

A woman with long dark hair, wearing a light-colored jacket and a knit hat, is seen from behind, carrying a young child on her back. They are standing in a field of tall grass or corn, looking towards a bright sunset. The sun is low on the horizon, creating a warm, golden glow and silhouetting the woman and child. The sky is filled with soft, wispy clouds.

# Extending the Social Tariff Research Report

Prepared for:  
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# Background & Objectives



## The need for this research

With a duty to demonstrate that customers support any extra costs incurred with the implementation of our social tariffs, we want to establish if customers accept or reject continuing with the £5 per year bill increase introduced in 2020 as part of our 'Back on Track' social tariff to support low-income customers.

More specifically, the research determines:

- The % of all household customers support it continuing
- The reasons behind their support or rejection of the proposal

## How we tackled it



Online survey: 3,135 interviews

Representative sample of United Utilities customers responsible for household bills

Fieldwork took place: 26<sup>th</sup> August – 13<sup>th</sup> September 2021

Data has been weighted to match the known profile of United Utilities household customers – see appendix for a full breakdown of who took part



# The proposal tested

'Lite' version for initial reaction & prior awareness

## United Utilities 'Back on Track'



For those really struggling financially to pay their water bills, United Utilities offers the 'Back on Track' tariff.

Those that qualify\* for the tariff get (on average) a 50% bill reduction.

United Utilities put over £13m towards funding this tariff last year. This is an ongoing commitment as part of the £71m support to be provided over 5 years between 2020 and 2025.

Customers also contribute up to £5 each through water bills (100% of which goes to the 'Back on Track' scheme) to help reduce over 70,000 low-income households' bills\*\*.

\*To be eligible for the reduced back on track tariff customers must provide evidence that they have a low income, for example receiving working tax credits or other government support.

Typically, qualifying customers will be on a low income (usually less than £16,000 a year).

\*\*In addition to this, customers also contribute £1.80 per annum to a separate 'Help to Pay' tariff aimed at customers who are in receipt of Pension Credit; those eligible for this will have their annual bill capped at a set amount.



# The proposal tested

'Full' version with additional detail for verdict on the proposal & reasons for/against

## United Utilities 'Back on Track'

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\*\*In addition to this, customers also contribute £1.80 per annum to a separate 'Help to Pay' tariff aimed at customers who are in receipt of Pension Credit; those eligible for this will have their annual bill capped at a set amount.



**In 2020 the eligibility for this tariff was extended to include customers who have been financially impacted by Covid-19 and who either receive benefits or have a household income of less than £21,000 a year.**

**The impact of extending the scheme resulted in an extra £5 per annum (42p a month)\* on water bills for all customers who do not qualify for the 'Back on Track' scheme, in addition to the funding United Utilities put towards the scheme. This enabled an additional 70,000 customers to receive a more affordable bill.**

**By extending the eligibility of this tariff, it highlighted the need for further support for customers on low incomes who were just about managing. Covid-19 was an example of an event that triggered a change in a customer circumstance impacting their ability to keep up with their household bills. Customers are required to regularly re-validate their eligibility for the scheme, ensuring help goes to those who need it the most.**

**The company would like to keep this extended support provision in order to provide lower bills for such customer in the future. However, we could revert back to the original eligibility criteria and reduce annual charges for all other customers by around £5 a year (42p a month)\*.**

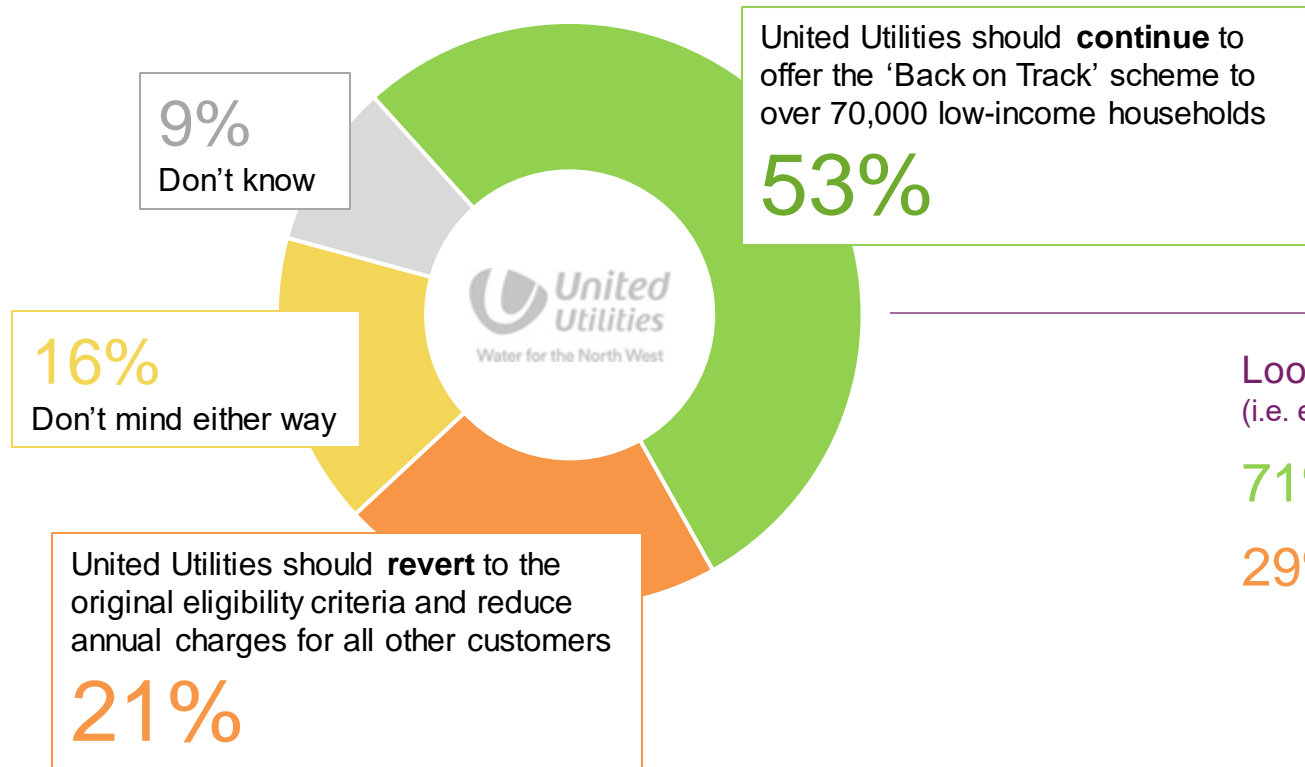
\*This is around 1% of average water bills.



# The verdict on the proposal

# Most customers support continuing with the social tariff proposition

## Should United Utilities continue with 'Back on Track'?



Looking exclusively at those with a view on the proposal:  
(i.e. excluding those who don't mind either way or don't know)

**71%** think we should **continue** to offer the 'Back on Track' scheme

**29%** think we should **revert** to the original eligibility criteria



# The main factors underpinning differences in support/opposition are people's financial and living situation

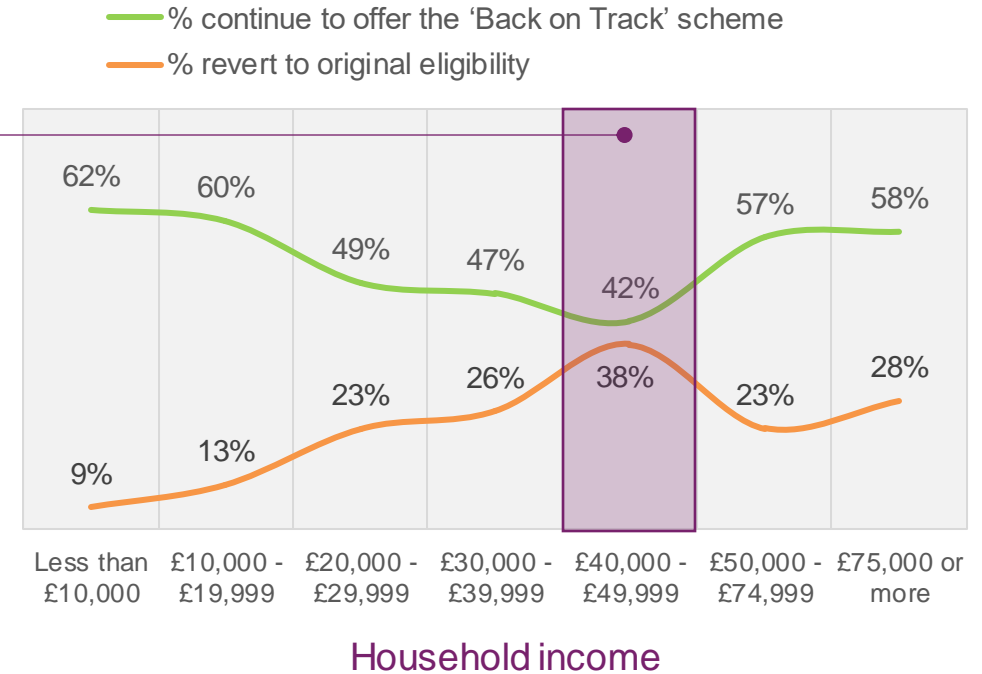
## → (← The 'Squeezed Middle'

Support for continuing the scheme drops as HH income rises, bottoming out at £40-49k, before rising sharply for those on higher incomes.

This £40-49k income group is largely made up of couples and families with a mortgage, often working-age.

Many won't be eligible for tax breaks, benefits and other financial support – but have high levels of outgoings/financial commitments.

Most factors where we see differences in support are interrelated with this (e.g. segment).



Other groups notably more likely to support continuing the scheme include:

**Priority Services customers** (63% vs. 53% of non-Priority Services customers)

Those with **prior awareness** of the scheme (61% vs. 51% of those previously unaware)

**North West county** and **water meter use** have no real bearing on levels of support.

### So what?

The scheme has broad, universal support – no sub-groups have a higher % opposed than in favour.

Comms strategies should factor in this 'squeezed middle' group where there is least support / most opposition for continuing with the scheme.

A full breakdown of support/opposition for continuing the scheme by demographics/household characteristics can be found in the appendix.

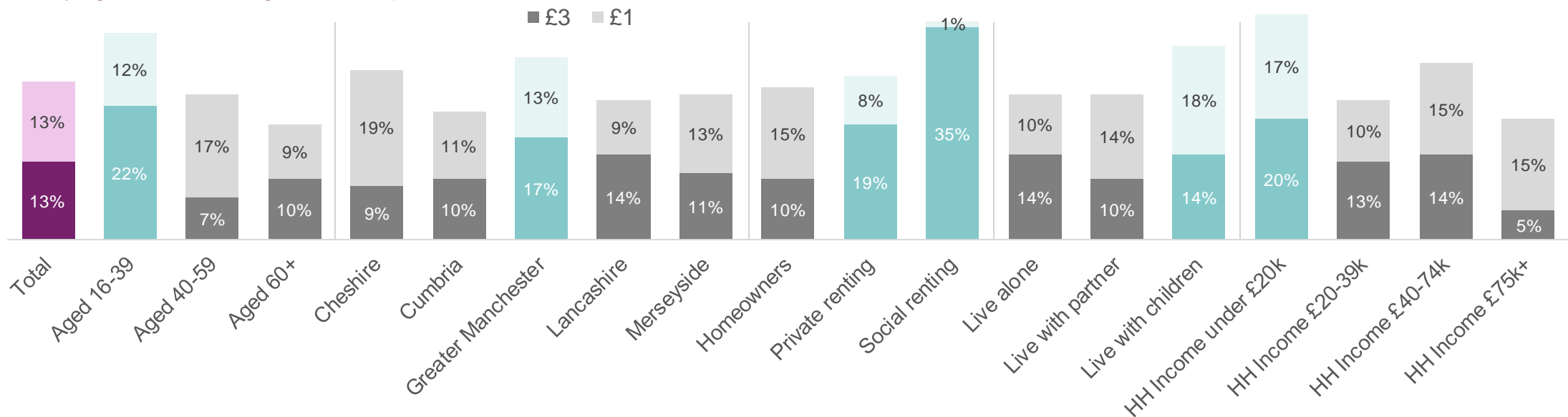
Q. Taking everything into account, do you think United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households or revert to the original eligibility criteria and reduce annual charges for all other customers? Base: All respondents (weighted): 3,135



# Reducing customers' contribution to £3 or £1 wouldn't garner much additional support

Most of those against continuing the scheme aren't opposed to it for monetary reasons

Support for continuing if increase to customers' bills was reduced to **£3 / £1 per annum**  
(all initially against to continuing the scheme)



The uplift in support comes from a small sub-set who seem to back the idea in principle but are under financial pressure / affordability is an issue.

– these tend to be lower income & younger customers with children (and by virtue of this, private or social renters, with a higher concentration in Greater Manchester).

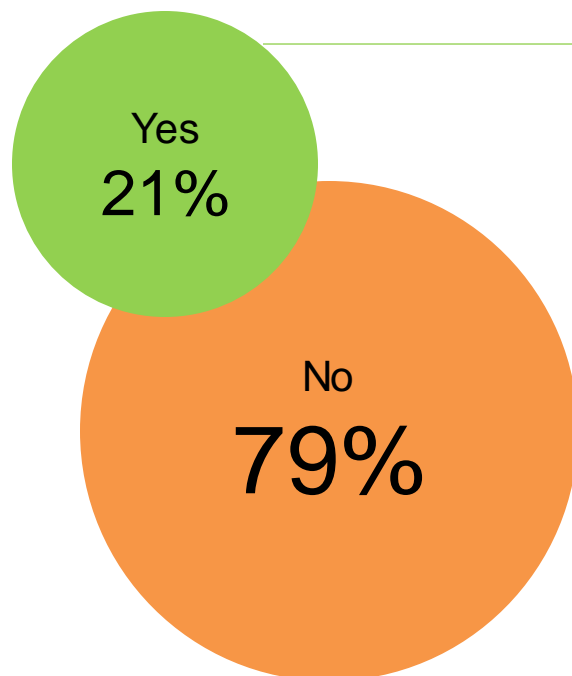
**So what?**  
Given the overall level of support for continuing the scheme in its current form (with customers contributing £5 per year), there is very little to be gained from reducing this amount.





# Introducing the fuller version of the proposal with the decision that needs to be made and rationale for continuing doesn't change how most feel about the scheme

Additional information about the decision United Utilities needs to make changes how feel about the scheme?



- The fuller version provides extra context
- It gives people a better idea of who might be eligible, and an appreciation of helping those most impacted by the pandemic
- Presenting the figure as 42p per month helps customers to contextualise just how much they are actually contributing



It's good to know what the cut off is to receive support – and good to know it is not just for those on benefits.

The breakdown of it being 42p a month puts it into perspective.”

Male, Lancashire, 16-24, Private renting

- People have already made their judgement based on the initial information, and it's quite hard to change their views (either way)
- The information in the 'Lite' version gives them enough to understand the gist of the scheme



It doesn't change how I feel personally as I already feel the scheme is justified.

But it does give more information and I think it would help convince people who would usually think 'why should I have to pay for others?'.”

Male, Merseyside, 25-39, Social renting

The proportion saying 'yes' rises slightly to around 25% among those on the lowest incomes and those with a Priority Services Flag, who can relate to the support needed



# Reasons for & against



“

For an extra 42p per month, I think it's fine.  
Some people may never recover from this  
national change in circumstances and will  
continually need help.

Some years ago, I was in a position where I  
needed to use the scheme...it made a major  
difference to my life and finances.

Less stress, more ability to pay.

The help I received was invaluable.”

Male, Greater Manchester, 60-69, Private renting, £20-29k



“

Why should certain members of society be subsidised by others?

The benefits scheme is good enough for people to live on.

The problem is some people fail to live within their means, want the best of everything but expect others to work, pay into the system so that they can take out.

My bills are big enough without subsidising other families.”

Male, Cheshire, 50-59, Homeowner, Income N/A



# People's stance on the notion of extra support are at the heart of reasons for supporting and opposing the proposal

The affordability of the contribution itself doesn't feature heavily

## Reasons for (unprompted)

- Recognition many are struggling financially, exasperated by the pandemic
  - and a situation that's likely to continue
- A small amount to give that goes along way to help those most in need
- Widespread willingness to help others more in need / positivity in collectiveness
- Many relate to times they've benefited from support – you never know when you might need it yourself
- Water is seen as basic human right, and something that people shouldn't have to worry about; so anything that others can do to help alleviate those worries should be done
- Offering the scheme shows that United Utilities cares about customers

## Reasons against (unprompted)

- Fundamentally opposed to 'subsidising' others:
  - Disagree with providing additional concessions to those already in receipt of financial support
  - Resentment at 'handouts', encourages reliance on benefits
- Question of fairness:
  - Many struggle financially but take individual responsibility for water use and make sacrifices to cover bills
  - All households are facing rising costs
  - No concessions for those who have always paid in full
- The original eligibility criteria will protect the most vulnerable
- Should be United Utilities' responsibility if they want to offer this support
- Isolated comments around the scheme being open to abuse / fraudulent claims



I can easily afford £5 to help those who cannot afford a human basic right of clean and safe water."

Male, Greater Manchester, 25-29, Homeowner



A lot of people may be managing with their bills but barely making it by.

If there's an option to alleviate the extra bill and make someone's life easier, I fully support it. I don't mind paying a bit more."

Female, Greater Manchester, 16-24, Private renting



As a single income household, I struggle to cover bills but don't qualify.

It's sad that people struggle but just because you earn over a specific amount does not mean you do not."

Female, Lancashire, 50-59, Homeowner



My utility bills have risen over the past year, I can't afford to subsidise other people's bills.

United Utilities should cover the cost."

Female, Cumbria, 50-59, Homeowner



Many of the themes we see here reflect wider macro-trends accelerated by the pandemic, and an eagerness to support at community level

# SOCIAL

## *Self-sufficient networks*

Having learnt a hard lesson about our dependency on global networks, focus will shift to local community.

As individuals, the way we connect with each other has splintered.

There will be an active assessment of who we depend on, and how sustainable that is.

# ECONOMIC

## *Reframing entitlement*

We learned the value equation of our lives; we are entering a new recession.

Having barely recovered from the last recession, the global economy is on the cusp of a much deeper one.

The pandemic has made us painfully **aware of the value equation of our lives** in terms of how much we are entitled to earn to live, and how dependent systems are on the money we spend.

The fragility of supply chains visualizes consumer misconceptions of 'limitless' and 'infinite' resources.

**We must reframe our perspectives beyond the individual consumer and more towards maintaining society as a whole.**

# POLITICAL

## *Converging on authority*

Recent crises have highlighted systemic failures in our political processes.

It provided not only an anchor for all social suffering, but also the time and space to reassess and go out to **fight for what is right.**

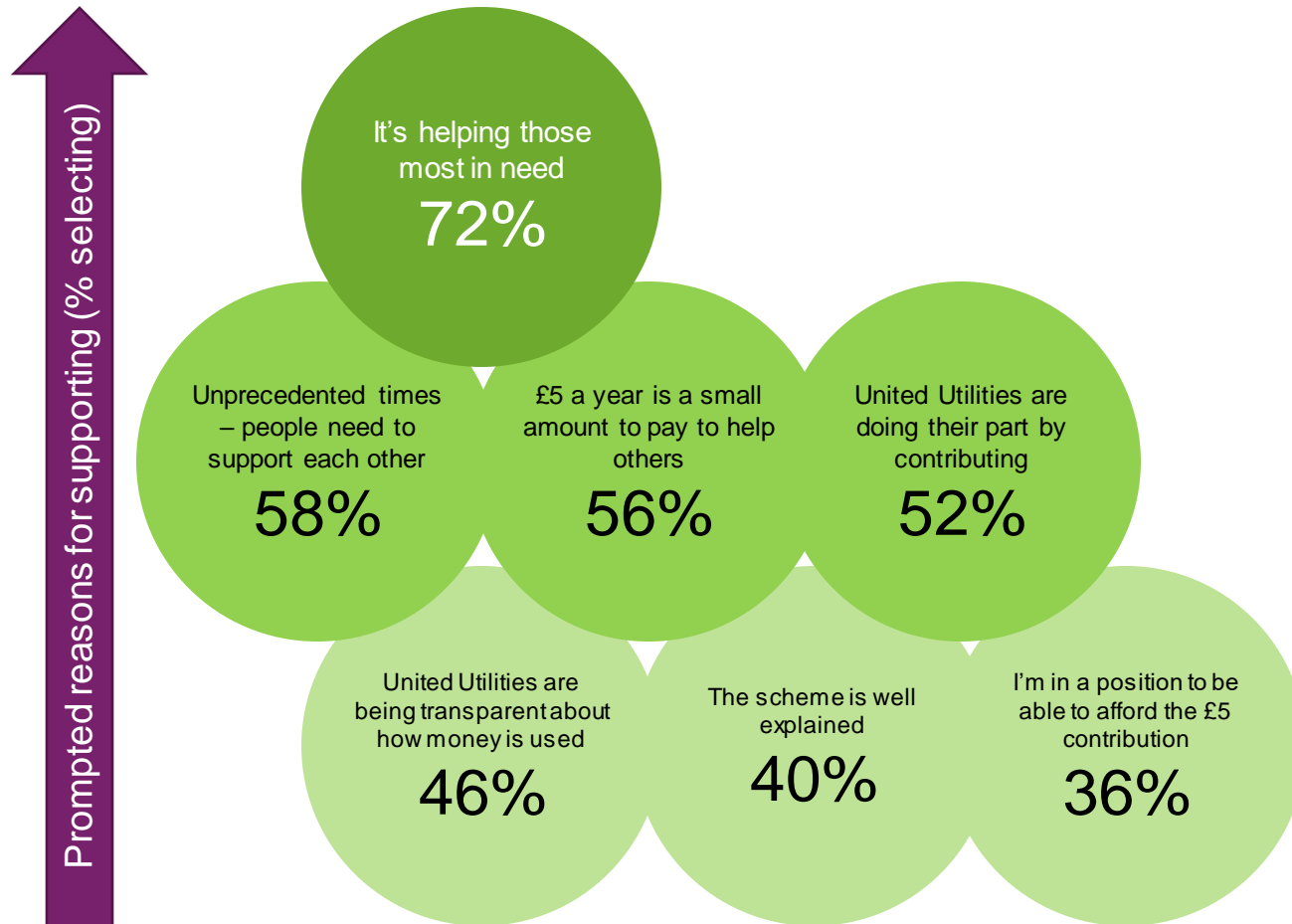
**Working together in the future means reconciling the past and investing in all communities.**

### So what?

The parallels between customers' support for scheme (and the reasons underpinning this) and wider societal trends should give further confidence in the decision to keep the extended support in place.

# Prompted responses reinforce that support for the scheme is principally about the morality of helping those in need

It isn't necessarily about being in a position to be able to afford it



Fundamentally, people recognise there are many in need of help, and the relatively small individual contribution is a small price to pay.

Many recognise the lasting impact of the pandemic and the need for continuing support.

People feel companies have a moral duty to support customers, and United Utilities' own contribution is recognised.

Signs are the explanation of the scheme and proposal to continue is generally understood, and outlining the eligibility criteria gives people a good sense of how the funds are used.





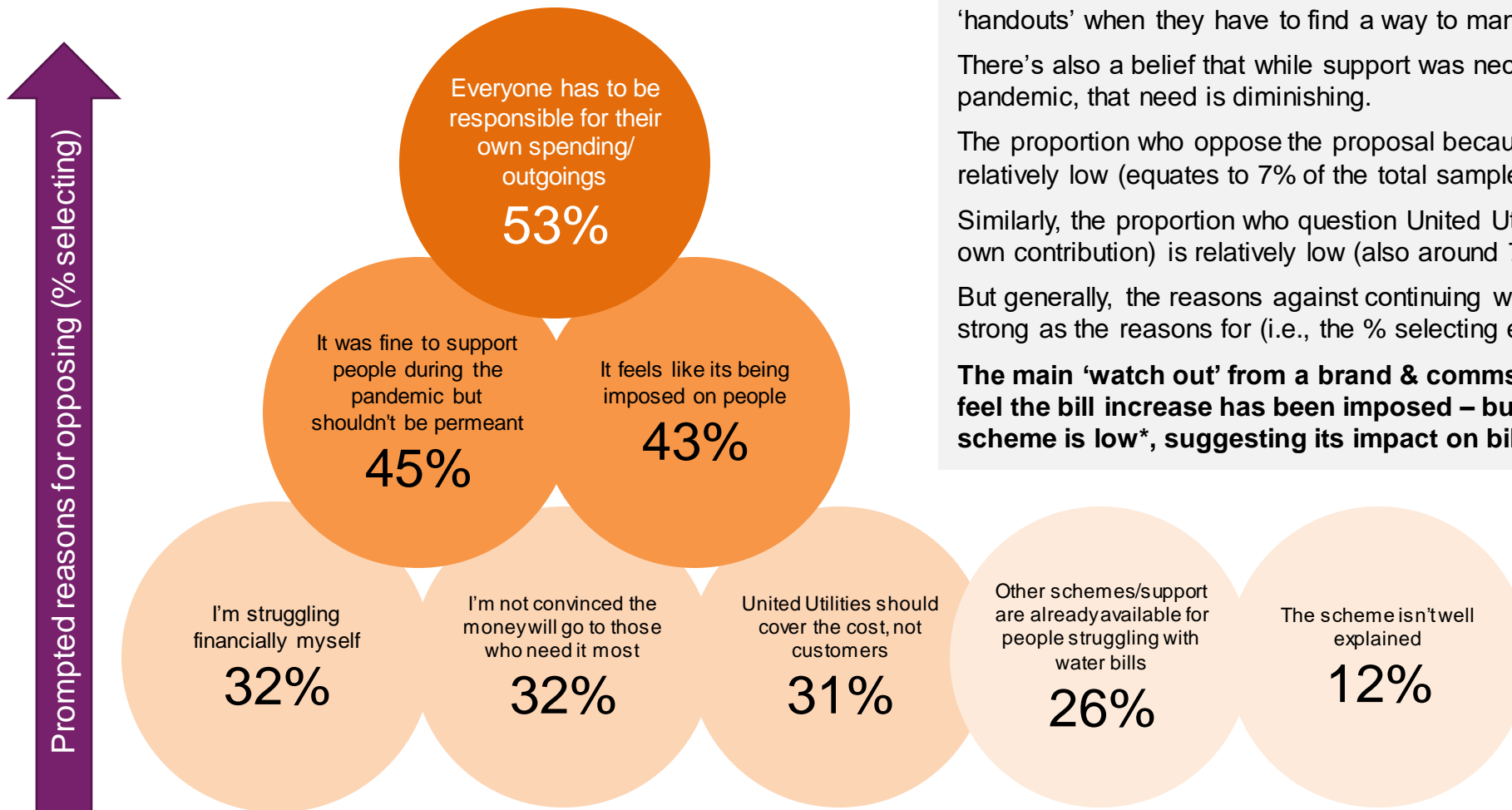
I don't receive any sort of benefits.  
I have to pay for everything; dentist, eye-  
tests, prescriptions, etc.  
Yet I know some families who receive more  
in benefits than I earn working a 40hr week.  
Why should they get a reduction in  
everything, when I don't?"

**Female, Merseyside, 50-59, Social renting, £20-29k**





# But it's also on moral (rather than affordability) grounds that people don't support continuing with the expanded eligibility



Comments show an undercurrent of resentment at people receiving support or 'handouts' when they have to find a way to manage themselves.

There's also a belief that while support was necessary in the earlier stages of the pandemic, that need is diminishing.

The proportion who oppose the proposal because they are struggling themselves is relatively low (equates to 7% of the total sample).

Similarly, the proportion who question United Utilities' role (distributing funds and its own contribution) is relatively low (also around 7% of the total sample).

But generally, the reasons against continuing with the expanded eligibility aren't as strong as the reasons for (i.e., the % selecting each reason is lower).

**The main 'watch out' from a brand & comms perspective is the proportion who feel the bill increase has been imposed – but it is worth noting, awareness of the scheme is low\*, suggesting its impact on bills has largely gone unnoticed.**

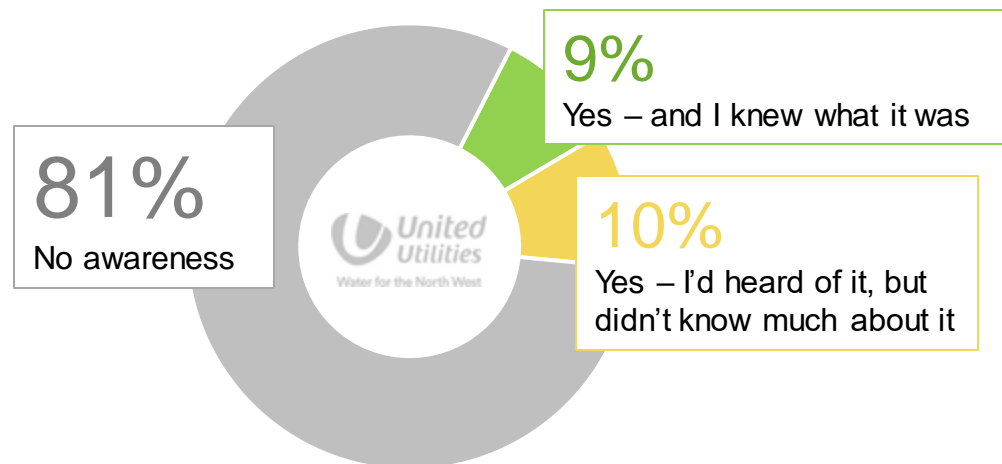


# Prior awareness of the scheme



# There is relatively low prior awareness and understanding of the scheme

Were you aware of the United Utilities 'Back on Track' scheme before today?



Existing awareness is highest among social renters (35%) and lower income households (29% for those under £10k). Awareness is marginally higher among customers aged 25-49 (23%). And slightly lower in Cheshire & Cumbria (15% and 13% respectively)

## So what?

The main implication of this is most customers came at the proposal 'fresh', seemingly without noticing the impact of the scheme on their bills or any preconceptions about the scheme. Most relied on the information presented in the survey to form their judgement.



# Appendix



# Sample Profile

## Note on unweighted vs. weighted samples:

Data has been weighted to match the profile of United Utilities’ customer base on gender, age, county, water meter use, Priority Services flag CACI segment & IMD.

The unweighted sample naturally falls out broadly in line with the wider United Utilities customer base on most variables.

The one exception is age, where we over-index on younger customers (and slightly under-index on those aged 60+).

However, the difference between weighted and unweighted responses on key measures (including the overall verdict on the proposal) is negligible (typically within ±2%).

| Age        | Weighted | Unweighted |
|------------|----------|------------|
| 16-24      | 13%      | 22%        |
| 25-39      | 24%      | 37%        |
| 40-49      | 15%      | 9%         |
| 50-59      | 17%      | 9%         |
| 60+        | 30%      | 24%        |
| NET: 16-39 | 38%      | 59%        |
| NET: 40-59 | 32%      | 18%        |
| NET: 60+   | 30%      | 24%        |

| Gender            | Weighted | Unweighted |
|-------------------|----------|------------|
| Male              | 49%      | 50%        |
| Female            | 51%      | 49%        |
| Non-binary        | 0%       | 0%         |
| Prefer not to say | 0%       | 1%         |

| Metered            | Weighted | Unweighted |
|--------------------|----------|------------|
| Metered Customer   | 46%      | 60%        |
| Unmetered Customer | 54%      | 40%        |

| County             | Weighted | Unweighted |
|--------------------|----------|------------|
| Cheshire           | 15%      | 18%        |
| Cumbria            | 7%       | 7%         |
| Greater Manchester | 37%      | 33%        |
| Lancashire         | 22%      | 25%        |
| Merseyside         | 19%      | 17%        |

| Home ownership  | Weighted | Unweighted |
|---|----------|------------|
| Own outright  | 33%      | 28%        |
| Own with a mortgage or loan   | 26%      | 28%        |
| Part own and part rent (Shared ownership)   | 1%       | 1%         |
| Rent from private landlord / letting agent  | 20%      | 24%        |
| Rent from council, housing association, housing co-operative, charitable trust etc. | 19%      | 19%        |
| Occupy in another way   | 1%       | 1%         |
| NET: Home owners  | 60%      | 57%        |

| Household Composition     | Weighted | Unweighted |
|---------------------------|----------|------------|
| Just me, I live by myself | 30%      | 30%        |
| My partner                | 51%      | 51%        |
| My child / children       | 35%      | 37%        |
| Friends                   | 1%       | 1%         |
| Extended family members   | 3%       | 3%         |
| Someone else              | 2%       | 1%         |



# Sample Profile (Continued)

## Note on unweighted vs. weighted samples:

Being linked to age, we also over-index on Technology dependent young families (and slightly under-index on older segments).  
Again, weighting to correct this has a negligible impact on survey results.

| Household Income  | Weighted | Unweighted |
|-------------------|----------|------------|
| Less than £10,000 | 16%      | 16%        |
| £10,000 - £19,999 | 22%      | 21%        |
| £20,000 - £29,999 | 18%      | 17%        |
| £30,000 - £39,999 | 12%      | 11%        |
| £40,000 - £49,999 | 8%       | 9%         |
| £50,000 - £74,999 | 9%       | 9%         |
| £75,000 or more   | 5%       | 6%         |
| Prefer not to say | 11%      | 11%        |
| NET: Under £20k   | 37%      | 37%        |
| NET: £20-39k      | 29%      | 28%        |
| NET: £40-74k      | 17%      | 18%        |
| £75k+             | 5%       | 6%         |

| Priority Services Flag | Weighted | Unweighted |
|------------------------|----------|------------|
| Yes                    | 4%       | 8%         |
| No                     | 96%      | 93%        |

| CACI Segment                              | Weighted | Unweighted |
|---|----------|------------|
| Budget conscious elderly                  | 16%      | 11%        |
| Comfortable mid-life established families | 16%      | 15%        |
| Families getting by                       | 9%       | 7%         |
| Financially secure empty nesters          | 8%       | 7%         |
| Hard-pressed families                     | 12%      | 12%        |
| Indebted singles                          | 5%       | 7%         |
| Struggling single pensioners              | 8%       | 6%         |
| Technology dependent young families       | 16%      | 25%        |
| Not recorded                              | 9%       | 11%        |

| IMD          | Weighted | Unweighted |
|--------------|----------|------------|
| 1            | 23%      | 23%        |
| 2            | 13%      | 14%        |
| 3            | 10%      | 12%        |
| 4            | 9%       | 9%         |
| 5            | 8%       | 8%         |
| 6            | 7%       | 7%         |
| 7            | 8%       | 7%         |
| 8            | 9%       | 8%         |
| 9            | 7%       | 6%         |
| 10           | 6%       | 6%         |
| Not recorded | 1%       | 0%         |



# Should United Utilities continue with 'Back on Track'?

## Full breakdown by customer groups

|  | Total | Age   |       |       |       |       | Gender |        | County   |         |                    |            |            |
|--|-------|-------|-------|-------|-------|-------|--------|--------|----------|---------|--------------------|------------|------------|
|  |       | 16-24 | 25-39 | 40-49 | 50-59 | 60-69 | Male   | Female | Cheshire | Cumbria | Greater Manchester | Lancashire | Merseyside |
| United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households                  | 53%   | 52%   | 56%   | 47%   | 56%   | 53%   | 54%    | 52%    | 49%      | 53%     | 52%                | 55%        | 54%        |
| United Utilities should revert back to the original eligibility criteria and reduce annual charges for all other customers | 21%   | 21%   | 19%   | 27%   | 20%   | 21%   | 23%    | 20%    | 25%      | 23%     | 19%                | 24%        | 20%        |
| I don't mind either way  | 16%   | 17%   | 15%   | 16%   | 16%   | 18%   | 16%    | 17%    | 16%      | 16%     | 20%                | 12%        | 17%        |
| I don't know   | 9%    | 11%   | 11%   | 10%   | 8%    | 8%    | 8%     | 11%    | 10%      | 8%      | 9%                 | 10%        | 9%         |

|  | Total | Home ownership |                             |   |  |   | Household composition     |            |                     |         |                         |  |
|--|-------|----------------|-----------------------------|---|--|---|---------------------------|------------|---------------------|---------|-------------------------|--|
|  |       | Own outright   | Own with a mortgage or loan | Part own and part rent (Shared ownership) | Rent: private landlord / letting agent | Rent: council, housing association etc. | Just me, I live by myself | My partner | My child / children | Friends | Extended family members |  |
| United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households                  | 53%   | 49%            | 49%                         | 44%                                       | 57%                                    | 61%                                     | 56%                       | 50%        | 54%                 | 59%     | 50%                     |  |
| United Utilities should revert back to the original eligibility criteria and reduce annual charges for all other customers | 21%   | 27%            | 28%                         | 31%                                       | 16%                                    | 8%                                      | 17%                       | 25%        | 21%                 | 13%     | 30%                     |  |
| I don't mind either way  | 16%   | 16%            | 15%                         | 18%                                       | 16%                                    | 21%                                     | 16%                       | 17%        | 17%                 | 13%     | 10%                     |  |
| I don't know   | 9%    | 8%             | 8%                          | 7%  | 12%                                    | 11%                                     | 11%                       | 8%         | 9%                  | 15%     | 10%                     |  |

Q. Taking everything into account, do you think United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households or revert to the original eligibility criteria and reduce annual charges for all other customers? Base: All respondents (weighted): 3,135



# Should United Utilities continue with 'Back on Track'?

Full breakdown by customer groups (continued)

|  | Total | Household income  |                   |                   |                   |                   |                   | Water meter |           | Priority services flag |     |
|--|-------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|-----------|------------------------|-----|
|  |       | Less than £10,000 | £10,000 - £19,999 | £20,000 - £29,999 | £30,000 - £39,999 | £40,000 - £49,999 | £50,000 - £74,999 | Metered     | Unmetered | Yes                    | No  |
| United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households                  | 53%   | 62%               | 60%               | 49%               | 47%               | 42%               | 57%               | 50%         | 56%       | 63%                    | 53% |
| United Utilities should revert back to the original eligibility criteria and reduce annual charges for all other customers | 21%   | 9%                | 13%               | 23%               | 26%               | 38%               | 22%               | 25%         | 18%       | 13%                    | 22% |
| I don't mind either way  | 16%   | 15%               | 17%               | 19%               | 19%               | 14%               | 14%               | 50%         | 56%       | 16%                    | 17% |
| I don't know   | 9%    | 14%               | 10%               | 9%                | 8%                | 5%                | 7%                | 25%         | 18%       | 8%                     | 9%  |

|  | Total | Awareness of Back on Track   |  |     |                     |
|--|-------|------------------------------|--|-----|---------------------|
|  |       | Yes - and I knew what it was | Yes - I'd heard of it, but didn't know much about it | No  | NET: Some awareness |
| United Utilities should continue to offer the 'Back on Track' scheme to over 70,000 low-income households                  | 53%   | 65%                          | 57%  | 51% | 61%                 |
| United Utilities should revert back to the original eligibility criteria and reduce annual charges for all other customers | 21%   | 10%                          | 19%  | 23% | 15%                 |
| I don't mind either way  | 16%   | 15%                          | 16%  | 17% | 15%                 |
| I don't know   | 9%    | 10%                          | 7%   | 10% | 8%                  |







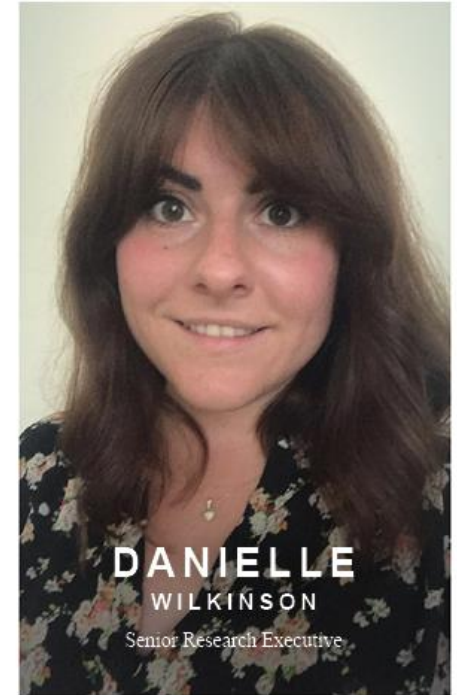
Water for the North West

thank you!

## Your Project Team



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