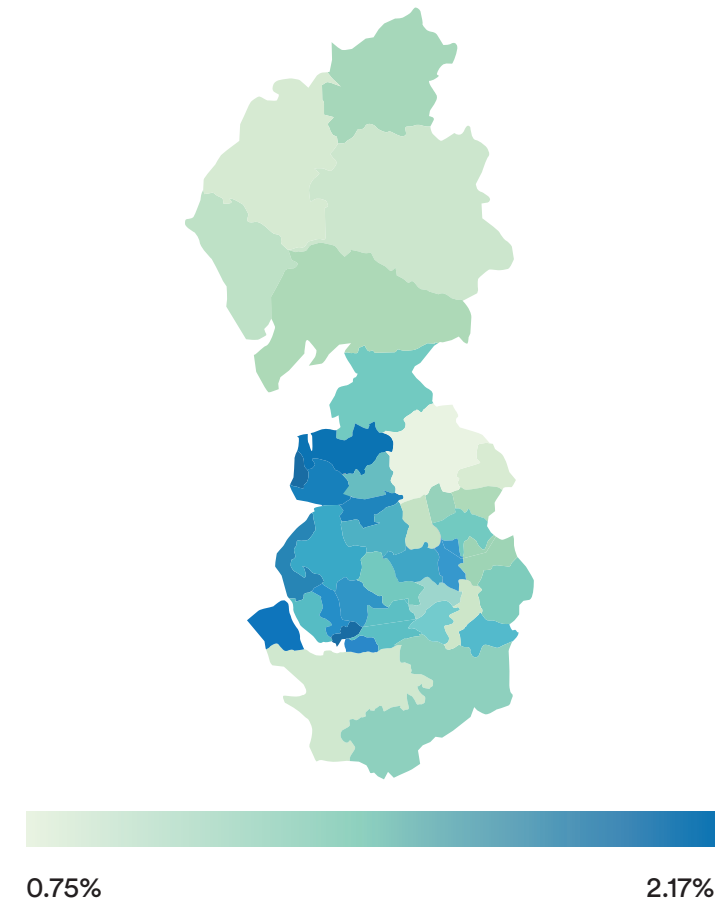
- **"Took a lot of weight off my shoulders"**
- **"Very friendly, very informative, very helpful"**
- **"The visitor was really nice and understanding. There was no pressure, he was very supportive. Everything was perfect"**
- **"Really helpful, explained everything really well"**

We recently won the award for Excellence in Treating Customer Vulnerability from the prestigious 'Credit Awards' for our Town Action Planning for Debt initiative. The Credit Awards is the largest awards in the consumer credit sector, recognising innovation and best practice.

Customer level of satisfaction following Town Action Planning visit



% of households that are on the Priority Services scheme, by local authority



In good company

Our independent Customer Advisory Panel

To provide insight on how best to engage with customers in vulnerable circumstances we formed a new independent Affordability and Vulnerability Customer Advisory Panel. Acting as a voice for those customers who have traditionally found it difficult to raise concerns, the panel plays a key role in ensuring that we deliver leading services. The panel comprises an independent chair and representatives from these organisations:

Warrington Disability Partnership	An internationally-acclaimed charity delivering mobility and independent living services. Their aim is to support disabled people and people living with long-term health conditions.
Salford City Council	Salford Welfare Rights and Debt Advice Service provides free confidential and independent advice on debt problems.
StepChange Debt Charity	A debt advice charity helping over 500,000 people a year with their personal debt, as well as influencing change through a range of government and regulatory bodies.
MIND	A leading mental health charity supporting millions of people each year.
Age UK	UK charity providing companionship, advice and support for older people who need it most.
The Samaritans	A charity working to reduce suicide through its confidential listening service, resources, campaigning and influence to policy.
British Gas	One of the largest UK energy companies, British Gas has achieved excellence in supporting vulnerable customers.
CAB	Citizens Advice is a national charity providing free and impartial advice on people's rights and responsibilities.
Macmillan Cancer Support	Our corporate charity, Macmillan Cancer Care, helps improve the lives of people living with cancer through medical, practical, emotional, financial and personal support.



Our plans for next year

Expanding our Priority Services

Over the next 12 months we are committed to expanding the reach of our Priority Services scheme. We plan to work with external organisations to identify where we can improve the effectiveness of our Priority Services offerings, and we are also creating internal ambassadors to help promote the service.

We particularly want to increase our register of non-English speaking customers. There are more people applying for asylum in the North West than anywhere else in the UK and currently English is not the first language of five per cent of people in the North West. 1.2 per cent of people in the North West either cannot speak English at all or cannot speak it well¹. We intend to engage with minority communities so that more and more non-English speaking customers can start benefiting from Priority Services.

Following advice from CCWater² we will examine the potential of Priority Services register sharing. We hope to trial this through a smaller project of collecting data from Salford Council on their Blue Badge parking permit scheme to help us reach customers who may benefit.

We will be trialling extending some of our Priority Services offerings to our wider customer base. In June this year we launched our “Customer Incident Team”, set up to ensure that customers receive continued updates when there are disruptions to supply, or events such as flooding or drought, as these have the potential to put whole communities in vulnerable circumstances.

These updates will allow customers to make informed decisions and keep them aware of what help is available and how to access it. We believe that taking this larger community approach will help us to identify those who might need additional support and allow people to help those more vulnerable within their community, potentially before we can assist.

Volume of customers per reason for Priority Services



1. Office of National Statistics. Language in England and Wales: 2011 Census 2013

2. CCWater. Special Assistance Scheme Review Report. November 2016

Our plans for next year

More flexible payment options



We are coming up with new ways of encouraging customers to take up free water meters. This is being inspired by customer feedback on the reasons and barriers they perceive are holding them back from having a meter installed.

Current billing practice can result in volatility in periodic bills for some customers. We are investigating ways to smooth bills and avoid 'bill shock', as 68 per cent of low and middle income households have less than one month's income in reserve. This shows us that even customers who are not behind on their bills may not be financially resilient.

Providing structured payment plans can do a lot to help households manage budgets. To ensure that bills don't mount up and cause a problem down the line we are going to introduce bill reminders through all of our different contact methods to ensure they reach our customers.

We will also trial shorter term payment plans to help customers through periods of disruption. This will enable them to manage their budgets more easily in the event of short-term financial shock.

We are hoping this will be effective at stopping customers falling into debt because of an unexpected bill or during life events, such as a bereavement, divorce or loss of a job.



A customer who had fallen into debt responded to one of our 'Can I help you?' letters. We were able to put the customer on our Payment Matching scheme to help clear the debt, and for ongoing costs we were able to fit a free water meter to reduce their bills by around £150 per year. A year later when the customer ran into difficulty with the repayments, we were able to help. As the customer was now unemployed and in receipt of benefits they were accepted onto our Back on Track scheme, providing them with a lower capped bill. The customer was also successful in being awarded a Trust Fund of over £1,500. 12 months later the customer is still up to date with their payment plan.

Get in touch



We are looking for more ways to help those struggling with affordability and vulnerability issues. United Utilities is co-ordinating a North West Vulnerability and Affordability event in the early part of 2018. This will bring together representatives from our independent Customer Advisory Panel with other organisations who regularly engage with people in vulnerable situations to identify further ways we can help.

We want to share ideas and collaborate with others to make services to vulnerable customers even better. If you are part of a company or organisation that would like to work with us on this, then we want to hear from you.



If you would like more information or to register for Priority Services, please:

- visit our website: unitedutilities.com/priorityservices
- call us on **0345 072 6093**, any time of day or night

If you have a family member, friend or neighbour who might benefit from a little extra support, please let them know about Priority Services. It is completely free to our customers in the North West – and you don't have to be the named bill payer to benefit.



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