

Britainthinks

Insight & Strategy

'In Debt', 'Engaged' and 'At Risk' Customer Research Project

Final report | 16.12.22

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01 Introduction

Background

- United Utilities (UU) operate in a region where **levels of deprivation and economic challenges mean that a higher proportion of customers struggle financially**, compared with most other UK regions. For example, 4/10 of the most deprived neighbourhoods are in the North West and 18% of households are in water poverty.
- United Utilities have led the sector in targeting support to customers who need it with a high degree of success, resulting in the **win-win of less debt for customers and improved collection for United Utilities**.
- However there remain a **significant minority of customers who do not engage with the support available** and prove hard to reach and help.
- Moreover, the impending **cost of living crisis** is likely to negatively impact this situation for customers and United Utilities.




How United Utilities are supporting customers:

- Targeted early intervention email campaigns using CRA data, **with over 150,000 emails sent so far**.
- Launching revamped affordability webpages on UU.com
- Utilising social media to promote the wide range of support available
- Introduced a *PayAsUGo* scheme for customers who require a more flexible payment arrangement.
- Created a standard affordability form regardless of scheme being applied for to simplify the process for customers.
- Data share agreement with DWP for water poverty purposes to enable eligible customers to be proactively put onto affordability tariffs. **This has supported over 20,000 customers.**

Building on insight from work carried out in 2015, United Utilities **commissioned BritainThinks to conduct research with three customer groups** as part of a review of their strategy and tactics for engaging with 'in debt' customers.

Research objectives

The research looks to understand:

- Customers' lived experiences, including their relationship with their finances
 - Customers' approaches to managing finances, including their water bill
 - Perceptions and experiences of engaging / communicating with United Utilities
 - Barriers and enablers to engaging with United Utilities
 - Reactions to new ways that United Utilities can engage with its customers
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Amongst three customer groups:

In debt - Customers who remain resistant to contact about collections management.

Engaged - Customers who have engaged with United Utilities about collections management.

At risk - Customers who may need to engage with United Utilities about collections management in the near future.*

*Defined as customers that are still maintaining payments with United Utilities, but are starting to show distress with other creditors (via credit reference agency data).

Methodology

Inception & Immersion

- Review existing research
- Review relevant BritainThinks knowledge
- Kick-off workshop

We established the difficulties defining and identifying vulnerability in particular, as well as some common approaches that organisations have taken to engage vulnerable customers.

Please see the appendix for further detail.

Engaging our Audience(s)

- Sample data analysis
- Reaching out
- Recruiting
- Follow up engagement

Fieldwork

- Initial depth interviews
- Follow-up survey
- Follow-up interview

Reporting and bringing to life

- Ongoing headlines
- Topline note
- Final report
- Vox pop video output

We delivered ongoing headlines throughout the fieldwork period and the topline note after conducting a substantial amount of interviews.

This final report details the findings of the full fieldwork period, as well as any relevant findings from engaging these audiences during the recruitment period.

The vox pop video will be made available separately.

The fieldwork consisted of two phases:

Initial phase

We conducted 60-minute interviews looking to understand participants' relationships with and approach to their finances and accessing support with paying bills, their experiences with and perceptions of United Utilities (including barriers and enablers to engagement), and their initial reactions to United Utilities' propositions.



Follow-up phase

We followed up with a 15-minute survey and 20-30-minute interview to understand reactions to United Utilities' propositions in more detail. The survey additionally provided a quantitative read on the ranking of propositions, although due to the small sample size these findings should be treated as indicative.

	'Engaged'	'In debt'	'At risk'
Total number of participants	25	10	15
Number of 60-minute initial depth interviews completed	25	10	15
Number of 15-minute follow-up survey completed	25	8	13
Number of 20-30-minute follow-up depth interview completed	20	9	14



N.B. Due to difficulties recruiting the 'in debt' audience, this sample was decreased and replaced with increased 'engaged' and 'at risk' sample. We feel confident that we have a sufficient sample size to compare between customer groups, and that the additional 'at risk' and 'engaged' customers will provide helpful insight.

Fieldwork was conducted 19th September – 7th November 2022.

Participants were offered the option of conducting interviews over Zoom or over the phone at a time that suited them to ensure interviews were as accessible as possible.

Sample

N.B. Despite difficulties recruiting the 'in debt' audience that resulted in a reduced sample size, we are confident that the 10 'in debt' customers we spoke to allows for comparison against the other two groups because half of our 'in debt' sample had vulnerabilities and across the 10 we achieved a mix of age and social grade. Private & Confidential

In debt
Customers who remain resistant to contact about collections management

Total	Age	SEG	Location	Ethnicity	Migrant Status	Vulnerability
10 participants	18-30 (x0)	A (x0)	Urban (x5)	White (10x)	5yrs> (10x)	Physical disability (x0)
	31-45 (x5)	B (x0)	Small town (x5)	Mixed (0x)	5yrs< (0x)	Long-term health condition (x1)
	46-60 (x3)	C1 (x3)	Village (x0)	Asian (0x)		Mental health condition (x4)
	Over 60 (x2)	C2 (x1)	Rural (x0)	Black (0x)		
		D (x2)				
		E (x4)				

Engaged
Customers who have engaged with United Utilities about collections management

Total	Age	SEG	Location	Ethnicity	Migrant Status	Vulnerability
25 participants	18 -30 (x6)	A (x0)	Urban (x18)	White (24x)	5yrs> (24x)	Physical disability (x4)
	31-45 (x6)	B (x1)	Small town (x6)	Mixed (1x)	5yrs< (1x)	Long-term health condition (x7)
	46-60 (x7)	C1 (x11)	Village (x1)	Asian (0x)		Mental health condition (x1)
	Over 60 (x6)	C2 (x1)	Rural (x0)	Black (0x)		
		D (x3)				
		E (x9)				

At risk
Customers who may need to engage with United Utilities about collections management in the near future*

Total	Age	SEG	Location	Ethnicity	Migrant Status	Vulnerability
15 participants	18-30 (x2)	A (x0)	Urban (x9)	White (x12)	5yrs> (14x)	Physical disability (x0)
	31-45 (x5)	B (x2)	Small town (x4)	Mixed (x1)	5yrs< (1x)	Long-term health condition (x4)
	46-60 (x4)	C1 (x6)	Village (x0)	Asian (x1)		Mental health condition (x0)
	Over 60 (x4)	C2 (x3)	Rural (x1)	Black (x1)		
		D (x0)				
		E (x4)				

*Defined as customers that are still maintaining payments with United Utilities, but are starting to show distress with other creditors (via credit reference agency data). 9

Key findings

1. There is widespread concern that the cost of living crisis will make it even harder for customers to be able to pay all their bills, adding to the already substantial level of stress faced by customers due to their financial struggles.
2. Perceptions of United Utilities are broadly positive, with 'engaged' customers praising the support they received and feeling that United Utilities are doing really well in this space, especially in comparison to other providers. When asked about other bill providers, customers across groups struggle to identify any doing better in this space.
3. Despite efforts from United Utilities, the key barriers to engagement are a lack of awareness among 'in debt' and 'at risk' customers that there is United Utilities support available for them, and more broadly, mental and emotional barriers that stop customers feeling able or willing to reach out.
4. Customers would be more likely to engage if they were aware support exists for them and was easy to access, but also that they would be heard, supported and not judged when engaging. Additionally, 'at risk' customers would need to feel that support could help them now.
5. The top-ranking propositions are monthly billing, the priority services advisor and the simplified application process. Customers prefer propositions that feel right for them, that make them feel heard and not judged, that they have some control over, and that feel easy to access.

02 Case studies



Case study: James*, 47, 'engaged' customer

James* and his partner are both working. His wages went down last year as he had to reduce his working hours to take care of his son, and he fears his partner's job is no longer secure, and is particularly concerned about rising costs.

He tries to pay all his bills on time as he fears late fees. Although he is currently able to cover them, he sees water bills as the lowest priority as United Utilities take a 'softer approach' and don't send round the bailiffs or cut off your supply, unlike others. However, one of the reasons why he got in contact with United Utilities in the first place was because of a letter they sent him that was 'reassuring, quite compassionate, and non-judgmental'.

He has found the payment matching scheme he is on really helpful as it has encouraged him to pay off his debt, and made him more likely to pay his bills going forward. He feels confident reaching out to United Utilities in the future due to his positive experience. He feels he may need to if costs keep rising.

"You get a lot of stress from it. Staying awake at night trying to juggle things about. It's hard to settle, isn't it, if you are in the middle of a crisis?"

"You can get hold of [United Utilities and my bank] and they actually do try to come up with a solution."

"[The scheme was] very useful, it brought my debt down. I was surprised."

*All names have been changed

Case study: Linda*, 48, 'at risk' customer



Linda* is a single mum of three. Though she is in full time employment, increasing living costs make it very difficult for her to cover her bills. She is contemplating taking on a second job on weekends to make ends meet but is afraid that this isn't enough to get by without falling into debt. She doesn't like the thought of having to ask for more child support from her ex-partner.

She has pro-actively tried to lower costs, by lowering the children's phone data allowance and reaching out directly to her energy provider (British Gas) for support with paying those bills. Linda found British Gas to be dismissive of her situation and not offering any support, which discouraged her from reaching out to United Utilities during this time as was worried that the experience could be similar.

She feels stressed because she fears that her utility bills, including water will continue to increase. This has a negative effect on her mental health, and self-esteem since she takes pride in being able to manage her finances effectively. She is now thinking about trying to access Citizens' Advice for some financial advice.

"I am feeling the pinch... I am contemplating getting a second job... It is quite frightening that if things don't change and bills keep going up, this is going to be an absolute necessity."

"It's got to the point when I've had to tell my children I'll have to lose streaming services but as autistic children they really rely on these... I've already cancelled 2 streaming services at this point."

*All names have been changed



Case study: Warren*, 50, 'in debt' customer

Warren* (50) is currently unemployed due to ill health, and finds himself in a cycle of outstanding payments and debt. He is in contact with a debt collection agency that helps him manage outstanding debt with other companies.

He is very concerned about the rising food costs and thinks that if he paid his bills each month, he would have to skip meals. He has received help from his local council and his food bank towards paying energy bills and buying food.

He feels he has to prioritise which bills to pay, and water is not currently his top priority, although he does feel he needs to deal with it soon. While he believes United Utilities can't cut off his supply, he does worry that his debt could be bad for his credit score. He has already has a plan in place with his energy company to pay off a certain amount that he can afford each week, and would be interested in a similar arrangement with United Utilities when he is ready to deal with the bill.

He wasn't aware that United Utilities offers support with paying bills. After hearing the list of current options and propositions, he felt some could be helpful to him (e.g. the one-off grant, the joint scheme with DWP, payment plan rounding).

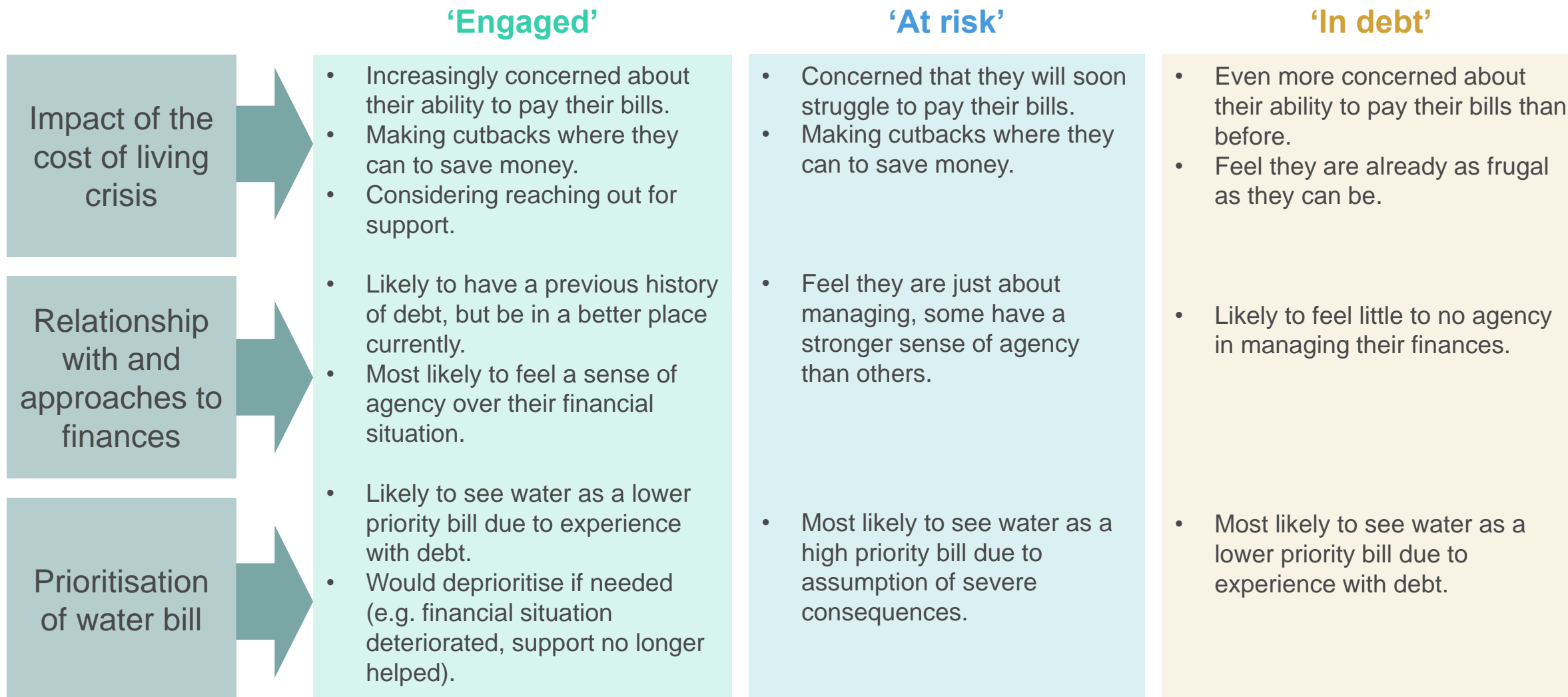
"It's horrible knowing people there will be people knocking at your door, sending letters [about your debt]. It's really bad for my mental health, hence why I've got these agencies involved to help me take a weight off... You just stress and and panic about where the next bit of money for the bills is coming from."

"Everything seems to be going up and your money stays the same."

*All names have been changed

03 The wider context of debt and struggling to pay bills

'In debt' customers are most concerned about their finances, and most likely to feel little agency over them



There is widespread serious concern about the cost of living crisis making it even more difficult for customers to pay their bills, adding to existent stresses.

What does this mean for United Utilities?

Customers are more likely to fall behind on paying their United Utilities bills as they face the trauma of the real and growing impact of increased household costs.

There is deep concern across all groups about the impact of the rising cost of living on their ability to pay their bills

Customers are worried about not being able to buy food and pay all their bills due to rising food and energy costs.

This includes 'engaged' customers, some of whom are feeling increasingly unsure about their ability to pay their water bills.

"I'm sat talking to you now with no lights on. I don't put the heating on. If you're cold, you put a couple of more layers on. I've been doing this since the cost of living prices went up... I've never used a food bank, but I think I'm going to have to in the future."

'At risk' customer

Many are unsure how they're going to manage their finances and cope with the increase in costs as they aren't seeing an increase in income.

Some also feel they are already as careful with money as they can be (e.g. cutting down on the heating as much as possible) so find it difficult to know what else they can do to help themselves.

"I'm always worrying about something or other moneywise. Can we afford to put the heating on, to put the lights on? It plays a bit on my mind and triggers my depression."

'In debt' customer

Some are having to make increasingly difficult choices to be able to afford the rising costs (e.g. heating or eating).

Many were hit hard by Covid-19 (e.g. losing their job, having to rely more on Universal Credit) and the current price rises have exacerbated their poor financial situations.

"The essentials are eating up so much of my income... it's quite scary and it's quite worrying to think, you know, how am I going to get through?"

'Engaged' customer

The current economic situation will exacerbate existing financial, mental and physical stress

Financial

Many are in difficult financial situations due to a reduction in income (e.g. loss of work, benefits or retirement) or an unexpected increase in expenditure (e.g. care or funeral costs), and some are currently in debt with multiple utility providers.

For some female customers, their financial difficulties stem from inheriting debt after a relationship breakdown where the previous partner was in control of finances.

Many of these customers are now making difficult choices to get by (e.g. skipping meals, limiting baths/showers) as there is not enough income compared to outgoings.

This accounted for over half of our sample, predominantly from the 'in debt' and 'engaged' customer groups.

Mental

Many have experienced life events that are often felt to be traumatic (e.g. the illness or loss of a close family member).

Some have mental health conditions which make it difficult for them to manage their finances or speak to someone about it.

Experiencing financial hardship in this context increases the stress they feel, with some feeling that things have become 'overwhelming' or 'out of their control' causing them to lose agency over their finances and making it difficult for them to take the first steps to addressing debt.

Nearly all customers reported feeling some level of mental strain, especially those in the 'in debt' group.

Physical

Some have serious long-term health conditions, illnesses or disabilities, which impact their ability to complete daily tasks or follow routines, and for some has led to them being unable to work and losing an income.

Some, especially female customers, are caring for others with serious health conditions, those with special educational needs, disabilities or elderly relatives.

Rising costs puts further mental and financial strain on them and makes their lives feel even busier.

Over a third of our sample, across all three groups, reported experiencing ill health themselves or in the family in recent years.

The current economic situation will exacerbate existing financial, mental and physical stress

Financial

Mary* is paying back a debt created by her partner after leaving her relationship. Her partner was previously in charge of the finances, and she is now learning how to handle them herself. She has childcare costs for her two small children.

"I was in a bad relationship. We got ourselves into a bit of debt, and I got left with the majority. The bills added up and we couldn't afford them. My son is severely asthmatic, so it was not safe for me to go back to work, I had to make the decision to leave and then become unemployed for two years."

'Engaged' customer

Mental

Alison* was recently diagnosed with Bipolar Disorder which makes it difficult for her to budget and stay on top of her bills. During periods of mania, she struggles to control her spending and often builds up debt.

"I have reactive bipolar disorder, when I'm feeling high, I tend to go out and spend money and not think about like, how I'm going to pay bills. It's no good me having money because I just go out and spend it without thinking about what I should be doing with it. That's the condition of my mental health."

'At risk' customer

Physical

Mike* left his job during the pandemic to care for his elderly parents. He has since been diagnosed with a condition that makes it difficult to return to work. He receives Personal Independence Payment (PIP) but is finding it difficult to cover his costs as prices rise.

"I knew I wasn't able to keep going back and forth for work and my financial situation got worse. I've just applied to have my PIP increased, but with the cost of everything going up I'm really struggling to figure out how I'm going to manage. I'm barely managing at the moment."

'In debt' customer

*All names have been changed

Customers' approaches to managing their finances vary depending on the sense of agency they have, but all struggle with unexpected changes to income or expenditure.

What does this mean for United Utilities?

United Utilities should continue to help customers feel more in control of their bills to increase their sense of agency and likelihood to engage. But there also needs to be flexibility in support to suit different approaches, and to deal with unexpected changes.

Customers' individual agency (or lack of it) can influence their level of engagement and management of their finances

Limited agency

Agency

Near to no agency

- Customers who feel they have no control over their finances and/or their individual situation.
- Likely to have experienced significant financial and personal challenges in their life which they have struggled to overcome.
- Likely to be **in debt** customers.

"You can try to budget as much as you like, but some weeks I'll have one bill for something I just have to skip because I haven't got the money to pay it."

'In debt' customer

Little agency

- Customers who find themselves with little control over their finances.
- Less likely to keep up to date with their bills or information coming from providers where they might have outstanding bills.
- Likely to be **in debt** or **at risk** customers.

"I don't have enough money to budget. All the prices are going up, but my benefits are still the same, the payments don't go up. You have to cut back on somewhere, so I've been cutting back on stuff for myself."

'In debt' customer

Medium agency

- Customers that feel somewhat in control over their finances and are on a support plan with United Utilities and/or other companies but haven't necessarily been proactive in accessing support.
- Likely to be **engaged customers**.

"I tend to be quite strict and budget and make sure that bills are paid. I have a good relationship with money in that sense as I'm very, very aware of my income and expenditure."

'Engaged' customer

Agency

- Customers that are proactive, actively seek advice (directly with United Utilities or third parties) to better their financial position or mitigate the risk of falling into debt.
- Likely to be **at risk** or **engaged customers** with previous successful experiences managing outstanding payments.

"I'm very responsible with money because I have to be. I'm not an impulsive spender. I don't even have the option to do an impulse buy like a lipstick that I like. Every penny is accounted for."

'At risk' customer

But all customers struggle with managing finances when faced with unexpected changes to expenses or income

Many often experience regular expenses which they have not accounted for such as having to buy new clothes for their children or birthday presents for friends or relatives, which leads to difficult decisions on how and which bills to pay, and for some often having to miss a bill payment because they cannot afford to pay it.

Some have experienced a sudden loss of employment in past, often related to Covid-19, which has severely affected their ability to pay bills for a long period of time.

Jane* has a history of debt, she now pays her bills as soon as she gets paid, but still finds it difficult to budget throughout the month. She often finds by month's end she has nothing left.

"My bills are paid off in a direct debit on the same day and then I take the rest of the money out in cash so it's easier to budget. But because it's Universal Credit some months you'll have 4 weeks between payments, others you'll have to spread it over 5 weeks."

'Engaged' customer

Jenny* is a cleaner and struggles to budget as her income and bills always seem to change. Money is a big source of anxiety for her which makes planning tough. She pays the bills she can, when she can.

"It's a dark place, you don't know where you're getting the money to pay for things, especially when you have a child to feed. You can get an unexpected bill, which can be stressful, for example my child could need new shoes or new coat."

'In debt' customer

*All names have been changed

Bills are prioritised depending on the price and perceived urgency, with water bills being deprioritised by some due to a perception that consequences of not paying are less severe than other utility bills.

What does this mean for United Utilities?

There is a difficult balancing act for bill providers between establishing strict consequences for not paying bills with customers and fostering positive perceptions of the company. When it comes to United Utilities, customers tend not to see the company as one that provides severe consequences for not paying bills, likely contributing to positive perceptions of it, but meaning that bills are deprioritised. We recommend proactive and frequent communications about water bills which give customers a sense of urgency, but also by offering support, a sense of agency that they can manage this bill. Emphasising the affordability of the bill may work to reverse the price effect by encouraging customers to prioritise a bill that feels more manageable.

Customers prioritise bills that are expensive, necessary and seen to have severe consequences if not paid

Housing is an expensive payment to get out of the way, and necessary to 'keep a roof over your head'.

Energy is second most expensive and necessary to be able to heat your home and eat – often assumed it will get cut off if you don't pay.

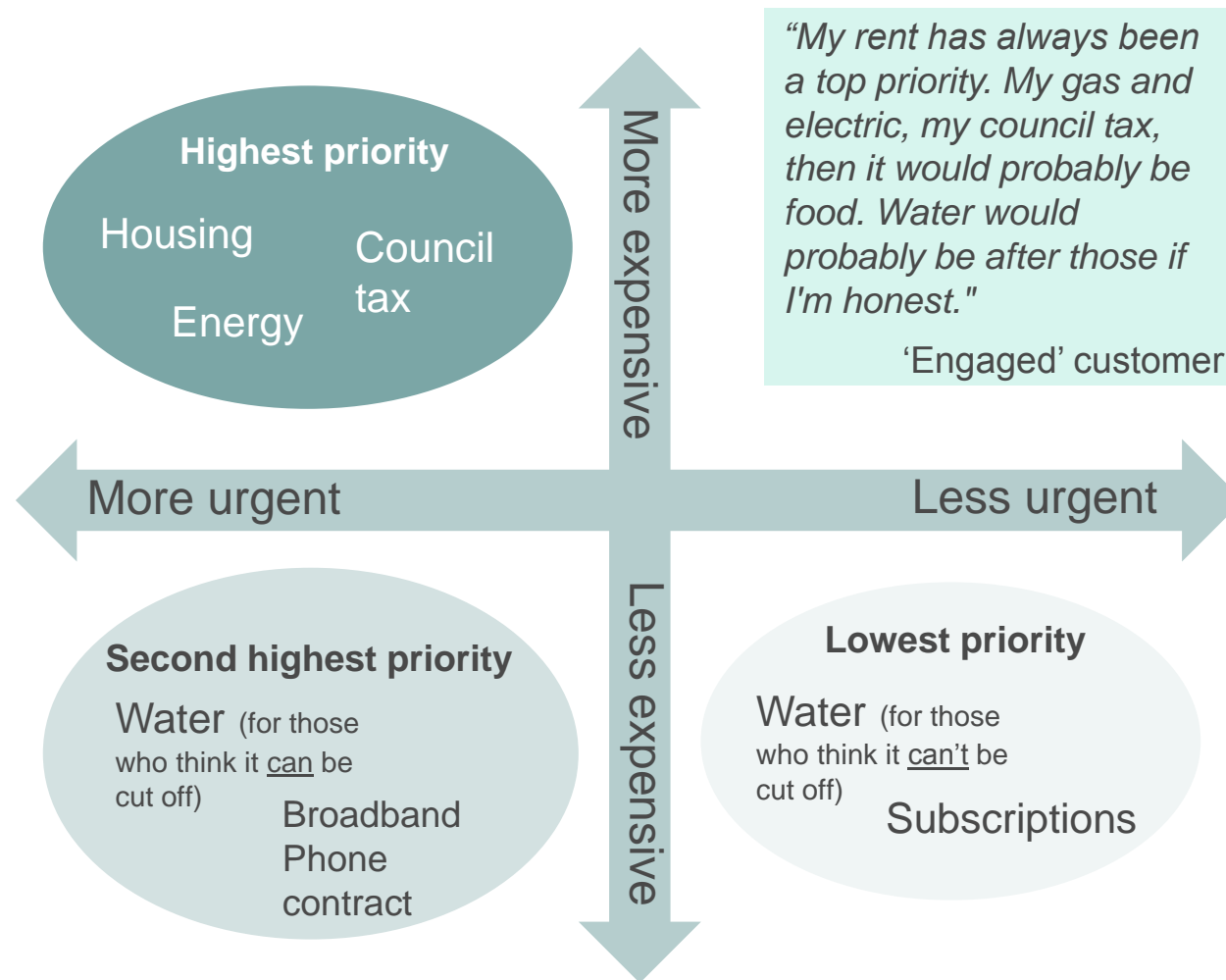
Council tax is only urgent because it is assumed to have severe consequences (e.g. the council sending round bailiffs) – often discovered through experience.

While **water** is seen as necessary, it is the least expensive of the utility bills and perceived by some to have less severe consequences, which can lead to it being deprioritised.

Broadband and phone contracts are important to stay connected in the modern day but cheaper than other big bills.

"Paying the mortgage has always been most important to us as it's the biggest outgoing we have."

'At risk' customer



Customers who have experienced debt are most likely to deprioritise water bills due to a perceived lack of severity

Many customers who have previously been or are still in debt are less likely to prioritise water bills as water providers are perceived to provide the least severe consequences of all utility providers (e.g. not aggressively chasing payment or turning off their supply).

Some have learnt this from experience, while others through word of mouth, including official organisations like Citizens Advice.

Some 'at risk' customers who are anxious about getting into debt, and haven't been previously, consider water an equal priority to other bills.

This is true even for those who have heard it cannot be cut off, because they see paying bills as a fundamental requirement, and often a source of pride.

"Apparently, they cut your water off but that's never happened to me. They probably take you to court and try to get the money off you, but they don't bother me at the moment."

'In debt' customer

"[Water] is important but it's not as important as the gas and electric...I'm on meters with gas and electric so if I don't put money on then it goes off."

'Engaged' customer

"My water is just as important as rent, gas and electricity. It's kind of a bundle."

'At risk' customer

04 Accessing support

Despite receiving communications from United Utilities, ‘in debt’ and ‘at risk’ customers continue to face emotional and practical barriers

	‘Engaged’	‘At risk’	‘In debt’
Awareness and perceptions of general support	<ul style="list-style-type: none"> • Most likely to be aware that support exists due to experience accessing it. • Also, most likely to be trusting of support, due to previous positive experiences. 	<ul style="list-style-type: none"> • Least likely to be aware that support exists as tend to have less experience of needing it. • Broadly trusting of support, but feel they don’t currently need it, or that it is not for them. 	<ul style="list-style-type: none"> • Likely to have some awareness that support exists generally due to experience of debt. • Low trust in support available, sometimes due to previous negative experiences.
Experiences of United Utilities	<ul style="list-style-type: none"> • More likely to receive frequent communications. • Mostly positive views due to their experience accessing support. 	<ul style="list-style-type: none"> • See communications as sporadic and would like more proactive communication on support options. • Broadly positive views, although some have had negative experiences. 	<ul style="list-style-type: none"> • See communications as sporadic and would like more proactive communication on support options. • Despite several having had negative experiences, others tend to have positive views.
Key barriers to engaging with United Utilities	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Do not perceive themselves to currently be in need of support. • Lack of awareness about support. • Worry about being judged. 	<ul style="list-style-type: none"> • Deprioritising water bills. • Feeling overwhelmed and a lack of agency. • Worry about not being heard or being judged if reaching out. • Being put off by a negative experience.

Communications from United Utilities to ‘at risk’ and ‘in debt’ customers may not be landing because these customers often have busy and hectic lives, coupled with a lack of agency and emotional or mental struggles that make it difficult to engage. United Utilities should continue to deliver communications as customers can move in and out of emotional and mental struggles and frequency of communications can increase salience.

There is high awareness that third sector organisations provide support around paying bills, such as Citizens Advice, and relatively high levels of trust in the support they provide.

What does this mean for United Utilities?

United Utilities should continue to work with third sector organisations such as Citizens Advice, Turn2us, IE Hub and Money Wellness, to reach out to customers that are struggling, and ensure that third parties are up to date on the latest support offered so that they can convey this information properly.

In contrast, there is low awareness about providers (including United Utilities) offering support. When customers have reached out to (non-United Utilities) providers, experiences have tended to be negative.

What does this mean for United Utilities?

United Utilities is already doing work in this space to communicate the support it provides and will need to tailor this to 'in debt' customers. Additionally, there is a sense that other bill providers aren't providing the support needed, particularly in the context of rising costs, which provides an opportunity for United Utilities to emphasise its distinctive offer. However, the sense of disappointment with other bill providers can lead those with less experience of accessing support to assume engaging with United Utilities would be the same.

There is more of an expectation that third sector organisations offer support with paying bills than providers

Third sector organisations

- There is **high awareness across groups** that third sector organisations can offer advice and support if someone is struggling to pay their bills, most notably Citizens Advice but also StepChange and National Debtline are known by a few.
- **Awareness rises among those with past experience of debt**, who have often needed to reach out to such organisations before.
- There are **relatively high levels of trust** in such organisations that they will be able to provide non-judgmental support.
 - However, levels of trust **vary by customer group**, with 'in debt' customers tending to be the least trusting and 'engaged' most trusting, generally due to previous positive experiences.
- A significant proportion of the sample have reached out to such organisations, with the most commonly cited organisation being **Citizens Advice**, but other examples include National Debtline. Some also report going to their local council, job centre, social media groups, or their bank.

Bill providers

- A minority, and more so those with previous experience of debt, are **aware that bill providers** (e.g. utilities, mortgage) may be able to provide support if struggling, and several have reached out to them in the past.
 - Some have reached out to them more recently, or plan to do so soon, due to **rising prices and bills**.
- Some have reached out to resolve a **significantly increased bill**, others after **hearing there is support available** or after feeling pressured to do so due to **'aggressive' chasing** by providers (e.g. frequent chasing, hearing from debt collection agencies).

Many also reach out to **friends or family** at some point in the process (e.g. for advice or to borrow money), but for some there is a sense of shame surrounding admitting that you need support to people you know, compared to a stranger at an official organisation.

Customers tend to find that third sector organisations provide the most helpful and non-judgmental advice and support

Helpful support given

e.g. providing payment holidays on bills, practical advice on how to manage finances, non-judgmental advice, support and reassurance

"I trust Citizens Advice Bureau most. That's because when I went there...they didn't want to look down their nose at me which is what I have found with other companies. I didn't feel like they were judging me."

'At risk' customer

"Our bank was fantastic... They gave us a break in paying our mortgage. They even gave some advice to approach other companies to get assistance."

'Engaged' customer

In contrast, customers tend to have negative experiences with bill providers in particular when they reach out for support.

Time-consuming process

e.g. long waits on the phone with customer service, concerns that charities will be overburdened and so they may have to wait a long time to be seen

"I wouldn't try phoning because it took me so long to get through previously, like British Gas, the queues were ridiculous."

'At risk' customer

"I tried to make an appointment at Citizens Advice, which is hard to do nowadays. I went to see them a while ago and the next appointment was in 6 months' time."

'In debt' customer

Lack of support given

e.g. being told there is no support available by a bill provider, severe measures taken (e.g. bailiffs) rather than support offered

"If I did reach out [to United Utilities] and I got a very unresponsive reaction like 'that's just how it is', I'd think what's the point? That was the feeling I got when I reached out to British Gas."

'At risk' customer

"The council were the worst. There was no give at all. There were bailiffs calling and threatening me."

'Engaged' customer

Many recall receiving communications from United Utilities, but for 'at risk' and 'in debt' customers it often feels sporadic

This is despite United Utilities consistently contacting 'at risk' and 'in debt' customers about the support available to them

Recall of communications

For 'at risk' and 'in debt' customers, their engagement centres around occasional updates from United Utilities on their account and (if relevant) any outstanding bills, with some unable to recall any recent communications.

Those on the priority services register and 'engaged' customers are much more likely to recall more frequent communications from United Utilities.

Jack* ('engaged' customer) has been in debt in the past. His past experiences make him look out for any communication from providers. Next to bills he received, he also recalls updates from United Utilities on the ongoing works on waterpipes in his area and thinks it's good that United Utilities lets him know in good time when his water might be off.

Preferred method of communication

There is no single best way to communicate, but emails come out most often as the easiest way to get in touch with customers.

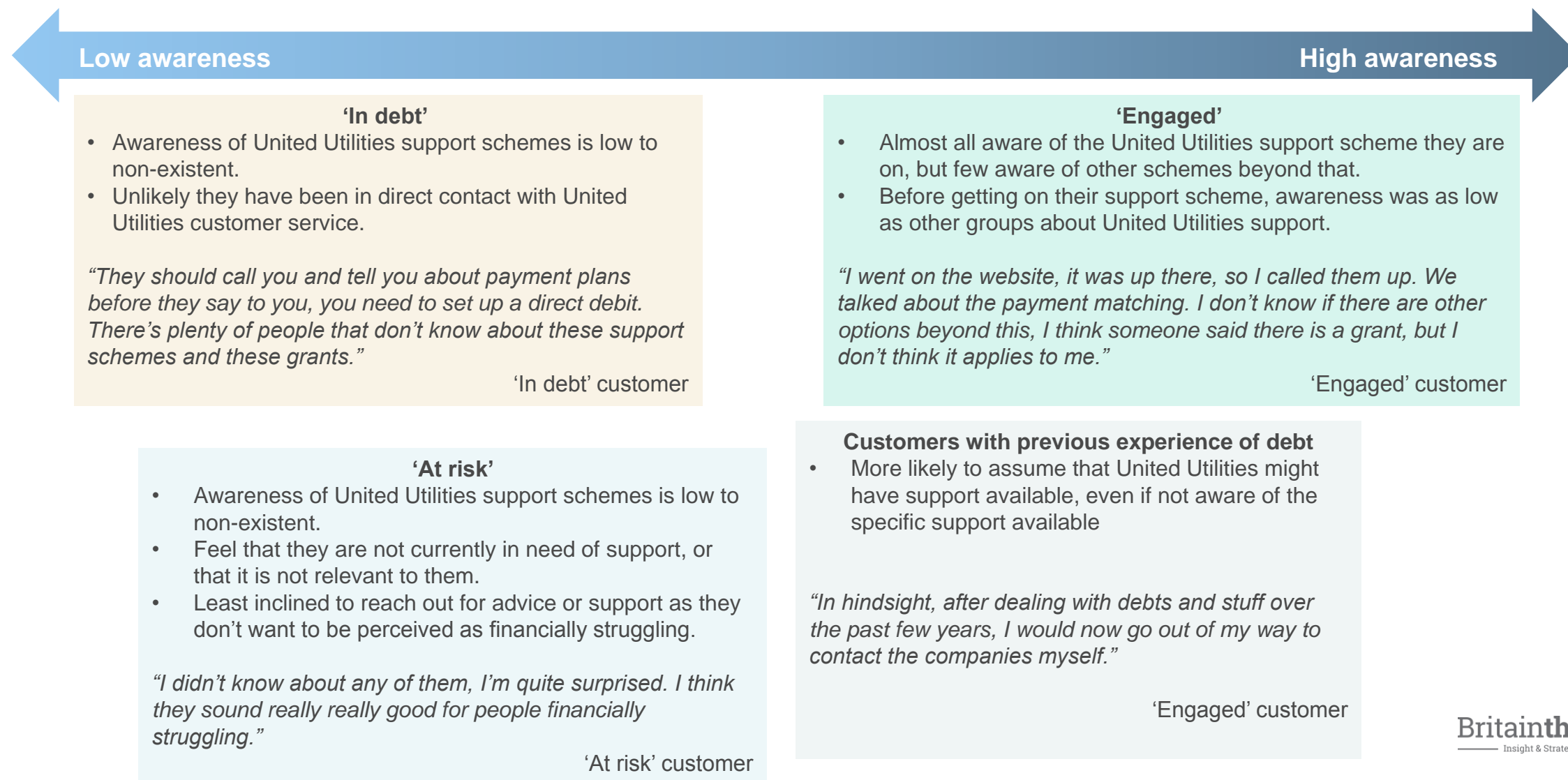
Many prefer speaking on the phone as they find it easier to talk through their situation with a person.

Some prefer letters and paper bills as a way to help keep track of budgeting in a physical way.

Henry* ('in debt' customer) does not budget, lives from day to day, and has mental health problems. At the moment he is not sure how much exactly he owes United Utilities. So far, he only received letters, but he wishes for more online communication via email and the option of talking to someone on the phone who is specialised in speaking with vulnerable customers. The personal communications would make it easier for him to keep on top of things.

*All names have been changed

Beyond 'engaged' customers, awareness of United Utilities support options is low

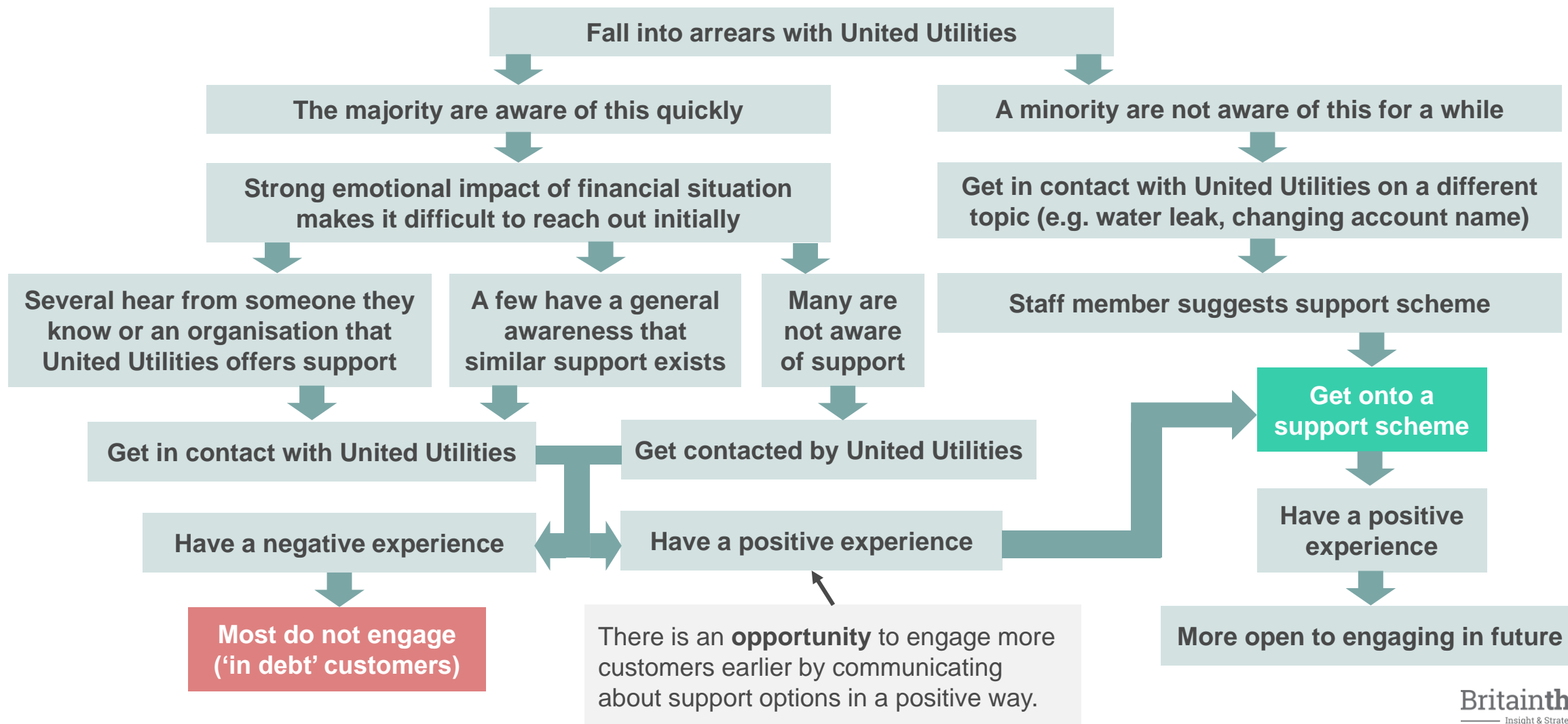


The ‘engaged’ customer journey with United Utilities is a positive one, resulting in customers feeling more open to engaging in the future. In contrast, the experience of ‘in debt’ customers is more likely to be negative, putting them off engaging further.

What does this mean for United Utilities?

Ensuring the customer experience of United Utilities is positive is key in encouraging customers to engage. Publicising the positive experiences of customers may also encourage others to engage.

Overall, the ‘engaged’ customer journey tends to be positive, with many feeling satisfied with the support received



Whether a customer's experience with United Utilities is positive or negative tends to determine if they engage or not

In a positive experience, United Utilities...

✓ **Is compassionate**

"I'm glad I did it... The gentlemen I spoke to was really lovely, they were very patient and very respectful of my situation."

'Engaged' customer

"They were helpful straight off. They didn't say 'pay this pay that.' They came up with a solution which worked."

'Engaged' customer

✓ **Is helpful**

"[The staff] were super helpful, super supportive. All the staff are really polite and nice down the phone... and you just don't, you don't get that service all the time from all companies."

'Engaged' customer

"The good thing about United Utilities is that you get through fairly quickly and you talk to a person. Unlike the broadband."

'Engaged' customer

✓ **Is understanding**

"United Utilities allowed us to pay what was a reasonable amount for us to cope with and didn't just keep bullying people. I understand the companies want the money from you. But if you haven't got it, you just simply can't pay it... You could be threatening me with [legal action], but you wouldn't have got the money any quicker, because I just didn't have it."

'Engaged' customer

✓ **Makes the process easy**

Whether a customer's experience with United Utilities is positive or negative tends to determine if they engage or not

In a negative experience, United Utilities...

✓ **Doesn't listen**

"Sometimes you get the impression that they don't believe the words you saying, so there's no point in saying it because they have that kind of attitude... It also could be embarrassing... sometimes you don't want people to know that you're finding it difficult and you're struggling... Even though at the minute most people are but you know, you still sometimes don't want to say that."

'In debt' customer

✓ **Seems judgmental**

"I reached out to them numerous times and they kept trying to get me to set up a direct debit of £27 a month, and also £10 a month for my arrears. They just wanted my money rather than help me by putting me on a payment plan... They made me go into arrears before they helped me."

'In debt' customer

✓ **Is unsupportive**

"[United Utilities] sent me a letter or a phone call about my debt, they said they are taking the money out of my Universal Credit each week without my permission. It got declined by Universal Credit. Then they phoned me saying they want to set up a payment plan, I said if you had started with that maybe we could've done that, but instead you threatened me and said you'd deduct it automatically without my permission... The way United Utilities went about contacting me about debt and going behind my back with Universal Credit, I felt like they were being enforcers, they were going to send bailiffs. Not allowing me to tell my side of the story."

'In debt' customer

✓ **Is pushy**

However, negative experiences can be outweighed by subsequent positive experiences

A minority of **'engaged' customers** had some **negative or more mixed experiences** where United Utilities was less understanding or responsive, or more pushy.

However, **after some positive experiences** where United Utilities was more supportive and put together a plan for the customer, these customers decided to engage and see their experience as positive on balance.

"When the debt first happened I rang up and kept being put through to someone else and someone else and it confused me and I put the phone down but nobody rang me back. That was a bit bad but apart from that everything has been good."

'Engaged' customer

"I had a few letters basically selecting me, saying it will take me to court or whatever. A woman in my job club worked for Citizens Advice or something... We rang United Utilities and they sorted out a plan for me."

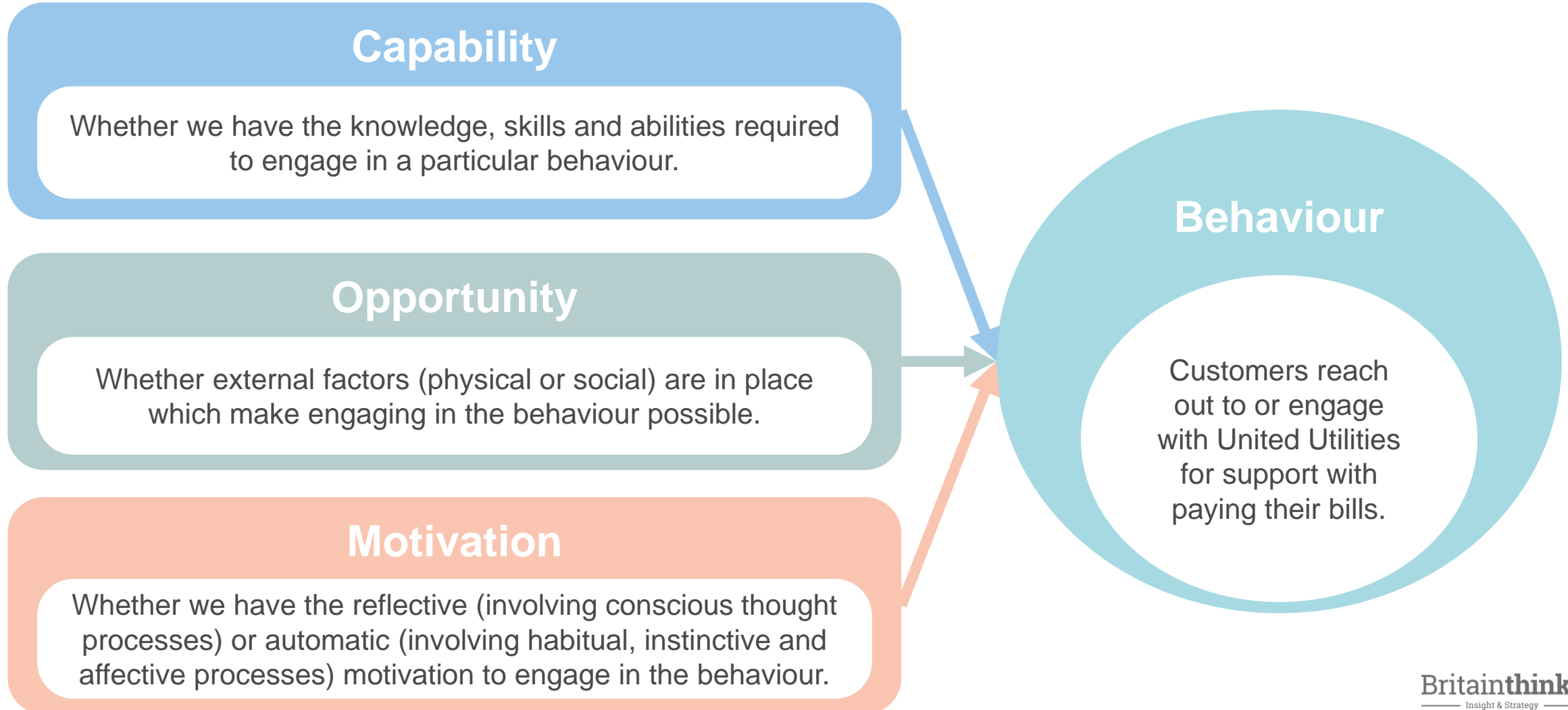
'Engaged' customer

"They're sometimes a bit abrupt, they'd introduce themselves and say 'do you realise you have this much to pay?' But some were friendly. But they do offer different ways to pay your bill, they are there to help."

'Engaged' customer

Applying the COM-B model of behaviour change, the key barriers to engaging with United Utilities are a lack of awareness that support exists, and mental and emotional issues that make it more difficult to engage, exacerbated by societal stigma.

We can apply the COM-B model of behaviour change to help explore the key barriers to and drivers of engagement



The most powerful barriers to engaging are mental and emotional, along with a lack of awareness about support

Capability

- Most not on support schemes are **unaware that support exists, and that it applies to them.**
- The **emotional experience of financial difficulties** (e.g. feeling overwhelmed, out of control) and **mental health issues** make it difficult for many participants to reach out, compounded by a sense of stigma.
- Many customers **cannot pay all their bills**, and decisions about what to prioritise often lead to deprioritising water bills, and as a result not wanting to engage with United Utilities.
- For some, **long-term health conditions or disabilities** can also make it harder to have the energy to reach out.

Opportunity

- **Societal stigma** about financial difficulties makes it more difficult for customers to be open about needing support, and willing to potentially be judged on this.
- Many participants feel they **don't have the time** to engage with United Utilities, assuming the process will be time-consuming and inconvenient (e.g. waiting on the phone for hours) – often based on previous experiences with other providers.

Motivation

- Many are **fearful of not being fully heard** if they reach out.
- Most 'at risk' customers **do not see themselves as meeting a high threshold for needing support.**
- Several have been put **off by a previous negative experience** with a provider (including United Utilities).
- 'In debt' customers in particular tend to deprioritise their water bill due to **perceived lack of severity of consequence.**

The **cost of living crisis** will worsen the financial situations of many customers, making them less likely to be able to meet all their bills, which may lead to further deprioritisation of water bills.

Low awareness of support available for them and mental / physical health issues make it difficult to engage with support

Lack of awareness

- There is broadly low awareness that United Utilities provides support.
- There is also an assumption that support is only for those in debt with United Utilities already, which for a few comes from being told this by United Utilities.

“No, I haven’t reached out because I didn’t know that they had any support.”

‘In debt’ customer

Mental ability

- The financial difficulties faced by participants put a great mental strain on their lives, and feelings of being overwhelmed with stress and feeling the situation is out of their control make it more difficult to take action.
- Several participants also have mental health conditions, such as anxiety or bipolar disorder, which make it more difficult to deal with their finances and/or reach out for support.

“Sometimes because of my bipolar and epilepsy I’m very forgetful and a lot of the time I put debt to the side... I was in and out of hospital with my mental health, so I didn’t pay the bill.”

‘Engaged’ customer

Physical / financial ability

- Customers who are in debt often simply can’t pay all their bills with the income they have – this means they have to prioritise bills (and where there is low motivation to pay water bills due to lack of perceived severity, these are deprioritised, making them less likely to engage with United Utilities).
- Around 1/3 of our sample live with long-term health conditions or disabilities, which often worsen their financial situations (e.g. by not being able to work) and sometimes make their water bills higher.
- Health issues can also be physically draining, making it more difficult to engage with any support.

“I have a weakened immune system because of my condition so we need to keep the house as clean as we can. If my skin’s bad, I need to have a shower 2-3 times a day.”

‘At risk’ customer

Stigma means customers fear judgement of their finances, and busy, hectic lives mean they have little time to engage

Stigma

- Due to the stigma surrounding their financial difficulties, many are fearful of being judged for their financial situations if they reach out.
- For some, especially 'in debt' customers, these perceptions come from a previous negative experience of engaging with United Utilities.

Time

- Given the busy, hectic lives of participants, many feel they don't have the time to engage with support, especially if they were to initiate engagement.
- There is an assumption that the process will be time-consuming and inconvenient (e.g. waiting on the phone for hours), often based on previous experiences with other providers.
- A handful of female participants report having been in controlling relationships, making it even more difficult to find the time, particularly as it was usually their partners in charge of finances.

"It took me a little while to get in touch to be honest. I ignored it and then I thought I better sort this out... I was worried about what they would say... Speaking to someone about your situation, it can be a bit embarrassing at times"

'Engaged' customer

"Trying to ring through is a nightmare. I get stressed out waiting in queues and stuff."

'In debt' customer

"I was in really controlling relationship. I didn't have the luxury of sitting on phone listening to someone on repeat for an hour."

'Engaged' customer

Stigma also means customers set a high threshold for needing support, and fear they won't be heard in the process

Lack of perceived need

- 'At risk' customers tend not to see themselves as currently in need of support as they feel they are just about managing financially.
- However, there is a high threshold for perceived need, given that 'at risk' customers are in difficult financial situations already – but there appears to be a reluctance to see themselves in this way (relating to stigma).

"I would get in touch as soon as I felt I wasn't able to pay... Because I am not actually in a lot of debt at the moment, no one is willing to listen."

'At risk' customer

Fear of not being heard

- Due to stigma about this topic, many also worry they will not be properly listened to with empathy and compassion if they tell their stories.
- Some customers worry they'll have little agency in the process, and their views won't be fully heard in the support they are offered.

"[United Utilities] should listen better because they don't listen to what you're saying.... And you know you're trying to explain, you're struggling, and you only have so much money, but they don't really take that on board."

'In debt' customer

Lack of perceived severity

- Particularly for those with previous experience of debt, which includes most 'in debt' customers, there is a perception that not paying water bills has less severe consequences than other bills.
- This leads to lower motivation to pay these bills urgently when faced with having to prioritise bills.

"Water bills are not that serious. Because the bills are not that high, that's why I wouldn't class it serious. Below a threshold, once the debt is over £1000 I'd start worrying."

'In debt' customer

Customers often face multiple barriers to engaging with United Utilities

Sandra* ('at risk' customer) is currently unemployed and receiving benefits for the first time in her life as she has been medically retired due to a tumour, and she is awaiting surgery. She hadn't previously had to worry about money much, but now she says, 'it's all I think about'.

She's been struggling with her mental health as a result of her medical condition, which sometimes makes it difficult for her to speak over the phone.

"With my anxiety I sometimes don't feel like talking on the phone. Today because we had planned this interview that was fine because I knew it was happening and I was quite looking forward to it, but when people phone me out of the blue, I get anxiety."

Darren* ('in debt' customer) is struggling to pay off his debts and bills as it is, let alone with rising costs.

He can't pay all of his bills with the income and benefits he gets so he chooses to deprioritise the water bill. He sees it as less serious as he doesn't think it will get cut off, and it's a smaller bill so feels less urgent.

"The electricity runs out if don't top it up. If it was a case of I had to pay water or electricity, I would pay electricity, as water still comes out the tap."

Robert* ('at risk' customer) is in remission from cancer and is unable to work due to his health. He is not currently in debt but has been and wants to do whatever he can to not be in that place again.

Since prices shot up, he has been having to make decisions about whether he can afford to eat. He's worried he's going to have to use a food bank for the first time soon.

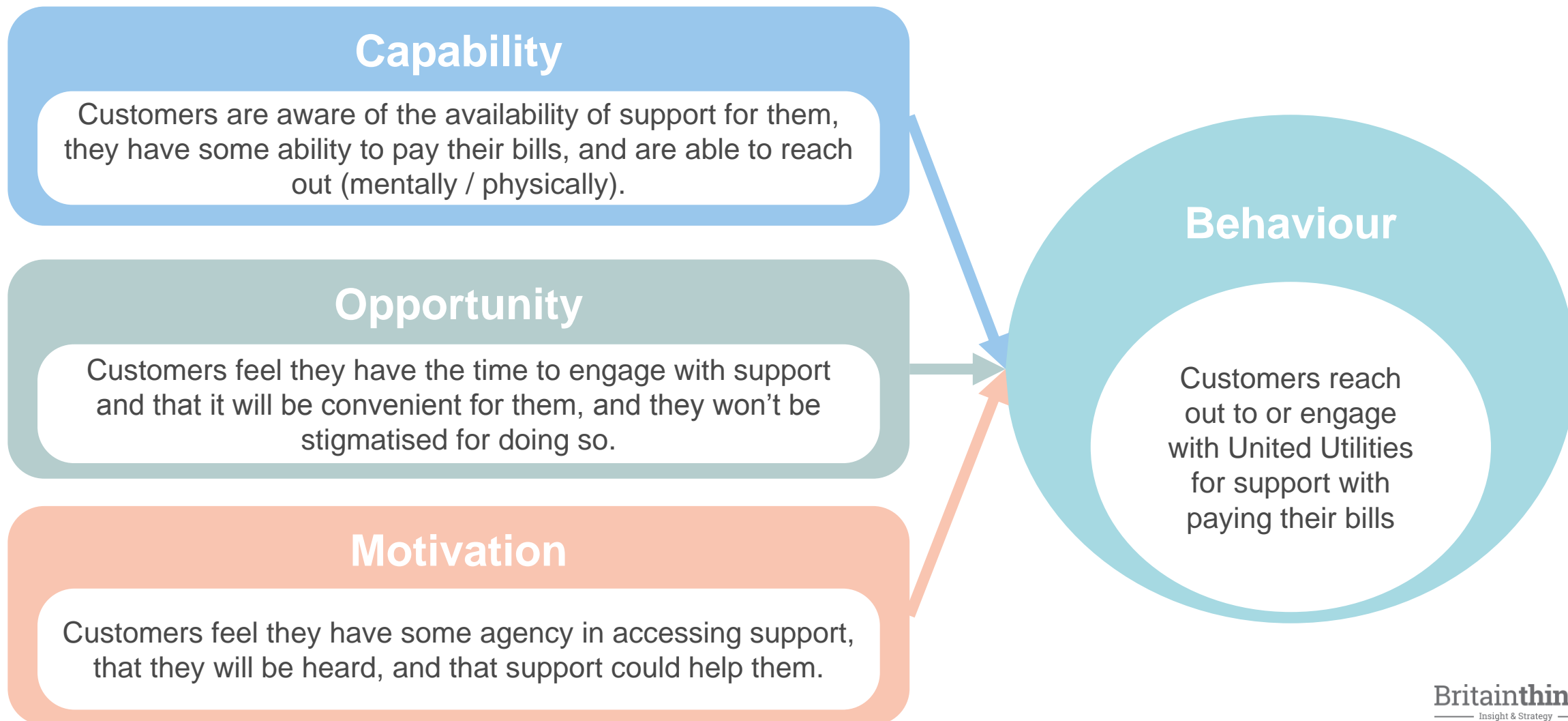
He pays at least something towards each of his bills but worries this isn't enough. He worries about being judged if he asks for help.

"It's degrading to go for advice or help."

*All names have been changed

To tackle the barriers to engagement, United Utilities need to ensure customers are aware of support, and feel able to easily access it, without stigma.

Customers would engage with United Utilities support if they were aware of it, and felt they would not be judged for doing so



Customers react positively to being made aware of United Utilities' current support, and would like to know where to start

Being made aware of support

- After being made aware of current support options, many participants were pleasantly surprised to hear that these exist (although some expressed surprise more negatively that United Utilities was not more proactively promoting these, particularly 'at risk' customers).
- A number of participants expressed interest in options that felt relevant to them, and a handful of participants actively either asked to be put in touch with United Utilities about this or said they would look into it themselves (usually via its website).

Feeling physically, mentally and financially able

- Customers need to feel they can (and should) pay at least some of their water bill in order to engage with support to help them do so – support needs to feel like it really helps enable them to pay their bills.
 - However, some will struggle to feel they can pay or engage at all until they are in a better financial situation (given the cost of living crisis, this is unlikely to improve soon).
- While United Utilities cannot change the physical / mental health of customers, it would be easier for these customers to engage if:
 - Support was offered proactively to them, and they didn't have to reach out.
 - It was made clear where to start when it comes to support.
 - The process of engaging was felt to be easy, and was clearly explained.

"I'm surprised because I didn't know they helped people that much... It's a lot more than some companies."

'At risk' customer

"They should let me know that [the support options are] there. I didn't know that they were there.... And how do I go about that, you know, who do I get in contact with to speak about them?... Because if you don't know you can't do anything, can you?"

'In debt' customer

"If you haven't got it, you just simply can't pay it."

'Engaged' customer

To engage, customers need to feel they won't be stigmatised, and there is an opportunity here with the cost of living crisis

Feeling they won't be stigmatised

- With stigma a key mental barrier, customers need to feel their lives and financial situations won't be judged if they engage with support.
- In our research process, we continually reassured participants that we were not here to judge them, just to listen, which helped participants open up to us.

The cost of living crisis may make it easier for customers to feel they are not to blame for their financial difficulties, and so more able to engage without fearing being judged

"I think some people are very proud, and don't like admitting that they've got a problem... [United Utilities should] reach out, telling them that it's okay, they're there to help, and that it's not about judgment or threatening action."

'Engaged' customer

Feeling they have the time to engage

- Customers need to feel they have the time to engage with support, and so it is important that the process feels convenient for them – this involves having a range of channels to communicate with United Utilities, tailored to individuals, and co-ordinating with trusted third parties.
- For example, in our fieldwork scheduling we were led by participants in terms of the interview times that work best for them, and were flexible in rescheduling if needed (as was often the case, demonstrating that even when the time is tailored to the participant, they may struggle to attend).

"If they are going to reach out to me then probably text. Phone calls are okay but because of my medication I'm not always in the mood to talk to someone."

'At risk' customer

"I'd prefer a phone call. I would be able to ask questions, it's easier over the phone."

'At risk' customer

Customers need to feel they require support, and that they will be heard, and offered support that is right for them

Perceived need

- In order to engage, customers need to feel that they are in need of support and that it would be helpful for them.
- For some, if they perceived consequences of not paying their bill to be more severe, they would be more inclined to prioritise this bill – there is a tension here between providing a supportive tone and a more severe sense of consequence.

The cost of living crisis may lead to more perceiving they meet the high threshold for support as more struggle financially.

“With the cost of living crisis, I think [United Utilities] should be getting in touch with people to tell them how they can help if you are struggling.”

‘At risk’ customer

Feeling heard and supported

- Customers want to feel that if they engage with support they will be heard with compassion and empathy – a few talked about appreciating feeling heard just by doing this research.
- Participants want to be given agency in telling their own story in their own way, and to feel their complex and difficult circumstances will be acknowledged and considered.
- Communications should start with offers of support, rather than requests for payment.

“Give advice based on [the customer’s] circumstances... When people give you their circumstances be as supportive as you can and give them options.”

‘At risk’ customer

“Try and reach out as much as they can, to gain personal perspective of what clients going through and try to work out a way forward with it.”

‘In debt’ customer

While customers' previous experiences vary, they broadly agree United Utilities should be compassionate and helpful

Samantha* ('in debt' customer) lost her job during the pandemic, and is struggling to get by. She focuses on her 'priority debts', which doesn't include her water bill.

She has had a negative experience with United Utilities, which puts her off reaching out. She felt they were 'threatening' her to set up a plan to deduct bills automatically from her benefits, and that they didn't let her tell 'her side of the story'.

When prompted on United Utilities support schemes, she had broadly low awareness, but felt positively about the current support schemes offered. She wishes the people she had spoken to had mentioned the support available (as well as been more understanding and compassionate in their tone).

The current support schemes that stand out to her are the payment matching scheme, the grant, and even the original plan she had been offered. She feels she would be happy to be on these schemes if they could come to an agreement on a regular payment that feels reasonable and achievable to her, such as a few pounds a week rather than £15/£20 a week.

"If [the schemes] would be reasonable and catered to my personal circumstances, rather than general circumstances, maybe I would use them."

Georgia* ('at risk' customer) got into debt when she was first diagnosed with bipolar disorder. She receives benefits and is already feeling the impacts of rising costs.

She wasn't aware of any current United Utilities support schemes, but was pleasantly surprised by the amount of support available when read out to her.

She doesn't feel she's currently struggling enough to get in touch, but says that she would, if she wasn't feeling too upset and anxious, and if she felt the person would be helpful.

"My advice is to treat each and every phone call as an individual person...don't pigeon hole people."

*All names have been changed

05 Propositions

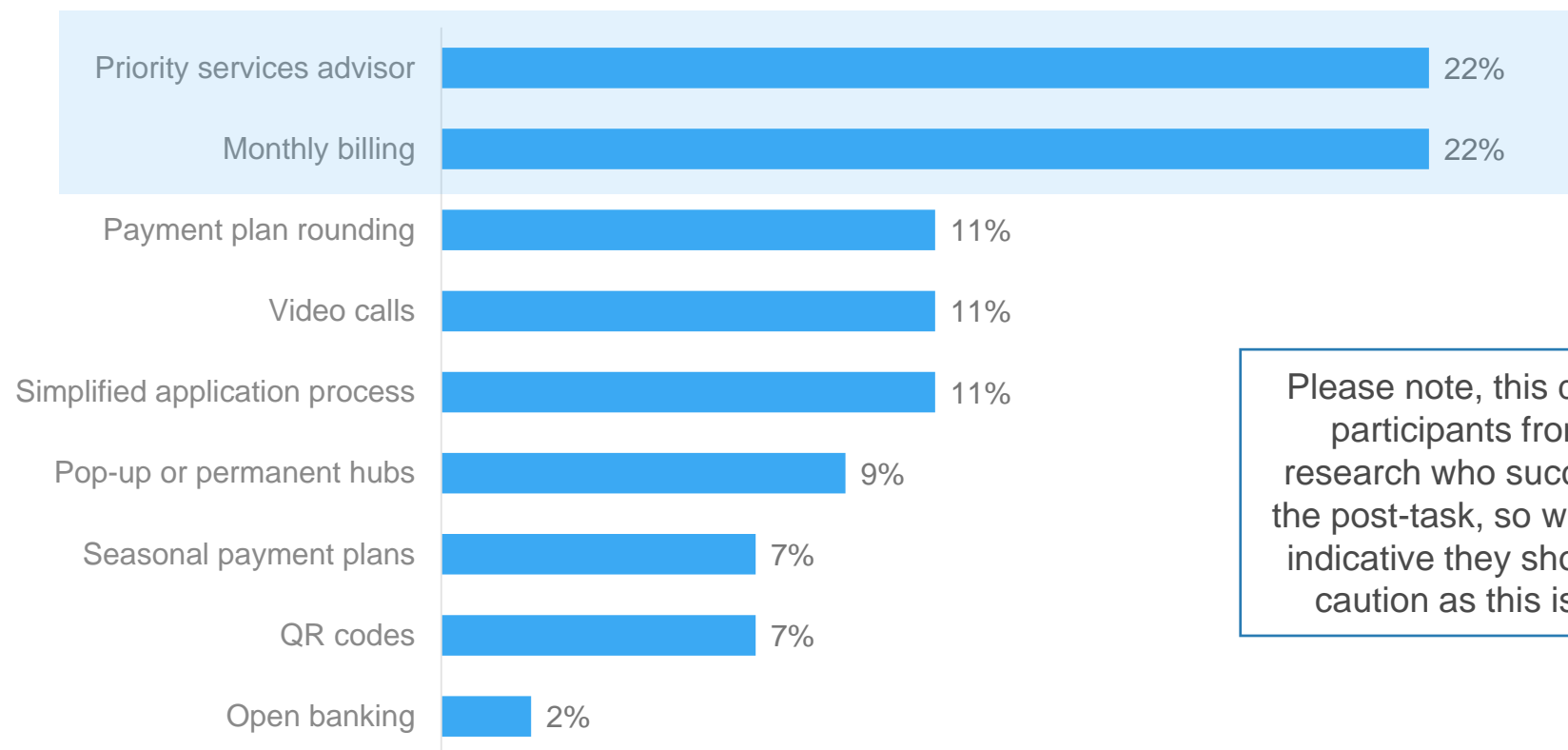
We tested the following propositions with customers

New methods for United Utilities to engage with customers	New methods for customers to pay United Utilities	New methods for customers to access support services for paying bills
<ul style="list-style-type: none">• Video calls• Pop-up or permanent hubs	<ul style="list-style-type: none">• Seasonal payment plans• Monthly billing• Payment plan rounding	<ul style="list-style-type: none">• Open banking• QR codes• Priority services advisor• Simplified application process

The detail of each proposition, which customers also saw, are shown on each proposition's slide that follows in this section.

‘Priority services advisor’ and ‘monthly billing’ are ranked the most useful propositions by customers

% of participants ranking each proposition as most useful (number 1)

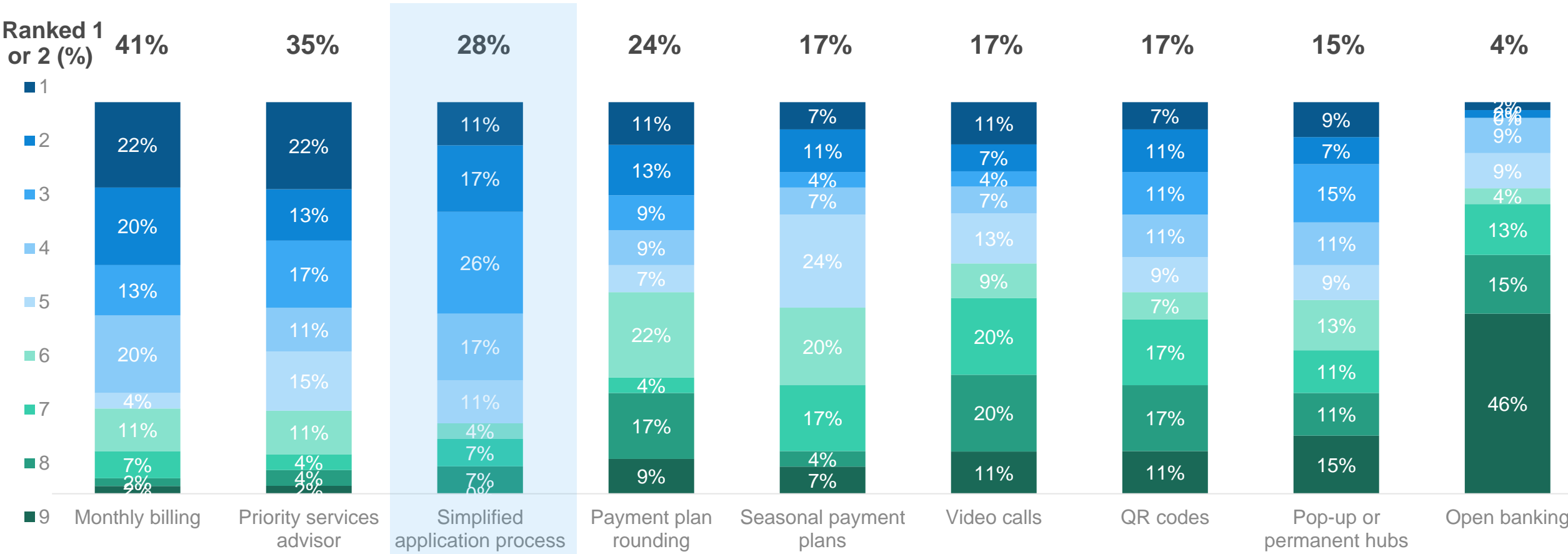


Please note, this data is based on 46 participants from our qualitative research who successfully completed the post-task, so whilst the findings are indicative they should be treated with caution as this is a low base size.

Post task question: Thinking back on the ideas you have been shown, please rank the options from most useful (number 1 at the top) to least useful (number 9 at the bottom) for someone like you. To rank the options, move them up or down using the arrows on the right hand side of each row. Base (n=46)

'Simplified application process' is likely to be seen as the next most useful idea based on those who ranked the propositions 1 or 2

% of participants ranking each proposition on a scale of 1 to 9 where 1 is most useful and 9 is least useful (ordered by those who ranked each 1 or 2)



Post task question: Thinking back on the ideas you have been shown, please rank the options from most useful (number 1 at the top) to least useful (number 9 at the bottom) for someone like you. To rank the options, move them up or down using the arrows on the right hand side of each row. Base (n=46)

We identified four common needs that customers have for support with paying bills

To feel heard and not judged	To feel support is right for them	To feel they have some agency in receiving support	To be able to easily and conveniently access support
<p>This would help to minimise the societal stigma many customers experience about financial difficulties and make it easier for them to be open about needing support, without the fear of being judged.</p>	<p>Many customers have complex personal and financial situations and so a one size fits all is unlikely to be effective. Support that feels tailored to their situation is likely to resonate and drive initial engagement and consideration of support.</p>	<p>Customers feel more positive towards support if they feel more in control of their situation or their finances as it helps them to understand how support could be useful to them.</p>	<p>Many customers have busy and hectic lives and so struggle to find time to speak on the phone or complete an application process online, which becomes a barrier to support. Support that is easy and convenient is more likely to take less time and be more appealing to engage with.</p>

The United Utilities propositions should be designed and tailored around these needs.

‘Monthly billing’, the ‘priority services advisor’, and the ‘simplified application process’ have broad appeal as propositions that help customers pay their bills or access support in a convenient way, with empathy and understanding.

What does this mean for United Utilities?

These propositions would be popular with a broad range of customers and help address different barriers to engagement. United Utilities should emphasise the specific aspects of each proposition favoured by customers (and may want to more comprehensively test emphasising different aspects).

‘Monthly billing’, is well received by all audiences as it is felt to provide some predictability to bill paying each month

- For most ‘engaged’ and ‘at risk’ customers, the predictability helps to plan and not lose oversight of bill payments each month, which helps alleviate stress and anxiety of not knowing if they will be able to afford bills each month.
- For ‘in debt’ customers, many see the benefit as a smaller cost each month because it feels more manageable and easier to engage with than the current bills they receive.
- United Utilities are currently trialling this support option with customers.

Monthly billing

- The option for monthly billing instead of 6 monthly or yearly
- Means the payments you need to make are smaller, which may make it easier to pay
- No more intimidating 6 monthly or yearly bills

Principle		Is this proposition meeting this principle?
To feel heard & not judged	✓	Yes, because there is an understanding that 6 monthly or yearly bills are too large for customers to pay and can be intimidating.
To feel support is right for them	✓	Yes, because most customers receive income monthly so they can manage bill payments alongside this each month.
To feel they have some agency in receiving support		
To be able to easily & conveniently access support	✓	Yes, because this can be set up by United Utilities without any time or effort required by customers, apart from initial conversations to confirm access to the support.

“That is good. It is less intimidating. Payments are more manageable, and at least you’re paying something, showing willing.”

‘Engaged’ customer

‘Priority services advisor’ demonstrates empathy and understanding, which most customers are looking for

- Most perceive this to be personal support which is highly valued, particularly by 'in debt' customers who have complex situations related to their ability to pay bills, and appreciate understanding from bill providers, increasingly more so since the cost of living crisis.
- Having a ‘priority’ service is also perceived to be a quick and easy way to access support by all audiences, in comparison to difficult and slow recent experiences many had trying to speak to utility providers via the phone or email, which is increasingly becoming a barrier for many to continue trying.

Priority services advisor

- Applying to Priority Services (United Utilities services to help people in vulnerable situations) can put you in touch with an advisor
- The advisor is there to discuss your needs and direct you to resources
- Saves you time seeking out support and resources

Principle		Is this proposition meeting this principle?
To feel heard & not judged	✓	Yes, because United Utilities are providing specialised support for people in vulnerable situations.
To feel support is right for them	✓	Yes, because many customers we spoke to self-identified as vulnerable.
To feel they have some agency in receiving support	✓	Yes, because the advisor can discuss customers' needs and direct them to resources.
To be able to easily & conveniently access support	✓	Yes, because an advisor can save customers time seeking out support and resources.

“It’s a good idea to have somebody to liaise with because as I said before I don’t trust these online chats - you don’t know who you are talking to. Having someone in the know who doesn’t fob me off like oh now you need to press this, is much better.”

‘In debt’ customer

‘Simplified application process’ is perceived to make accessing support easier and less time-consuming

- This is well received, particularly for a few ‘engaged’ and ‘in debt’ customers who have experienced difficulties around eligibility for support in the past, which has sometimes become a barrier to support.
- It also has the potential to raise awareness of support, particularly among ‘in debt’ customers as some report difficulties in the past receiving support information applicable to their individual situation, which seems to have contributed to their current disengagement.

Simplified application process

- A single simplified application process for support schemes, rather than different ones for different schemes
- United Utilities assess which of their schemes would be most suitable for you
- A quick and easy one-stop-shop for customers to apply to schemes

Principle		Is this proposition meeting this principle?
To feel heard & not judged		
To feel support is right for them	✓	Yes, because customers will be presented with support tailored to their circumstance rather than seeing all support options.
To feel they have some agency in receiving support		
To be able to easily & conveniently access support	✓	Yes, because there will be a single and simplified application process.

“Really really good because it is confusing when they say you have to fill all these different forms in.”

‘Engaged’ customer

‘Payment plan rounding’ and ‘seasonal payment plans’ are seen as helpful for some types of customers, but not all.

What does this mean for United Utilities?

These propositions are unlikely to be popular among all customers, but could provide support that feels flexible or convenient for some customers.

‘Payment plan rounding’ is welcomed in principle for providing an affordable way to try to save money

- This was most likely to resonate with ‘engaged’ customers who in hindsight see this as an easy first step to paying back bills when approaching or getting into ‘debt’.
- However, the idea is unlikely to resonate with most ‘at risk’ and ‘in debt’ customers as many doubt that the extra credit would accumulate to an adequate buffer in times of need, and some ‘in debt’ customers do not like the idea of providing credit to utility companies as they only want to pay what is owed.

Payment plan rounding

- Payment plans would be automatically rounded up to whole numbers, the extra goes towards credit
- For example, if the payment plan is £23.38, this could be rounded to £24
- Over time the extra credit adds up to create a buffer which can be used in difficult times
- There would be a small impact on the amount paid but over time could add up to build credit

Principle	Is this proposition meeting this principle?
To feel heard & not judged	
To feel support is right for them	
To feel they have some agency in receiving support	
To be able to easily & conveniently access support	Yes, because this payment plan automatically rounds up payments and takes credit without the customer having to take action. <div style="text-align: right; font-size: 2em;">✓</div>

“At the moment, people are just trying to pay what they can, not round up. Further down the line, quite possibly, yes. But we need money to go up, cost of living to get better first.”


‘In debt’ customer

‘Seasonal payment plans’ are welcomed in principle for providing flexibility in how bills are paid

- However, its benefit is limited to customers with seasonal occupations and associated fluctuations in income (e.g. brick layers, gardeners and freelancers) who accounted for a small number of the customers we spoke to.
- Most ‘in debt’ customers and some ‘at risk’ customers struggle to pay bills regardless of when they receive income, and so the flexibility this proposition provides is not felt to provide them with any support.

Seasonal payment plans

- Flexible payment schemes give you the option to plan payments in a way that suits you
- Tailor made payment plans to suit your specific income pattern so you pay more when you’re more able, and less when you’re less able
- Pay as you go options, so you can pay as much as you want when you want e.g. for people on zero hour contracts

Principle	Is this proposition meeting this principle?
To feel heard & not judged	
To feel support is right for them	 Yes, because customers can arrange a payment plan that is suited to their circumstance.
To feel they have some agency in receiving support	
To be able to easily & conveniently access support	

“This wouldn’t work as I think at some point you will need to pay more, which maybe you can never do.”

‘In debt’ customer

“What if people got used to paying less and then couldn’t manage higher payments. It should be time limited.”

‘At risk’ customer

‘Video calls’ and ‘pop up or permanent hubs’ can provide a more personal experience of accessing support, but are not convenient for all customers.

What does this mean for United Utilities?

‘Video calls’ and ‘pop up or permanent hubs’ could help customers feel heard and that they have some control over the support being offered, but would not be right for all.

Similarly, 'QR codes' feel convenient for some but not all customers.

What does this mean for United Utilities?

While QR codes are broadly seen to add convenience, they do not tackle the more significant barriers customers face to engaging.

‘Video calls’ are felt to provide a personable experience, but perceived levels of use are mixed

- Most customers perceive this as demonstrating that United Utilities care about them and their personal circumstance. This would help many to feel valued and willing to engage with United Utilities regarding their circumstances and paying bills.
- However, some participants who are a mix of age and audience type feel uncomfortable using technology, particularly if discussing a sensitive and personal matter, or do not always have access to a stable internet connection, and as a result do not see this as useful at all.

Video calls

- The option for a virtual face-to-face call with a United Utilities Advisor to discuss your payment plan, instead of a phone call
- Offers a more personable conversation
- You may feel more comfortable discussing sensitive issues when speaking to someone face-to-face than over the phone

Principle		Is this proposition meeting this principle?
To feel heard & not judged	✓	Yes, because customers will be able to have a personable experience which can make it easier for United Utilities to demonstrate empathy and understanding to customers and their personal circumstances.
To feel support is right for them	✓	Yes, because having a personal conversation can feel as if support is tailored to the customer
To feel they have some agency in receiving support		
To be able to easily & conveniently access support		

“Sounds a lot easier. I prefer talking to people on video call, knowing they’re paying attention, it gives a personal touch.”

‘In debt’ customer

“Not everyone is in a position to take a video call. This would also require internet connection.”

‘At risk’ customer

‘QR codes’ are well liked by most as it is perceived to bring ease and convenience to managing bill payments

- In particular, the benefit is felt in terms of removing the need to click through web pages or access a login page and enter details.
- Some also recall positive experiences using QR codes in restaurants as evidence that it would be an effective channel to engaging with United Utilities, including ‘in debt’ customers.
- However, a minority of customers are less tech savvy, often due to older age and an associated lack of experience with digital tools, for whom there is a fear of not knowing how to use a QR code and so this is not seen as useful.

QR codes

- Electronic QR codes attached to letters and bills from United Utilities which take you straight through to a payment page or a page to communicate with staff
- Saves you time and effort by making it easier to pay bills or communicate with United Utilities

Principle	Is this proposition meeting this principle?
To feel heard & not judged	
To feel support is right for them	
To feel they have some agency in receiving support	
To be able to easily & conveniently access support	Yes, because customers do not have to click through web pages or access a login page and enter details to communicate with United Utilities

“Anything to make life easier is good. Instead of having to ring up and tell them a long number, that would be a lot easier.”

‘Engaged’ customer

“QR codes are good for people who are tech savvy but a simplified application process would probably help the elderly.”

‘At risk’ customer

‘Pop-up or permanent hubs’ are well received for providing personal experiences, but the location and public setting means some are unsure

- The personal experience resonates with many ‘at risk’ and ‘in debt’ customers who have complex situations related to their debt which they want the time and space to explain. Many also perceive this to be an easier way for a wide range of customers to engage with support, such as those who are offline or have busy lives.
- However, some question how accessible the support would be as the location would need to be convenient, particularly for disabled or elderly customers. Also, some feel uncomfortable discussing personal finances and difficult situations in public.

Pop-up or permanent hubs

- Temporary or permanent hubs placed in areas where customers might be in most need of financial support
- The hub would be in the local area e.g. a stall in a shopping or job centre
- You can come talk to United Utilities staff about your finances in person at the hub, which may feel more comfortable than over the phone
- The staff member will be able to access your account live during the conversation to ensure they have all the information needed
- United Utilities would look to help get customers on the lowest tariff possible and on a payment plan that suits their circumstances

Principle		Is this proposition meeting this principle?
To feel heard & not judged	✓	Yes, because customers have the time and space to discuss their situation face to face with United Utilities
To feel support is right for them	✓	Yes, because having a personal conversation can feel as if support is tailored to the customer
To feel they have some agency in receiving support	✓	Yes, because customers have the time and space to discuss payment plan options and explain personal circumstances, which can help to ensure a payment plan is suited to them
To be able to easily & conveniently access support	✓	Yes, because the hub will be in their local area which they may pass when taking a regular journey

“It’s better because council tax have places you can go and see them. It makes it a lot easier because you can walk in, sit down and talk to them. Can say this is my situation and what I’m getting here, how can you help?”

‘In debt’ customer

Open banking is by far the least popular proposition as most feel uncomfortable sharing their financial details with United Utilities.

However, a majority of customers (not in this sample) who use open banking with United Utilities are positive about the experience.

What does this mean for United Utilities?

Take up would likely be low for this proposition without United Utilities demonstrating a sufficient benefit to make the significant perceived risk 'worth it'. We recommend demonstrating a clear benefit to customers of using open banking based on the identified needs customers have for support.

‘Open banking’ is unlikely to resonate with customers as most feel instinctively uncomfortable sharing financial details with United Utilities

- Whilst some are open or have shared financial information in the past, such as with banks and debt collection agencies, most are reluctant to offer transparency to United Utilities as they are concerned that United Utilities could demand higher payments. This would strengthen a sense of a lack of agency over the management of their finances.
- Concerns are heightened by an underlying fear of judgment of their financial situation. Some customers also feel worried that they would become more vulnerable to fraud.
- In addition to these concerns, customers are not clear on the benefits of this proposition.
- United Utilities offer Open Banking to their customers and were the first water company to do so. 45% of United Utilities customers use it; 100% said it was easy to use, 80% would use it again despite never having used it before and 87% would recommend it to their friends and family.

Open banking

- With your consent, United Utilities are allowed access to your financial records, saving you from having to gather this information yourself, potentially multiple times
- United Utilities would get a ‘snapshot’ of your income and any benefits or pensions to build a better idea of your financial situation
- This would help them to understand your situation, build a payment plan that works for you, and get you on the right scheme

Principle

Is this proposition meeting this principle?

To feel heard & not judged	
To feel support is right for them	
To feel they have some agency in receiving support	
To be able to easily & conveniently access support	

“No, I wouldn’t do that myself, as they could see all your banking details, potentially multiple times. Say you get one big payment into your bank, a bonus from somewhere, they’d say you can pay now as you have that payment.”

‘In debt’ customer

Overall performance of United Utilities propositions in our research

Proposition / Principle	Monthly billing	Priority services advisor	Simplified application process	Payment plan rounding	Seasonal payment plans	Video calls	QR codes	Pop-up or permanent hubs	Open banking
% customers who ranked this 1 or 2 in post task	41%	35%	28%	24%	17%	17%	17%	15%	4%
To feel heard & not judged	✓	✓				✓		✓	
To feel support is right for them	✓	✓	✓		✓	✓		✓	
To feel they have some agency in receiving support		✓						✓	
To be able to easily & conveniently access support	✓	✓	✓	✓			✓	✓	

‘Engaged’ customers are more likely to favour propositions that help them to pay bills, and for ‘in debt’ customers it’s ways to access support

‘Engaged’	‘At risk’	‘In debt’
<p>More likely to favour propositions focused on methods of paying because they are engaged with United Utilities and unlikely to feel they need further support currently.</p>	<p>Most want to manage their bills effectively so that they do not fall into debt and so are likely to prioritise ‘Monthly billing’ so that they can keep track, and also ‘hubs’ so that they can discuss any growing concerns about paying their bills.</p>	<p>They are likely to prioritise methods to access support because some have found it difficult in the past which has created a barrier to engaging and others feel unaware of support and so want to know what help they can get.</p>

Monthly billing

Monthly billing

Priority services advisor

Simplified application process

Pop-up or permanent hubs

Simplified application process

Payment plan rounding

Pop-up or permanent hubs

06 Implications and recommendations

Implications and recommendations

1.

There is **low awareness of the support available** to customers from bill providers in general. According to a recent CCW and Ofwat report, just under half (45%) of UK customers are aware that utilities providers offer financial support to those struggling to pay bills. **Despite the support options and proactive communications** provided by United Utilities, we also found low awareness of United Utilities support in our research. However, once made aware of the support United Utilities offers, **reactions tend to be positive**, in contrast to often negative experiences with other providers. United Utilities should:

- **Continue to** reach out to customers to raise awareness of the various support options. Frequent communication will increase salience.
- **Continue to coordinate with and expand partnerships with third sector organisations** where there is higher awareness and a high level of trust around support provided.
- **Consider trialling video calls and pop-up hubs**, which could help raise awareness of support to those who have busy lives that are a barrier to engaging with letter and email comms about support.

2.

Customers, especially those currently in the 'at risk' category, **often struggle to admit they need financial support**, but **will increasingly need it** with prices rising.

- **Use the opportunity of the cost of living crisis** to offer support (leading with this), framed around a recognition that everyone is struggling to lessen any associated stigma. Use social norms to nudge behaviour (e.g. emphasising that X people are already receiving support).

Implications and recommendations

3.

Many people struggling financially **feel little agency in their lives**, and that they are **seldom listened to**.

- **Take the time to hear customers' stories first**, increasing their sense of agency through being able to tell their own story, which they may not previously have had the opportunity to do when accessing support. Recognise that customers may have had previous negative experiences of accessing support that may make them wary of engaging.
- **Offer a range of support options** that suit different types of customers, and emphasise that support is tailored to the individual and their situation.
- **Help customers feel they are able to manage their water bill** to increase their likelihood to engage. Emphasising the affordability of the bill as well as raising awareness of support may help to do this.

Implications and recommendations

4.

A key difference between 'engaged' and 'in debt' customers is that **the former tended to have more positive experiences** with United Utilities.

- **Ensure your communications and staff continue to use a non-judgmental, compassionate, and supportive tone** with customers across the board, as this is well received and liked by customers.
- **Publicise positive experiences** as a key selling point for engaging with United Utilities. |

5.

In accessing support, customers want **to feel heard and not judged, to feel support is right for them, to feel some agency** in the process, and to **be able to easily access** the support.

- **Focus efforts on the propositions with broad appeal** that meet many of these needs (monthly billing that is being trialled, priority services advisor, simplified application process), **and those that meet key needs for and suit the communication preferences of certain customers** (video calls, permanent or pop up hubs). |



Thank you

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07 Appendix

This research met Ofwat's standards for high quality research

Research principle	Grading	Further information
Useful and contextualised		The research had a clear purpose of improving understanding of 'in debt' United Utilities customer experiences and informing United Utilities' plans for engaging with them. During the research, there was a pivot from 2 key customer groups ('In Debt' and 'Engaged') to 3 (adding 'At Risk') to ensure that the research covered all groups and allowed us to gain insight from an emerging segment which we could act proactively on.
Neutrally designed		Research guides and stimulus were designed by BritainThinks (independent research experts) to be neutral and free from bias. Participants were encouraged to give their open and honest perspectives. Reassurances were given throughout the research that United Utilities were open to hearing their honest views and experiences.
Fit for purpose		A qualitative approach which engaged customers from a broad range of segments and situations, with one-on-one depth interviews allowing them to share their experiences in a way respectful of sensitivities. All research materials were piloted to ensure they were accessible and understandable by customers.
Inclusive		The sample for the research included a wide variety of United Utilities customers with experience of / likely to need contact about collections management. Research materials and the research itself were designed to be inclusive and accessible for the sample, engaging with digitally excluded and hard-to-reach customers by providing a choice of online and telephone participation, as well as the option to be sent pre-tasks in the post.
Continual		The outputs from this research will feed into informing Affordability business plans and long term engagement strategies with Customers struggling to pay.
Independently assured		All research was conducted by BritainThinks, an independent research and insight consultancy. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings.
Shared in full with others		The full final report and research materials will be shared on the United Utilities' research library webpage.
Ethical		All research conducted by BritainThinks is in line with the Market Research Society Code of Conduct. Throughout the research, participants were reminded that the research was anonymous and both BritainThinks and United Utilities were subject to strict data protection protocols. In addition to this, due to the sensitive nature of the subject, all customers were contacted with a follow up email or letter signposting various services including financial and mental wellbeing.

Our inception and immersion stage demonstrated that **vulnerability and affordability** do not lend themselves to easy definition

Vulnerability: is variable, multi-layered, complex and fluid. Whilst some people face life-long challenges others just need some short-term support to get through a particularly tough time. There are a number of different factors which may indicate that a person could potentially be vulnerable. For example, individuals who are disabled or chronically sick; have mental health conditions or learning difficulties; are of pensionable age or have language barriers. (*Ofwat. Practitioners' pack for water companies to accompany Ofwat's vulnerability focus report. 2016*).

Life events can mean people find themselves in need of extra support for a period. This could be anything from changes in health, bereavement, divorce, loss of a job, becoming a carer or any other stressful event.

Affordability: affordability problems are often complex. A customer's affordability problems may be due to bills being relatively high when compared to household income, and where other factors (such as other debts or household budgeting skills) may be driving affordability problems.

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

It also demonstrated common approaches that organisations have taken and found useful to engage with vulnerable customers

Proactive senior level engagement - such as board or executive level and a dedicated team or individual overseeing the design and delivery of schemes

Taking an inclusive, responsive and sensitive approach to who is potentially vulnerable - recognising the sudden nature

Customer led - when designing support and services, to make sure they are accessible, easy to understand and are used

Partnership working with those working with vulnerable groups to help achieve greater reach

Accessible and varied communication channels - braille, large print, audio options, simpler easy read versions of communications and BSL translations (specially trained individuals or teams).

Skilled staff that can offer sympathy and empathy and facilitate disclosure of vulnerability and make customer interactions positive

Publishing policies on treating vulnerable customers fairly and making those easy to find and access

Recognise the importance of third parties who are supporting vulnerable customers (both trusted friends and family members and organisations that can act as third parties).

Using data and analytics to better understand vulnerable customer base

Financial Conduct Authority, Financial Lives: The experiences of vulnerable customers, July 2020

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

UK Regulators Network: Response to BEISS recommendations for minimum standards, 2020

United utilities: The affordability and vulnerability challenge Operational response (Document Reference: S2001), 2018

Cadent: Introducing our Customer Vulnerability Strategy, RIIO-2: 2021 – 2026

Ofcom: Treating vulnerable customers fairly: a guide for phone, broadband and pay-TV providers, 2019

Thames Water: PR19 Appendix 3: Affordability and vulnerability, 2018

However, not identifying with the term 'vulnerability' affects disclosure and reach. Support will often be seen as being for 'other people'



Further reading on stigma

Whilst this research does not explicitly address stigma, or made this an explicit point of interrogation, experiences of stigma have become obvious during the recruitment process as well as engaging with costumers during the actual interviews and research process.

Stigma is

- an “attribute that is deeply discrediting”. (Goffman, 1963)
- a “corrosive social force by which individuals and communities throughout history have been systematically dehumanised, scapegoated and oppressed”. (Tyler, 2020)

Stigma can serve as an explanatory framework to what we have observed throughout the research and provides further insight into who your customers are. As such, taking experiences of stigma into consideration, delivers valuable insight into how United Utilities can engage with customers that are struggling and what to look out for when you engage with this customer group.

Stigma is a well researched phenomenon in sociological research. Works of central interest for this research are:

- Erving Goffman (*Stigma: Notes on the Management of Spoiled Identity*, 1963)
- Bev Skeggs (*Formations of class & gender: Becoming respectable*, 1997)
- Imogen Tyler (*Revolting subjects: Social abjection and resistance in neoliberal Britain*, 2013; *The Sociology of Stigma* (Ed.), 2018; *Stigma: The Machinery of Inequality*, 2020)
- Darren McGarvey (*Poverty Safari: Understanding the Anger of Britain’s Underclass*, 2018)