



# Northumbrian Water Group

People Panels -  
#5 Affordability and cost of  
living

Research report

July 2022

# Executive summary

This round of the People Panels, conducted online via Zoom, sought to explore views around the cost of living and the current “crisis” in this respect, to understand how customers are feeling and begin to inform PR24 planning linked to affordability. The purpose of this session was to consider if and how the current cost of living crisis was affecting day to day behaviours and affordability of household bills for customers, as well as seeking to understand customers’ communication expectations of companies who need to change their prices.

Explain was responsible for developing the session materials alongside NWG, the overall running of the event, and for chairing and moderating the breakout room discussions per group. An NWG representative was also present at each session.

This report outlines the discussions per panel group as well as providing an overall, holistic summary.

## Areas of concern

Panellists were asked to brainstorm factors they thought were contributing to the cost of living crisis, and were then asked to rank all the factors in order of which they were most concerned about. The five options which remained the same across all panels are typed in bold in the results table overleaf: energy price rises, rising inflation rate, war in Ukraine, Covid-19 ongoing impact, and energy suppliers going bust. The additional options suggested by panellists are highlighted in blue in the table.

Ranking in the top five across all panels was 'energy price rises', indicating this is a key concern for them all. All bill-paying panels had 'rising inflation rate' as one of their top concerns, while the 'young' non-bill-payers group were the exception to this, with its rank as 8<sup>th</sup> most concerning of eleven. Three or more of the five panels also found 'war in Ukraine' and 'salaries not rising' as more concerning, with them being placed within the top five.

Whilst the 'war in Ukraine' was less concerning for Northumbrian panellists, salaries not rising was less concerning both for Northumbrian and Suffolk panellists. The only two ranking on the lower end of the scale across all groups were 'Covid 19 impact' and 'energy suppliers going bust'.

	Employee	Northumbrian	Essex	Suffolk	Young
1st	Energy price rises	Energy price rises	War in Ukraine	War in Ukraine	War in Ukraine
2nd	Rising inflation rate	Government	Rising inflation rate	Rising costs (food, fuel)	Wages not rising
3rd	Supply chain issues	Rising inflation rate	Rising costs (food, fuel)	Rising inflation rate	Lack of government support
4th	Brexit	War in Ukraine	Energy price rises	Energy price rises	Rise in taxes
5th	Salaries not rising	Rising prices (greed)	No rise in salary	Brexit	Energy price rises
6th	War in Ukraine	Covid-19 impact	Covid-19 impact	Organisations increasing profits	Covid-19 impact
7th	Covid-19 impact	Brexit	Brexit	Covid-19 impact	Rise in costs (food, fuel)
8th	Energy suppliers going bust	Climate change	Job security	Wages not rising	Rising inflation rate
9th	n/a	Energy suppliers going bust	Energy suppliers going bust	Energy suppliers going bust	Brexit
10 <sup>th</sup>	n/a	n/a	n/a	n/a	Cuts to benefits
11 <sup>th</sup>	n/a	n/a	n/a	n/a	Energy suppliers going bust

When highlighting their reasons behind ranking the concerns in the way that they did, reasons provided included:

- War in Ukraine having a knock-on effect on other aspects of life, such as fuel prices
- Rising costs of fuel and food altering their behaviours by limiting ‘nice-to-have’ purchases, such as coffees from a café or phone data, which weren’t deemed by respondents as essential for survival
- Concerns about organisations using Covid-19 as an “excuse” to increase prices for greed of profit

### Feelings about cost of living

Results (full breakdown by panel outlined in Appendix 2) indicated that most panellists, overall, felt okay at the moment, but were worried about the future outlook, which reflected the qualitative feedback gathered. Price rises were causing concern for most, including worry about further increases to come.

This differed for the young panel - most young panellists were quite worried now, though this was the only group where a small proportion also said they were 'all good and not worried at all', suggesting that the varied personal circumstances of non-bill-payers (e.g. those with a steady income through a full time job versus those in full time education) is at play in the extent of worry amongst this audience.

### General bill engagement

Overall, most panellists kept an eye on their bills, particularly gas and electricity, and they noted they felt their water bill was cheap in comparison to other utilities and therefore was less of a concern than others. Their engagement with bills was typically reported to have increased in the last few months, for example paying closer attention to values, due to awareness of rising costs. Many were also looking more closely at their spending behaviours and cutting down on spending considered non-essential.

There was a mixed viewpoint as to whether panellists preferred to pay up-front or retrospectively, but panellists acknowledged that rising costs of living meant that the flexibility to choose would be ideal, depending on an individual's circumstances. A majority of panellists noted a desire for consistency in their payment amount, to aid in their financial planning.

Across the groups, affordability was discussed in terms of essentiality, such as basic products or services which are needed to survive, including food and fuel for cars, while value for money was generally thought to be determined by making comparisons with other similar products, and by the perceived quality and reliability of a product.

### Expectations of Northumbrian Water / Essex & Suffolk Water

Most panellists stated they were happy with how much they paid for their water bill and considered it both affordable and good value for money. General expectations centred around values of honesty, transparency and openness when communicating with customers about any changes in bills or any issues with customer service.

In the context of the cost of living crisis, panellists felt Northumbrian Water / Essex & Suffolk Water should be offering help and support to anyone who was struggling with paying the full cost of their bill regularly.

There were several suggestions made as to how Northumbrian Water / Essex & Suffolk Water could help, including offering payment 'holidays' and flexible payment plans, offering advice on saving water for those on metered supplies, checking in with customers to ensure they are managing with price increases, voluntary schemes for customers to pay a little extra to help those in need, and making savings internally that they could pass on to the customers via creating efficiencies.

### Communication around bill changes

When considering how they would refer any changes in bills to be communicated, panellists felt communication around changes should be provided with as much notice as possible, with an open and honest explanation as to the reasons, particularly behind any increases in the bill. Advanced and detailed notification was seen as less important for a bill decrease, although panellists would still like to be notified.

The method of communication preferred varied between groups, although letter was considered to have more gravitas in this circumstance, with people suggesting they would pay more attention than they would to an email or social media.

### Bill profile over time

There was consensus across the groups that respondents preferred for their bill profile to remain consistent, to enable certainty around upcoming costs and support them with their financial planning.

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# Overview of this round

## Background

This was the fifth round of a series of deliberative discussion sessions to be conducted online over Zoom to explore views to inform PR24 planning. Sessions were conducted with each of the five People Panels on the following dates:

- **Monday 20<sup>th</sup> June: Employees**
- **Monday 20<sup>th</sup> June: Northumbrian**
- **Wednesday 22<sup>nd</sup> June: Essex**
- **Monday 27<sup>th</sup> June: Suffolk**
- **Wednesday 29<sup>th</sup> June: Young**

Explain was responsible for developing the session materials along with NWG, the overall running of the event, and for chairing and moderating the two breakout room discussions per group. A NWG representative, [REDACTED], attended four sessions and provided information on behalf of the company, responding to any clarification questions from attendees. The remaining Essex session was attended by [REDACTED].

## Purpose of the session

The purpose of this session was to ask panel members to think about the current cost of living crisis, their feelings around this including areas of concern, and how this was affecting day to day behaviours and affordability of household bills. This session also explored opinions related to bills, including what communication panellists would expect from companies who need to change their prices.

## Approach taken

Pre-work was set in advance of the session, whereby panellists answered questions about their current feelings towards day-to-day life, their ability to pay bills, and any financial support received from companies, including specifically their utility providers. The questions were revised for the young panel, due to not being non-bill payers, however the focus remained on other expenses and outgoings they had such as food, travel and mobile phone bills.

Each session was 90 minutes long, with four of the groups (excluding employees) splitting into two breakout groups for parts of the session. The sessions were primarily discussion based, with live polling where this supported understanding.

Topics of discussion included factors they thought were contributing to the cost of living crisis, their current feelings about the cost of living, behaviour changes around bill spending and general engagement with bills, how they determined whether something was affordable or good value for money, and where they would go financial support if needed. Additionally, panellists were asked about their expectations of Northumbrian Water/ Essex & Suffolk Water in the current circumstances, which led to discussions surrounding communication from the company in relation to changes in bill prices, potential future bill profiles and panellists' preferences around making bill payments.

## Attendee profile

Attendees in the session were all members of the established panels. The number of attendees per session were as follows, where 'Defining the Future' indicates the number of attendees who were previously part of NWG's Defining the Future research.

Panel group	Total no. of attendees	'Defining the Future'
Employee	8	n/a
Northumbrian	15	3
Essex	11	2
Suffolk	12	2
Young	11	2

## Event feedback

The event feedback gathered from the closing polls, completed by panellists themselves, is shared at the end of this report.



## **Summary of pre-work findings**

An overview of the findings from the online exercise shared prior to the discussion groups.

# Summary of pre-work findings

A short survey was completed by panellists ahead of their session to understand current financial situations. [A full breakdown of the pre-work results including charts outlining the results per question can be found in Appendix 1 of this report.](#)

Of the four **employees** who completed the pre-work survey, the emotions that were most prevalent were 'positive' and 'worried'. Three of the four employees said they had never struggled to pay their bills over past year, with one employee sometimes struggling. None of the employees had received any financial support over the past year.

Panellists from the **Northumbrian** panel mainly expressed positive emotions, with 'happy', 'positive' and 'optimistic' receiving the most responses. 60% of Northumbrian panellists said they rarely or never struggled to pay their household bills over the past year, with 27% sometimes struggling. One panellist said they had received financial support over the past year from an energy company - this was from Eon.

Feelings toward day-to-day life varied amongst the **Essex** panel. 39% reported feeling 'positive', with 31% selecting 'stressed', 'optimistic', 'worried' or 'tired'. Half of the Essex group said they sometimes struggled to pay their bills over the last year, with the remaining half never or rarely struggling. 17% reported having received financial support from any company over past year, with 8% receiving support from a utility provider.

Over half of respondents from **Suffolk** (54%) reported feeling 'worried' about day-to day life, with 46% reporting feeling 'optimistic'. 23% of the Suffolk group said they sometimes struggled to pay their bills over the last year, with the remaining 77% never or rarely struggling. Similar to Essex, 15% of the Suffolk group reported having received financial support from any company over past year, with 8% receiving support from a utility provider.

'Tired' was the overriding emotion selected by the **young** panel (55%), followed by 'worried' and 'optimistic' (both 36%). 45% of panellists from the young group felt their household struggled all of the time or some of the time to pay their bills over the past year – a far greater amount than any of the other groups. Almost all young panellists weren't sure whether their household received any financial support, with none saying they received support from a utility provider.



Overall, views and feelings towards the cost of living varied across the panels, but there was also a prevalence of worry across the groups.





## Results

An in-depth review of the findings of each Panel session in this round.

# Employee

## Concerning factors

Panellists were asked ‘from what you’ve seen and heard, what factors are contributing to the cost of living crisis, and challenges in the economy?’. They were then asked to rank these factors in order of importance. The options in bold in the table below were options in each discussion group, while the others were additional suggestions made in the group.

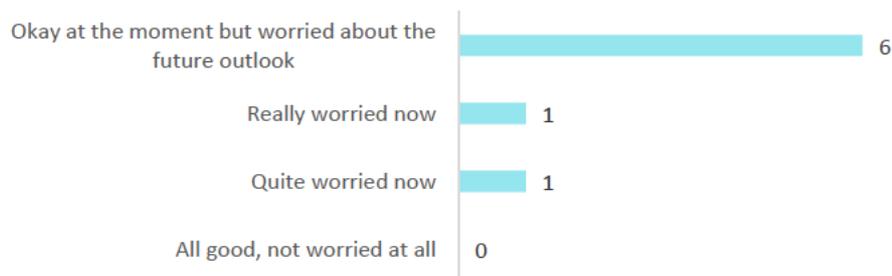
Amongst employees, energy price rises was the factor causing the biggest concern, followed by rising inflation rates. The war in Ukraine, the ongoing impact of Covid-19 and energy suppliers going bust were of the least concern to employees in the context of the other issues.

	Employee
1st	<b>Energy price rises</b>
2nd	<b>Rising inflation rate</b>
3rd	Supply chain issues
4th	Brexit
5th	Salaries not rising
6th	<b>War in Ukraine</b>
7th	<b>Covid-19 ongoing impact</b>
8th	<b>Energy suppliers bust</b>

## Feelings about cost of living

When asked to vote on how they felt about their costs of living right now, employee panellists generally felt they were okay at the moment but worried about the future outlook. One employee voted ‘quite worried now’, and one ‘really worried now’. No one voted that they ‘were all good, not worried at all’.

**How are you feeling about the cost of living right now, i.e. your outgoing spending? [Employees] (base 8)**



## General bill engagement

Their definition of affordability was discussed in terms of whether something is essential or not, and prioritising what is necessity and what is a luxury.

- *“First off, is it essential? Do you absolutely need it, or is it something that needs to have and maybe it’s replacing something previous? Or is it a luxury? And depending on what category they fall into, would also depend on, you know, how much money you’ve got left, and whether or not, you’ve got stuff from luxuries or whether or not if it’s essential then you’ve got to make money for it. You’ve got to find the money for it”*
- *“It’s all around what disposable income we have left at the end of paying for the essentials isn’t it”*

Thinking about value for money, in terms of services, employee panellists felt they were getting value for money if the service they were paying for was delivered efficiently and at the lowest cost possible.

- *“For me, value for money would be ensuring that I receive the water service I expect. The waste water’s taken away from my property without a glitch and it feels cheap for me. That’s good value for money”*
- *“That you get what you pay for, if I’m paying for a service, I expect, to get something that’s good, you know. I get water that I can drink, that I can use or I can flush my toilet, or waste waters getting taken away and I don’t have any problems. So, yeah, I think it’s just getting what I’ve paid for, and that is not overly expensive like everything is... it is, yeah, it’s not overly expensive and it’s in line with other things that I’m paying for as well”*

Panellists from the employee group tended to keep an eye on their bills in general, noting that they knew what their monthly bills were.

- *“I know exactly what my bills are each month and then it’s a matter of not going over, you know, with your luxuries, going over the top, just keeping in budget really, to be fair”*
- *“Yeah, I know what my bills are each month”*

Similarly, panellists from the employee group also tended to keep an eye their water bills and any movements in this.

- *“Yes, in as much as how, you know, has it changed from again, paying it on direct debit across ten months I think we do. I just keep a track of how much it goes up each year”*
- *“I do have a look at the bill when it comes through, just to see how much we are using more than how much it has really gone up”*

Thinking about the payment of bills, the majority of employee panellists said they’d prefer to pay for something upfront, rather than retrospectively based on usage, so they know exactly what they will have to pay each month.

- *“I guess if we use metered water as an example, I would still rather pay monthly... I’m really rubbish at saving, I’ll be totally honest. So, if I didn’t pay for it monthly, and then the bill came in, I’d probably not have to eat for a couple of weeks. So even if it doesn’t cover what your bill is, you know you’ve paid something towards that”*
- *“I guess, most things that are utility, mortgage, we pay monthly. So, in budgeting, I know exactly what’s coming out each month, so it’s no nasty surprise”*

When asked if their behaviour towards their bills had changed in the past six to twelve months, employee panellists focused on how they had become a lot more aware and careful around what they were spending their money on, cutting back on luxuries and saving money where they can.

- *“So far, I’m definitely doing so, I’m the money man in our family I suppose because my partner just likes to spend it. As do the kids, but, with the rise in energy bills, I personally try to stay away from the little luxuries I like”*
- *“I guess things that arguably are like luxuries, not necessarily going without completely, but just being more mindful”*
- *“I think, some of the stuff that we’ve done as a matter of course over the last few years, have been quite angled on spending less in terms of just making like a monthly, like our monthly lives, a bit more sustainable. We’ve done a lot of stuff, like buying second-hand, find a lot of stuff that we can. And sort of like just kind of not wasting food, for example, and things like that, and really kind of focusing on what we spend generally”*
- *“I’m paying much more attention to like, where we’re spending and everything. I’m planning ahead a bit more on my money. Like trying to squirrel as much money away as possible because of what’s on the horizon”*

Thinking about if someone needed advice or support with their finances, employee panellists suggested several different organisations which could help; Age UK, Money Saving Expert, Step-Change, and Citizens Advice. Others suggested seeking help from family members or going directly to the supplier of the bills they are struggling to pay.

- *“If you're struggling with specific bills then you would go to the bill provider. You know if you're struggling with your electric bill. Then you would speak to them, and you know instead of shooting my bills up to four hundred pounds and month form one hundred pounds a month, can you keep it at the, like a hundred and fifty and bank it over the next year”*
- *“If it was my family, I would sort of look to help them myself”*
- *“It would depend on their age, but you've got Age UK, Money Saving Expert...”*

### Expectations of Northumbrian Water / Essex & Suffolk Water

In terms of expectations of Northumbrian Water / Essex & Suffolk Water in the current circumstances, employees felt they should be offering help and support to anyone who was struggling to pay their bills, being compassionate and understanding of the circumstances.

- *“Being compassionate I think if people are having problems with their bills. Helping people to manage how they can pay for things within their means. And be understanding about it, I think that would be my sort of expectations of any utility companies at the moment”*
- *“...looking into payment plans to support people, I'm sure we do have that kind of capacity or looking at, helping people look at, you know, pay a little more in times when they have a bit more money than they could use to offset rises later, that kind of thing”*

There was a lot of support within the group for the concept of offering a flexible payment system; panellists felt this could be useful for those were struggling with their finances.

- *“People would have the ability to snowball the payments that they make as and when they can afford [it] if they're struggling. It's all very well having a payment plan, but you've got to be flexible about that as well. That's what I think at the moment”*
- *“I think that sounds like a really good idea for the people that are genuinely really, really struggling. They're probably more likely to possibly be on a zero-hours contract, so they're more likely to have money ah-hoc, rather than say, ' we want you to pay ten-pound a month or twenty-pound a month'. If they have an account they can just log on and pay five-pound or seven-pound-fifty this week and in a few days' time another ten pound when they have done a shift”*

- *“We're all in a position where we know we have our monthly income and there are people who are really struggling... you really need to be paying something towards it, and we can help you with that. I think that is a really good idea”*

### Communication around changes

Thinking about bill changes, it was felt that any changes needed to be communicated to the customer in an open, honest and timely manner, whether that be an increase or decrease in prices, and it was suggested that the method of communication should be down to the preference of the customer.

- *“If you're going to do increases and decreases then do a monthly email saying 'no change, increase, decrease' whatever, but I think the company should have a transparent process that's open and honest, regardless of whether it's an increase or a decrease at the time”*
- *“It should be communicated I think in the same way, regardless of whether it's an increase or decrease. Because I think both are equally important, but arguably for very different reasons. But the method of communication should come down to what the customer's preferences are”*

When discussing price increases specifically, an explanation as to the reason for the increase was thought to be important.

- *“It's an explanation, being clear about what's happening, for example, with some of the fuel price rises that we've seen at the same time as that the cost of that per unit for the customer.... As an example, I got an email from my energy provider when the price increases all started, and basically, they were saying 'look, we have to put our prices up because these reasons and please talk to us if you're finding it difficult to make payments”*
- *“It's about being transparent so in the slide example they talked about some of the things that impact why costs might decrease and some of the things that impact why costs might increase. Why would we not tell customers that? Because the majority of those things are actually fractured out of our direct control”*

The majority of employee panellists felt one big increase then keeping bills stable would be beneficial rather than a gradual increase over time, although it was recognised this could differ depending on circumstances. It was thought that having one increase would allow customers to budget more effectively for the coming months.

- *“I think there are benefits to both, but I think that if you do a slow increase, you are preventing effective budgeting because if it's doing a slow increase all the way over the year, people are never going to know where the end point is. However, if you know you've got an increase of by, for arguments sake, a £150 a year, you could say, 'well, we're going to increase it by £10 a month for most months, but we'll give you two to three months' notice, and you can increase it £5 one month, a little bit each month in your lead-in period if you wanted. But I don't think increasing it month by month by month ongoing is effective budgeting for people”*
- *“I would rather it be a fixed price for a consistent length of time now it's reviewed. Much like we do it in the water industry, once every four, five years or so, whatever it is. And, for me, that is then consistent for the purpose of budgeting, and I know where I stand with the supplier, rather than it constantly being volatile”*
- *“For me personally, I would rather know what it was going to change to and have it changed. But I would prefer to know in advance. Unless it is something astronomical, I probably don't have to know in advance, but a lot of people do. But I think as a business you should be looking at what's the impact of that on the lowest income of people that we're dealing with, and we can make a responsible recommendation for how people deal with it then”*
- *“Consistency is probably quite important for a lot of people. I mean unless you are expecting that your income is going to change at some point in the relatively near future, what's the benefit in delaying the price increase?”*

One employee panellist suggested that the company should be looking into universal credit and assessing the impact that any changes to bills and the timings of increases would have on customers who receive universal credit. It was also suggested that payments could be offered to customers on a four-week cycle rather than monthly to coincide with benefit payments.

- *“I think it's something as a business we should be researching into, very carefully in line with universal credit. The impact that could have on people. If you're aiming it at the people, people who have the least ability to absorb change. If they've got things like tax credits, universal credit and anything like that I think what you're saying like incremental changes could be very detrimental to them. It's the same kind of thing for people who are working*

*zero-hour contracts, you know, they get paid on a fixed four week cycle as opposed to being paid on a monthly date, of the monthly cycle, and every so often they get a month where they get their assessments concerned they get paid twice and they get no benefits. So, I think you've got to be careful about flexing things frequently"*

- *"Benefits get paid every four weeks. Is there is any opportunity, can we offer thirteen payments over the year to people, so it matches their four-week payment cycle for benefit payments"*

Following the session, we also received an email from an employee which suggested a 'Pay As You Flow' option being offered to customers, outlined below:

- *"Further to today's discussion, could we offer customers a Pay As You Flow option? They can pay little and often or however they want, so long as they stay in credit. It's exactly the same principle as gas / elect prepayment cards or PAYG mobile phones [and] gives people control of their finances"*

### Bill profile over time

Looking at the potential bill profile options, remaining flat or fluctuating over time, employee panellists recognised that the preference would be different for customers depending on their personal circumstances, and the choice should be left to the customer rather than trying to provide a 'one size fits all' approach.

- *"I just think it comes back to what we said earlier, it's a personal perspective from the customer, because everybody's circumstances are different. But, having that ability to potentially overpay some months and use the balance that you have overpaid to offset a dip in another month, might tie into that model quite nicely, but I think we can't take the one size fits all approach to that because it's like X said there's others who maybe might have more money one month than one month and it might help them in a different way, sort of, other customers"*

## Northumbrian

### Concerning factors

Energy price rises was the factor causing the most concern to those from the Northumbrian panel, followed by the government and rising inflation rates. Energy suppliers going bust was of the least concern.

In terms of energy price rises, panellists were concerned about the impact these rises have on other costs. Fuel costs was seen as one of the main concerns in relation to energy price rises, with panellists concerned that prices were continuing to rise rapidly and not knowing when this would stop.

- *“It's the constant daily thing you have having to put petrol in your car to get to work to function and do your job, and to do everything else. And everything else just comes out of your bank account, where that's one that I physically see myself spending a lot on”*
- *“I think one of the worries at the moment is this thing where it seems to be no end to it. It's almost every other day. I go past the petrol station, blimey, it's gone up, as somebody said before. On a daily basis, one and two pence, but over a month, it's twenty or thirty and more”*

	Northumbrian
1st	<b>Energy price rises</b>
2nd	Government
3rd	<b>Rising inflation rate</b>
4th	<b>War in Ukraine</b>
5th	Rising prices (greed)
6th	<b>Covid-19 ongoing impact</b>
7th	Brexit
8th	Climate change
9th	<b>Energy suppliers bust</b>

The impact of energy price increases on the cost of food was also a concern to Northumbrian panellists.

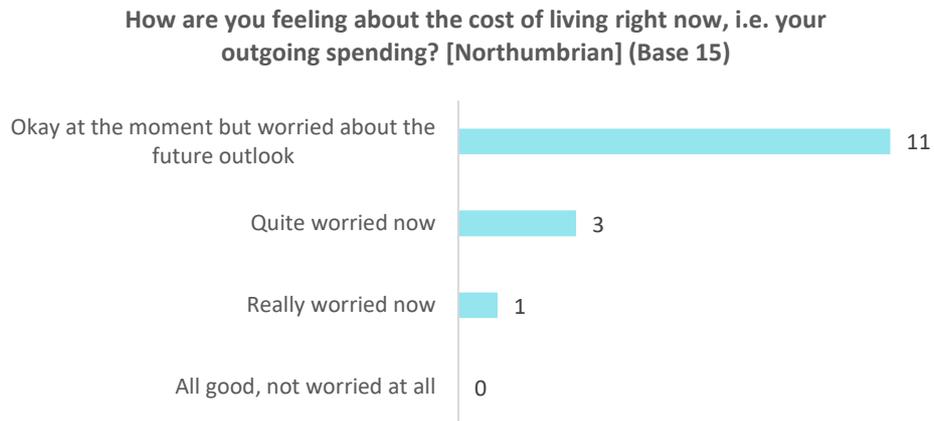
- *“It's not just putting your petrol in your car, is it? That's bad enough, but then the impact of that on everything: food prices, deliveries, everything. So, it impacts not just putting it in your car, it's other things as well. Food, you go one week and next week the same thing's 40p or 50p more”*

One of the additional concerns added to the list by panellists was rising prices due to greed – concerns that large organisations were making too much profit.

- *“I read in the press that if you actually break down the cost of it there's a huge amount that's duty, and a huge amount that's VAT, the actual margins on the end of it for the suppliers are pretty low. So, I don't know, but government intervention to do something about fuel duty”*
- *“I think that a lot of it is down to government and greed, so big companies, the people who own the companies. Everybody's saying about the cost of living, but then you hear them awarding themselves millions of pounds pay rises in a year, and it can't be costing [them] all that much, if [they're] able to make a profit of that amount. So, I think it's greed”*
- *“I think there's a massive difference, and it's getting ever more so, in the country between the rich and the poor and I would prefer to see companies working to get more from rich companies than hitting the poor people”*

### Feelings about cost of living

When asked to vote on how they were feeling about their costs of living right now, the majority of Northumbrian panellists vote that they were ‘okay at the moment but worried about the future outlook’. Three panellists voted ‘quite worried now’ and one ‘really worried now’. No one said they weren’t worried at all.



## General bill engagement

In the Northumbrian panel, panellists discussed being more careful about how they spend their money, paying more attention to what they spend and cutting down on non-essential spending, such as 'grab and go' food or internet bandwidth.

- *"I have had to look at some of my expenses, and to review them [and] cut down on some expenses, especially, phone, internet; I've had to reduce my internet, the bandwidth, so I pay less. A number of issues like that, look closely at my expenses, our expenses as a family. We are just trying to handle that in that way"*
- *"I've started curbing the spending. On a Monday to Friday I'm a lot more careful how I spend my cash; maybe less lunches out and things like that, because there's less cash in my pocket. Food, especially 'grab and go' stuff when you're at work, is more expensive, so now it's just off the cards"*

Northumbrian panellists who were self-employed discussed the impact these bill increases were having on their businesses.

- *"One of my businesses relies on having to drive places, 'okay, brilliant, I'm just hitting brick walls all the time'. I have had to 'up' my prices, which I hadn't wanted to do. So, it has had similar changes to my lifestyle, like others have said. Things like cutting my spending"*
- *"As a business owner, it is extortionate. The knock-on effect from everything is ridiculous"*

There were also concerns about further increases in energy bills later in the year, and how the increases would have more of an impact in the winter months.

- *"There's been a huge energy price rise already, but I haven't got the central heating on at the moment and I'm not likely to be putting that on until the autumn. Then, there's another rise in energy prices in the autumn, so come November, December, when that first bill drops through the door, and it will be the same for everybody, it will be a bumper bill that we're all going to get. I'm a little bit concerned later on in the year"*

When asked how they would assess whether something was affordable, some Northumbrian panellists felt it was down to personal preference, with non-essential items currently less affordable, however it was highlighted that what is considered as essential differs from person to person.

- *"It must be, surely, down to what is essential, or what you consider to be essential. I could look at a lot of people and the way they spend their money, and think, 'well, that's not essential'. Perhaps, for them, it is"*

Thinking about value for money, it was suggested that by shopping around and looking for the best price, this would ensure what you were purchasing was good value for money. Value for money was also thought to be understood as linked to the reliability of something, rather than just being the cheapest option.

- *“If it’s something you want, and you’ve shopped around quite a lot, and get it at what you consider to be the best price, I would think you’ve got good value for money”*

When asked whether they typically keep a close eye on bills, responses were varied. Some Northumbrian panellists said they didn’t pay much attention, whereas other said they did keep close eye on their bills. This was the case for both energy and water bills.

- *“It just comes out of my bank, and I just think ‘that’s fine’. There’s money comes in at the beginning of the month, and at the end of the month I normally have some left, but I should really pay a bit more attention to what comes out of my bank account”*
- *“I keep a close eye on mine, gas and electric especially. Water rates are okay, water rates are really reasonable, for me, anyway. I consider all my outgoings, gym, things like that...”*
- *“I get the letter [from Northumbrian Water] once a year, and it says, ‘last year you paid this, and this year you’ll be paying that’. Sometimes I go ‘oh’, and sometimes I put the letter in my drawer”*

Some Northumbrian panellists did feel they were looking at bills more closely more recently and reported they had made changes to their behaviour over the past six to twelve months due to the price rises.

- *“From late last year I started to look at my bills closely, especially gas and electricity and, then, other monthly bills; looking at my phone bills and that of the business. I look at it closely”*
- *“I’m thinking maybe now it’s time to think about, you know, getting the smart meter back out and thinking do we need to use the dishwasher, those sorts of things. I think that, for me, does have a knock-on impact. It didn’t before but it certainly does now”*
- *“I’m walking to the shops now instead of driving. If you’re someone who just tops your car up with £20 per week for example and realise it’s not lasting as long now, but I am doing because we need to wash up a lot more now rather than just slinging everything in the dishwasher, and wait until there’s a full load in the machine before you put the machine on, so we definitely are as a household being more cautious about that”*

## Bill preferences

When asked if there was a preference for paying the same amount each month, or paying retrospectively for the amount used, responses were mixed, with some preferring to pay upfront and others preferring to pay retrospectively.

- *“To be honest, everything for me comes out direct debit, purely because I can’t be bothered each month, to look at the bills, it depresses us. I prefer not to look. I let everything go out direct debit”*
- *“I prefer to pay, based on what I use. At times you don’t have that choice, but, where it’s possible, yes”*

Getting in touch with the supplier or Citizens Advice were listed as the main recommendations Northumbrian panellists would give to someone struggling to pay their bills.

- *“With the supplier, always; if you’re struggling with your energy, get in touch with your supplier, to see if you can drop your money, or offer anything. It’s always worth asking”*
- *“The Citizens Advice bureau, or just contact the supplier, whoever it was, themselves; be open and honest with the supplier, and get them to come up with something to support them”*
- *“Obviously, we’ve contacted the energy company and the water company because we’ve found with Eon that they’ve been okay, and they’ve gone along with what we’ve suggested. So, I guess it’s just putting it to them and seeing what they come up with. Maybe people don’t think that they would be accepting of anything but it’s always worth a try, isn’t it?”*

All Northumbrian panellists said they considered the bill they received from Northumbrian Water to be affordable. They commented that their water bill was relatively small compared to their other bills, leading them to agree that it was also good value for money.

- *“It is really reasonable, to be honest; even though it comes as a lump sum, when I work it out per month, it’s one of my lowest bills, and I’m not necessarily the greatest on water saving. It’s not something that’s at the forefront of my mind, so, I can only imagine how low it would be if I was water saving...”*
- *“It always seems to me to be good value for money. I think I probably lose track on precisely how much water we’re actually using; the tap seems to be on quite a lot. I don’t believe it’s in the same league as the energy companies, as I say, it does seem to be better value”*
- *“Ours has gone up £1, so in comparison to gas and electric it’s a bargain”*

- *“We think about it in ratio as to what you’re receiving and what you’re getting compared to what you pay, then absolutely. If you’re looking on the pure basic numbers of it. It’s one of those things where it’s essential. It’s always there and I must admit of all the utilities, it’s the one personally I’ve never really had that much of an issue with”*

### Expectations of Northumbrian Water

In terms of expectations of Northumbrian Water during the current cost of living crisis, panellists suggested the company should offer help to customers in various ways, such as payment ‘holidays’ and offering advice on how to use less water. The option of flexible payments was thought to be useful, and it was suggested this could be managed online or via the Northumbrian Water app.

- *“As a single parent... sometimes you find yourself one week where you’ve got a little bit more money than another week, so you might be able to pay a little bit more. The next week, if you’re struggling a bit, it’s pressure that doesn’t need to be added on, if you can do it that way. It takes the pressure off a little bit”*

It was also suggested that Northumbrian Water should try to keep the bills as they are, or as low as possible.

- *“Just to try and keep reliability as it is and to try and keep and keep the payments as they are, or if there is, I think somebody said they only pay £1 more than whatever they did before. We can deal with that can’t we, so to keep it affordable because I know that’s something that we’ve talked about before”*

Having the option to be flexible with payments was thought to be helpful, although concern was raised that for some people who aren’t confident in managing their finances this could lead to them owing more than they can afford.

- *“You could potentially fall into that worry where, when you’re not paying a set amount, that you pay a little bit less and then maybe get yourself into a bit more debt, [so] you end up owing a bit more... which could increase financial worries for people and possibly put that debt beyond their reach”*

## Communication around changes

It was agreed between Northumbrian panellists that if a company was to change their prices, they would prefer to be notified in advance and would want to understand the reasons for this change.

- *"It would cut out the accusation of greed, of companies cashing in on the circumstances that we find ourselves in. Yes, an explanation would be useful. At least it would show some justification for the price lift. If the price comes down, it's useful to know that perhaps you've got a little bit more money than you thought you had, to divert in other directions"*
- *"I think a breakdown of why, is always a little bit more understanding, like we are having to do this because of this. I'm really sorry, this is what's impacted us so this is why we're going to have to, and I think that you tend to find with the lot smaller companies who almost apologise that we're really sorry that X, Y café is putting their prices of a cup of coffee up, this is because of our suppliers, etc., and you don't feel as hard done by, you don't mind it as much because you feel you're doing it because you have to, and that's just the way it is"*

In terms of communication, transparency was felt to be important, making it clear exactly where customers' money is going, particularly in terms of how much is going to shareholders as profit. There was specific mention of the 'wheel' included on the Northumbrian Water bill, with this being seen as a useful way of informing customers how their money is used.

- *"I was just going to say I did actually read my water bill from cover to cover and there was this nice little wheel that explained where one pound per day goes and it's divided up and I think there's been an explanation between now and 2019, but if there's going to be a change in future years, going back to that one and comparing it and it would be interesting to see if the 9p per day to the shareholder changes and things like that. Or how many sacrifices, what's going to happen to their slice of pie?"*
- *"I think they should be more transparent. So, if they put their money up they should say in six months' time this is how much extra we've taken from customers, and really break it down to say this is how much has gone to our shareholders, this is how much it's cost us to buy it in, this is how much transport costs have gone up, because then we could really see how much money the shareholders are getting because they're just creaming it all off"*

In general, Northumbrian panellists were more concerned with being informed of any increases in bills than decreases. Communication preferences varied between panellists, with personal preferences including social media, email, text message, information with their bills and the app.

- *"I get all my correspondence via e-mail; I'm paperless, so that's good with me. That's what I keep an eye on, that's how I want them to keep in touch with me. So, whatever a persons' preference; mail, telephone, e-mail, get in touch"*

Some Northumbrian panellists felt they were more likely to pay attention to something they received through the post rather than electronically, and there was an agreement that this should be included with the bill.

- *"I do think, if it comes in the post, you're more inclined to think this needs to be read as opposed to an email. You tend to think this is more important because they've sent it to me"*

Northumbrian panellists would prefer to have one big bill increase then keep the bill flat, rather than have a gradual increase over a longer period of time as they preferred the certainty of knowing what the final cost would be, instead of feeling the increase in costs was never-ending.

- *"I'd like a big increase, and then keep it flat, because then it's insult upon insult, upon insult, when they keep getting higher and higher. It's like, 'for the love of God, when's that going to stop'? If it's just one big increase, then you know what it is"*

### Bill profile over time

When discussing the potential bill profile over time, the preference of Northumbrian panellists was to have a flat bill, rather than it fluctuating, as this would allow them to plan their finances more easily.

- *"Yes, flat rate, the same as everybody else. Just, consistent, you know what's happening. No nasty surprises. I hate being stitched with an unexpected bill at the last minute, because I like to plan in advance, and there's no way you can do that, if it wasn't a flat line"*
- *"I'm a 'flat bill' person. I definitely like to just pay the same thing and know that that's what's happening. I think if it was changing every month, I'd be a bit like 'oh, what's happening'? I'd be a bit uncertain and anxious if it changed all the time"*
- *"I think for me at the level that the water bills are at, I'd prefer the uncertainty of the flat because I'm not too sure about the fluctuations. So, personally I'd just stay as it is."*

It was suggested that providing water saving-devices such as to reduce the amount of water used to flush a toilet or the amount of water used in a shower, and also an advertising campaign about saving water could be helpful for customers. This would only be the case, however, for those on water meters.

## Essex

### Concerning factors

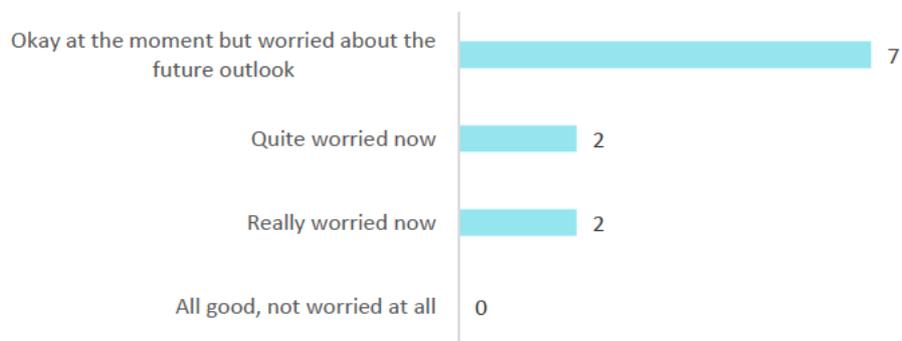
Amongst Essex panellists the war in Ukraine was the most concerning factor, followed by rising inflation rates then rising costs more generally, such as food and fuel. Energy suppliers going bust was of least concern.

	Essex
1st	<b>War in Ukraine</b>
2nd	<b>Rising inflation rate</b>
3rd	Rising costs (food, fuel)
4th	<b>Energy price rises</b>
5th	No rise in salary
6th	<b>Covid-19 ongoing impact</b>
7th	Brexit
8th	Job security
9th	<b>Energy suppliers going bust</b>

### Feelings about cost of living

Thinking about how they were feeling about the cost of living right now, the majority of panellists from Essex voted that they were ‘okay at the moment but worried about the future outlook’. Two voted ‘quite worried now’ and a further two ‘really worried now’. No panellists stated that they weren’t worried at all.

**How are you feeling about the cost of living right now, i.e. your outgoing spending? [Essex] (Base 11)**



## General bill payment

When asked how it felt to be a billpayer at the moment, many of the Essex panellists commented on the uncertainty of price rises, explaining that it was stressful and worrying not knowing how much further the prices were going to rise.

- *“The bills are getting paid, you just think ‘what more surprises are going to come up?’ That’s probably the main worry”*
- *“It feels like it’s out of control at the moment; you’ve got no control over your own budget”*
- *“I’m on a quite small salary at the moment... I don’t know, at the end of the month, how I’m going to [pay]... I have some bills that will come up at the end of the month. I don’t know how I’m going to pay. I reach the point where, at the moment, I refuse to think of what is going to happen”*

The majority of Essex panellists commented that they had seen a change in their bills in the past six months, with some checking their bills more now than they used to. Some however stated that they had always checked their bills regularly.

- *“I wouldn’t say I would check it, but, like I say, now... in the past I wouldn’t check it so much, but I would worry; this is a little bit up or down. Now, it seems to be up and up, so I’m more concerned with checking it now than I would be, before. It’s not going, normally, up and down a little bit every month; now it seems to go up and up and up”*
- *“I always do. I look on the banking app and just check. Even today I looked at the direct debits, just to see if I’m paying... because you sometimes sign up for stuff and you don’t realise you’re paying for it”*

In terms of the water bill in particular, Essex panellists generally paid less attention to this than to other utility bills, due to it being a smaller bill and any increases they had seen being minimal.

- *“I don’t think the water bill is any more of a concern, it’s mostly the gas and electric that more concerns me. The water bill, I wouldn’t really notice that’s gone up that much, compared with electric and gas”*
- *“I’m doing the same as the other people mentioned, checking bank statements much more thoroughly than I ever did before, and just trying to whittle down the ones that I think aren’t really necessary anymore. But the water one, is one that appears to be quite constant, and I haven’t really given much thought to that one, to be honest”*

Thinking about bill preferences, the majority of Essex panellists felt they would rather pay retrospectively for what they have used, rather than paying a set amount up front.

- *“With me, I’d like to know what I’m paying for. I had issues in the past, where they would estimate the meter reading and overestimate and I’d have to phone them up. If they don’t give me that option of adjusting the meter... sometimes they don’t come and read the meter, they estimate it. It’s always over-estimated, and sometimes you pay fifty pounds over”*
- *“Yes, ‘pay as you go’ for me as well, pay for what you use. I hate paying in advance, and then trying to get it adjusted at a later date, because it’s never easy to do that”*
- *“I really object to companies taking money from us up front; what do they do with that? They invest that, they make a profit on us paying them up front. I don’t believe that we benefit from that in any way, other than the shareholders that benefit”*

When thinking about affordability, several of the Essex panellists felt that anything beyond paying for necessities was currently unaffordable; describing necessities as being the basic things they need to survive such as food and fuel. Based on the comments of Essex panellists, customers in this region appear to be struggling financially more than the employee and Northumbrian groups overall.

- *“I am concentrating on things that I need, to survive. That’s all I’m looking at. Do I, you know, I need certain things for surviving. Then I have to find funds for that. If I don’t need it, then, at this point of time in my life, I don’t even consider... I try to entertain my child at home, or going to parks, or doing something else, that does not involve money, because that’s a struggle. It is a struggle, at the moment, a big one”*
- *“I really don’t buy stuff, now. My money is spent on fuel; it’s spent on the basic things that you need, including food, paying utility bills”*

In terms of value for money, the main suggestion Essex panellists had for evaluating whether something is good value for money was making comparisons with similar products.

- *“I just compare prices. I walk in, and they want to rob us; they’re charging £8 for toilet rolls, and you can get them a lot cheaper, so I will”*

When asked where they recommend someone to go if they needed advice or support with their finances, several organisations were suggested, including Citizens Advice, Step Change and Christians Against Poverty.

## Expectations of Essex & Suffolk Water

There was a general consensus amongst panellists that their water bills were affordable. There were also several comments made about Essex & Suffolk Water being easy to deal with and providing good communication.

- *“Essex & Suffolk Water; I’ve been your customer for, maybe, thirty-plus years. That’s one of the few companies I have hardly any issues with. I have it with electric, I have it with gas, but Essex & Suffolk Water is one of the ones, personally, I don’t remember having an issue with. It’s one of the easiest ones to deal with”*
- *“Yes, it’s affordable. If I’ve ever had to speak to them, it’s always been very easy to do. I do feel that they’ve got our interests at heart. That might be naïve, but I do think that. With the power companies, I don’t think that for one minute. I just see them trying to rip us off, and confuse us. With water, it seems to be quite simple”*
- *“Yes. I’ve not got any complaints about it. I’ve been able to pay my bill. I won’t say ‘out of sight, out of mind’, but it’s not a worry. The bill comes every year; I do notice a slight increase year on year, but it’s not a massive increase, so it’s fine”*

Essex panellists also generally felt that their water bills were good value for money, as compared with other utility bills they were much cheaper. It was recognised however that they felt they weren’t able to make direct comparisons to water companies in their region.

- *“We can’t compare it, really, with anyone else, but it seems to be. You said about comparing what’s good value for money; I don’t know. It feels like it, compared to the energy companies, anyway”*
- *“Water is a necessity, so the cost of it seems, compared to everything that is a necessity, like energy, quite significantly low, so I would say it is good value. But, in terms of comparing to other companies, I don’t think you get an option to compare”*

When asked what they expected from Essex & Suffolk Water in the current circumstances, panellists didn’t suggest anything they should be doing differently, but expressed the importance of good communication – making it easy for customers to contact Essex & Suffolk Water if they had any problems and providing contact details should customers need them.

- *“Keep the phone lines open. That’s the main thing; to be able to contact somebody. A lot of companies are changing into online, that’s something I’d like to say with you guys, it’s easier*

*to communicate... for that not to change. A lot of companies are changing to the other way, which is very difficult"*

- *"Just making sure that they're communicating with their customers, even if it's just on the bills; if you've got a problem with paying your bill, making it clear as to how they can get in touch. I think just making sure that their helplines are visible, and that the options for assistance are visible. It will help people as and when"*

Essex panellists didn't typically think that having a flexible payment system would be useful to them. Most felt that they'd rather pay a set amount and would worry that they'd lose track of what they had paid should they take a flexible approach.

- *"I'm sure it will help some people that are not managing money very well, but in my own case, I prefer to know that on such and such date I have this amount leaving my account, for this. I don't think I can function any other way. I know exactly on which date, what goes where"*
- *"It would be too hard; it would add to the daily stress; definitely, you will lose track at some point, and you don't want to start having arrears"*

### Communication around bill changes

If a company was going to change their prices, panellists would want to know how much their new bills would be and when it would be changing. They would want as much notice as possible of any changes and would like to know the reasons behind the changes as well as the duration of any increase or decrease. Advanced notice was seen as more important for an increase in a bill than for a decrease.

- *"With an increase, or a decrease, it's always nice to know why. Especially with increasing, because at times you just get the information that the prices are going up, and there's not a reason as to why, or, the period of the price increase, is that going to be for a long period of time, or a short time? So, why it is increasing and how long the duration of the increase will be, would be nice to know"*
- *"If it was a decrease, I would probably like to know, similar to other people, maybe at least a month before, even if it was going to get lower. But if it was an increase, I'd like to know several months before, actually. I don't even think one month would be sufficient. I'd expect them to notify me through different means, like, post, e-mail"*

The majority of Essex panellists said they would prefer a gradual increase over a longer period of time, rather than one big increase.

 *“I think I’d prefer gradual, as long as I’m clear as to when the increases are going to happen, and what they’re going to increase to. Then, at least, it’s still predictable”*

Post or email were the preferred methods for Essex panellists receiving information about changes to bills.

 *“Just so I don’t miss it, or anything. You normally do get your post if it arrives”*

 *“I would say post and e-mail. I do read an e-mail, so it would get my attention”*

## Suffolk

### Concerning factors

The War in Ukraine was the most concerning factor amongst panellists from Suffolk, followed by rising costs such as food and fuel. Energy suppliers going bust was of least concern.

	Suffolk
1st	<b>War in Ukraine</b>
2nd	Rising costs (food, fuel etc.)
3rd	<b>Rising inflation rate</b>
4th	<b>Energy price rises</b>
5th	Brexit
6th	Organisations increasing their profits
7th	<b>Covid-19 ongoing impact</b>
8th	Wages not rising
9th	<b>Energy suppliers going bust</b>

### Feelings about cost of living

The vast majority of panellists from Suffolk stated they were ‘okay at the moment but worried about the future outlook’, when asked to vote on how they were feeling about the cost of living right now. One panellist voted ‘quite worried now’ and one ‘really worried now’. No one said they were ‘all good, not at all worried’.

How are you feeling about your costs of living right now, i.e. your outgoing spending? (Suffolk) [Base 11]



## General bill engagement

When asked how it feels to be a bill payer at the moment, Suffolk panellists raised their concerns about the continuing price rises across the board, in terms of food, fuel and energy. Some were also concerned about the further price rises expected in October.

- *"Some items are jumping up ridiculously, £1.20 at a time... and when you've got a family to look after you are noticing it, and it's not just the food it's everything is going up. So it's hitting you from sort of every direction"*
- *"The fuel, and because obviously your food is costing more, so you need to put more money there because really... You've got to eat to live. And then you're thinking of your electricity and your gas. So then it starts making you question what sort of luxuries you've got which actually you don't really need, you've just got them because you can have them. So yeah, lots of thought going on and it's all linked together..."*
- *"A bit concerned, I mean okay I'm all right at the moment, but I'm concerned about the latter stage of the year when the costs of everything go up in October. That's the biggest concern I have right now"*
- *"I mean, for now with the energy prices rising, that's my main concern. You know, I'm a single parent, I do work full time but because it's summer now, I don't feel like it's kicked in. Like our property is all electric, so I feel like I'm already thinking should I get carpet laid, you know, how can I make the property be warmer for when winter comes for me to be able to save money because our electric bills were quite high before"*

Suffolk panellists discussed ways in which they have changed their behaviour due to rising prices, such as using their car less and turning appliances and lights off in their home.

- *"I think I have definitely noticed a change in my behaviour, I've got EDF electricity, where you can check how much you're paying each day and just keeping a much closer eye on it with turning everything off as much as we can and just being, although we are in a relatively secure financial, situation, I think it's also planning for what's happening next year"*
- *"My husband has got a disabled child in Hertfordshire, and I know that his costs, from his basic pensions are heading towards having doubled and that's a big factor for us and it's looking at, we're going to have to cut back the number of trips we make for contact which is going to have an impact on the young people concerned"*

The majority of Suffolk panellists said they had noticed a change in their bills and household expenditure in the last months, with specific reference to the cost of oil, electricity and food.

- “Only the oil which we got around March time and our electricity bill has increased as well”*
- “Food bills, I think I’m shopping differently where I might have during Covid just ordered online from one supermarket, I’m now back to shopping from three so I can look at what is good value”*

Most Suffolk panellists said they did keep an eye on their bills and were more likely to do so in the current circumstances.

- “Stuff like my BT and stuff like that I do because I’ve got quite a few different things in there. My phone contract, the internet, the landline, that all has gone up but because you’re tied into the contract, in April everything went up”*
- “I didn’t used to, to be honest, but now, particularly our energy bill, I’ve looked at what we were paying out and ours have actually gone down but I think that’s because we’re a lot more savvy and we’ve got a better boiler and different things in place”*

In terms of their water bill specifically, Suffolk panellists were less inclined to keep a close eye on this bill. This was due to the bill being a smaller amount therefore not as much of a concern, and any increases panellists had seen had been minimal. However, some panellists mentioned they were careful about the amount of water they use.

- “No, I think the water bill is one, because it’s been fairly consistent, and it doesn’t tend to go up in huge amounts, I just keep it ticking over”*
- “It’s one of those bills that I do pay but... I get [a] six-monthly statement, if it’s increased by anything, it’s usually £1 so I’m just relieved that’s all it’s gone up by. And there’s no nasty shocks in there, I can afford that extra £1 or whatever it may be”*
- “Yeah, just careful with what we use here. I think showers are now only on half pressure and a lower [in] temperature. You don’t need it at thirty degrees really; and with the kettle, only put in what you need to boil. It’s simple little things that make a difference”*
- “We’ve recently had a shower fitted so me and my daughter we just have a shower quickly in the morning instead of a long bath”*

When asked if they would prefer to pay for a service upfront and in advance or retrospectively, the majority said they would prefer to pay upfront so they knew exactly how much they would be paying each month.

- *"I prefer it because at least it's a set price and you know exactly what you're paying for it"*
- *"It definitely helps with kind of planning your money and your... yeah, it's the unknown and the unexpected isn't it when you pay retrospectively"*

Thinking about affordability, and deciding whether something is affordable or not, Suffolk panellists felt they had to prioritise, and decide whether something was essential or not. In the current circumstances, panellists felt they were less likely to consider non-essential items as affordable, which were described as being items which they would want rather than need to survive, such as food. Some panellists highlighted that water is something that is needed daily, therefore is essential, whereas something that is non-essential means you can defer paying it by, for example, putting it on a credit card.

- *"We know how much of our income we need for our bills and stuff. They will come out at the start of the month so that we know once all those have gone out what we've got left is the budget for everything else for the month. So then you'd have to make decisions about whether it's something that you need now and you have to think about, you know do we put something on the credit card to defer it, those kind of things. Or is it actually something that we can defer getting?"*
- *"It's the reverse of it you know, can you do without fuel or heating fuel? You know and that's the... I suppose you can look at it from both ways and again it comes down to what X said, it's priorities at the end of the day"*
- *"I think we prioritise the things that we like to do. So, we continue now, we're able to travel but in terms of other things, the cost of meals out for example... for things like anniversaries and things like that, we were looking at it and saying, no it's going to cost us sort of seventy pounds minimum for a meal in that restaurant and then we've got to find another twenty-five pounds for a babysitter, which I hadn't expected at our age. And you look at it and you think ninety-five pounds is a lot of money and that's better spent elsewhere. So, it's a question of working out your own priorities"*

Comparing prices with similar products and looking at reviews online were seen, by Suffolk panellists, as ways to understand whether something is good value for money.

- *"I think maybe the best way is to see... reviews help. You know to hear it from other people whether they've tried it and whether they recommend it highly. I think that's probably one of the best ways to decide"*
- *"I would just be comparing prices from different sources first of all. And then go with the lowest priced option"*
- *"I think that's personal and it's to do with knowing what else was available. You know you can go past a petrol station, and you see it's £1.99 and you go past another petrol station, and you see it is £1.95, okay, so £1.95 is phenomenally expensive but it's better than £1.99. So, it's in context and it's by looking around, seeing what else is available and also judging it against what you feel you need"*

The quality of a product was also seen as an indicator of value for money.

- *"I think it's also thinking about the quality of what you're buying as well. Like you know buy one well rather than by something twice"*
- *"I'd rather pay a bit more than pay less for something with one-star reviews"*

If someone needed support or advice with their finances, several Suffolk panellists suggested contacting Citizens Advice or the supplier of the bills they were struggling to pay. Other suggestions included Money Advice, Step Change, Martin Lewis for money saving tips, friends and family and their bank.

- *"I'd feel able to go to the energy provider whoever and say, you know this is just out of hand now, you know what can I do about it?... particularly if there's been a... you know a real significant lift. I think you would want to have that direct conversation to say, well why has my bill gone up triple or whatever?"*
- *"Money Advice Service or Citizens Advice, they're good, they're the two that I think of straight away"*
- *"There are organisations out there that will support them and help them work out a budget and help them work out payments and schemes with their creditors. I think one was Step Change"*

### Expectations of Essex & Suffolk Water

All panellists agreed that their water bills were affordable, with comments made about the price being fairly consistent and cheaper than other utility bills.

- "Yeah, we pay ours every three months and it doesn't really change too much. I think mine is about £30 a month which I think is pretty affordable considering we're quite a big family"*
- "It's consistent and affordable yes. I'm not worried about my water, that's not one of my worries, that one's sorted"*
- "It's consistent and affordable and the price increase has been a couple of pounds and I've always been more than happy with that"*

When asked what they expected from Essex & Suffolk Water in the current circumstances, one Suffolk panellists suggested that they should be reaching out to customers to check if they were having any problems. Another point from the comments is making the information on support available accessible through multiple different channels.

- "So they should be reaching out to people and asking if you are having problems paying for your water. I assume they've got a department which would be able to speak to a consumer and see if they can sort something out for them. And as X said if they put that on their bills and on their website and apps and everything and let people know that there is... they can ring up or email in and they would do what they could to help. I don't know if they've actually got a department that does that but I would assume they have"*
- "... helping the people that have got to make choices, are they going to eat or are they going to wash. Because there are people that are living like that, so prioritising again really; prioritising who are really the needy"*

Suggestions for actions Essex & Suffolk Water could take for those who were struggling with their bills included allowing a payment 'holiday', giving them a grant, or providing a voluntary scheme where people who could afford it paid a little more to help those in need.

- "What about a penny fund? Everyone pays a penny extra per day or per week or something so the company has a little pot where it can say to this person, okay nothing to pay this month, yeah? For people who can afford to do that who... make it voluntary... I should imagine that would add up to a lot of money "*

- *"Yeah, I do really like that penny idea and I've seen people do like, I think again my bank does like a round up from your most recent spend. You give your odd change to round it up to a whole pound or whatever to their charity pots"*

The suggestion of flexible payments was thought to be a useful option for some customers, however a higher proportion of panellists didn't think it would be a good idea as with other groups there was concern that some people might end up in debt if they didn't manage their payments efficiently, and it would be more helpful to make consistent payments.

- *"It's a useful tool. This month I had my insurance on my car come in and so this month I've been pretty skint. I had to pay one hundred for my car insurance, so I've had to cut back on everything this month"*
- *"Some people could actually end up in debt if they're reducing payments over a period of months"*
- *"No, I think people would actually want to put off paying. They'd go weeks upon weeks of trying to put in lesser amounts and they'd get more and more into debt"*
- *"For me because I pay monthly, I wouldn't pay £5 one week, £5 the next. It's just to me, it's a lot of messing around. I'd just pay whatever it is at the end of the month"*

It was also suggested that Essex & Suffolk Water should be communicating with customers about any potential future bill changes and reasons for the changes.

- *"Just keep us well informed I suppose. Everybody is very, very nervous at the moment about the cost of living and I suppose people don't really think about their water bills. I suppose it would be nice to get a little note or a text to reassure, like a reassurance. Just to keep us informed of how things are so that we don't get a nasty letter through the door saying there has been an increase by.... So, something along those lines"*
- *"Information is a good point. I think just to point out whether or not they are increasing in line with inflation or how much or how little. Information would be a good thing"*

There was also an expectation that the profits of Essex & Suffolk Water shouldn't be increasing whilst some of their customers are struggling to pay their bills, and that they should help customers by taking money out of the business.

- *"I guess that would be an expectation of the water company that I wouldn't expect them morally to be seeing records, seeing an increase in their profits in the current climate. I would expect to see that going back into services and helping out those people"*
- *"It's a little bit like what's happening with fuel costs at the moment. That these companies are making extra billions per year and now the Government's saying, well we're going to charge them more tax. Well why not, instead of charging them tax, make them reduce the bill down a little bit? So everybody gains a little bit and they still make their profits?"*

### Communication around changes

If there was to going to be an increase to their water bill, customers said they would like to receive an open and honest explanation of the reasons for the increase.

- *"...with a breakdown of why the price is going up, rather than just saying, hello this is Essex & Suffolk Water, nice to get in touch with you, your bill's going up"*
- *"Honest information, open and honest information is what people want"*
- *"I'd like a notification to say you've got a message or an email explaining why, like with a leaflet attached to it or something like that"*

Suffolk panellists felt they would expect the same in terms of communication - openness and honesty if their bill was to decrease. If bills were to increase, it was suggested that some customers might need additional support and advice, therefore information on who to contact if this is needed should be provided.

- *"There will be some customers I would imagine that get that notification to say there's going to be an increase and their bill will be whatever and that could tip some people a little bit over the edge. They might want that reassurance that perhaps, if possible, maybe a call just to explain the reasons why. You might have a certain pocket of customers, people that pay on time, people that have difficulties because as I say, they've got a message in the current climate and people are struggling, it could really bother some people"*
- *"For those people who would struggle with it whether they need support as well so attachments to guide them on support that they could get to manage their bills"*

The method by which Suffolk panellists would like to receive communication regarding bill changes varied. Text message or email were both suggested as effective contact methods.

- *"For me personally I think that I sort of register for text messages more than I do an email or a letter from utility companies. For some reason that seems to get through to me a bit more"*
- *"Email is fine, text is fine. A little bit of notice would be good so that we can put into the budget"*

Though the question was asked generally in relation to receiving communication from any company, one panellist stated a preference for an online portal notification.

- *"I'd rather, because obviously there's an online portal isn't there, an account that you can log into. I'd like a notification to say you've got a message or an email explaining why, like with a leaflet attached to it or something like that"*

When asked if their bill was to increase they would prefer one big increase or a gradual increase, responses were split across the two breakout groups. One breakout group all agreed that they would prefer a gradual increase as this would allow customers to gradually adapt and budget for the change.

- *"It just allows you to budget, doesn't it? I mean it's much easier to ease into something rather than to be jumped into it"*
- *"Because it's not such a shock is it if it's done over a period of time, a little bit each time. It's easier for the person... for you to adapt to it. When it's a big thing straight away it's more of a shock and you notice it more. Well, for normal people anyway"*

The other breakout group however all agreed that they would prefer a one-off increase, so they knew what to expect and budget more easily.

- *"There's nothing worse than dreading [bills], [thinking] 'it's actually lower this month and then next month it's going to increase' again and then when future prices increase on almost everything, you just want to know where you stand"*
- *"For me I'd rather just get it out the way and then I know what I'm dealing with"*
- *"You know what you've got to pay and if you spread it over twelve months, you've got steadiness. You don't have to worry about that aspect of your budget at all"*

### Bill profile over time

All panellists from the Suffolk group preferred the flat bill profile over the moving profile, largely so they knew what to expect from their bill each month making it easier to manage their finances.

- *"Personally I would go flat, just thinking it's the same as mortgages isn't it? Where you go for kind of tracker, variable or whatever it's called. We would always go for knowing where you stand and consistency"*
- *"If I did the moving one, if the price, as in your example, went down I'd still probably save up the money knowing that it's going to go up again. So you might as well have it flat and you know where you stand that way"*
- *"I would still always prefer a flat bill exactly, so I know what I was paying each month"*

The moving bill profile was seen as a risk as the customer may not be able to afford any increases.

- *"It could go up when you really can't afford it and as X said, they very rarely go down. I mean you say you're going to end up paying the same amount and I suppose that is true"*

## Young

A different discussion guide was followed for the 'young' group as this group were not responsible for paying their own water bills at the time of participation, although they reported outgoings such as travel and mobile phones.

### Concerning factors

For those from the 'young' group, the War in Ukraine was concerned to be the factor of the most concern, followed by wages not rising and lack of government support. As seen across all the panel groups, energy suppliers going bust was of the least concern to young panellists.

	Young
1st	<b>War in Ukraine</b>
2nd	Wages not rising
3rd	Lack of government support
4th	Rise in taxes
5th	<b>Energy price rises</b>
6th	<b>Covid-19 ongoing impact</b>
7th	Rise in costs (fuel)
8th	<b>Rising inflation rate</b>
9th	Brexit
10th	Cuts to benefits/income
11th	<b>Energy suppliers going bust</b>

The war in Ukraine was ranked highest in terms of levels of concern because this was felt to have an impact on many different aspects of their lives.

- *"I put Ukraine as first because it's led to the increase in multiple things, looking at the cost of gas, the cost of wheat and food, and then the cost of gas and fuel in the UK has also led to the cost of loads of things going up in the UK because you obviously need petrol etc. to transport pretty much everything. So, you can trace that back to a lot of things, which is why I put that as the first one"*
- *"That does literally effect – although it's not a direct impact, it does have consequences. If fuel is expensive then how are we going to be able to transport food? How are we going to be able to get shipments and stuff like that? It does affect everything"*

Wages not rising and lack of government support were ranked second and third respectively, with young panellists concerned that this would lead to people not being able to cope the rise in living costs.

- *“And the same with the government funding and wages not rising. If people are not getting higher wages when the cost of living is more expensive, then obviously people are going to be living in poverty where people are not going to be able to afford what they used to be able to. It’s because wages are not rising in comparison to the cost of living”*
- *“These people are getting government support, whether that’s genuine or not. But the fact is, it’s not enough to live on for people. It’s not going to go very far. So, I think people, the lower-class and the middle-class, are equally being very much hard hit by the cost of living crisis. I wouldn’t just say it’s the middle-class. It is the middle-class, but it is along with the lower-class people as well”*

### Feelings about cost of living

The results from the poll regarding feelings about their own costs of living right now differed for the young group in comparison to the other four groups. The young panellists were more likely to be quite worried now, with fewer panellists voting that they were ‘okay at the moment but worried about the future outlook’. That said, this was the only group where anyone voted that they were ‘all good, not worried at all’.

How are you feeling about the cost of living right now, i.e. your outgoing spending? [Young] (Base 11)



## General bill engagement

With this group, we sought to understand more about their personal financial circumstances, in terms of sources of income and main outgoings. The panellists from this group had a mixture of incomes – some full time employed, some part time and some students. Expenses for the group varied, some had numerous outgoings – including rent or board, food, cars - whereas some just paid for one or two things on a regular basis, such as travel or their phone bill. The majority of young panellists said they did try to set budgets on their spending each month, although most said they struggled to stick to these budgets.

- *“I set a budget every single month, but two-and-a-half weeks in I have no money left and I borrow off my mum and dad, to be quite honest with you”*
- *“I’ll say this is the money I’ve got for the month or the week or whatever, and I’ll say to myself I want to have this much left, around about a month, in my account, so I can put it in my savings or pay for anything that crops up. But I think like now, with the cost of living crisis, I feel like you do always need some sort of backup money”*
- *“I don’t know if anyone’s heard of it, but I’ve got a Monzo card. I find that really useful for putting in different amounts of money for different things on pay days, and I can spend from certain pots. But usually, I do end up going over it, or putting something on Klarna or something. I’m not very good with spending”*

Young panellists felt they had noticed a difference in how much things cost over the past six months or so, with food identified as an area specifically.

- *“I would say the price of food, especially groceries. You could get a six-pack of Walkers for £1 , and now that same pack of six-pack is £2.30 - £2.50. So, that’s a massive rise”*

Panellists felt they did generally keep an eye on their spending and how much things cost.

- *“I pay close attention to stuff like hardware when I’m buying that. Let’s say about four, five years ago, a cooler for your computer – depending on the cooler; say for four fans – it could cost you £100 - £120 for three or four fans, if you found a good deal. Now, it can easily be into the £200s, sometimes even £300s”*
- *“I think it’s just pure disbelief. I can’t quite believe how much the cost of living has risen even since pre-COVID times. I’m not just talking about since 2010. Even since pre-COVID times, everything has gone up. Everything. I can’t even explain how shocked I am. And I think that’s why younger people are paying more attention to it, because it’s such a shock”*

Some young panellists agreed that their spending behaviours had changed due to the price increases, with some being more careful with what they spent their money on, and others thinking about their use of energy and water.

- *“I think you’ve got to reprioritise what you’re after. Before COVID or before whenever, when I had my first job, I didn’t have to prioritise anything. But if I want to go out on a weekend out, I can’t buy my lunch at work. You’ve got to make sacrifices to get what you want now. And it shouldn’t be that way, like you say. Because we work, we earn money. It shouldn’t be that way”*
- *“In a few weeks I’ve changed my bank account to Monzo so I can track it a bit better, because they’ve got better things for tracking your spending. I thought that might help. And then I figured out ways to divvy up – because obviously, I get a student loan, so I’m trying to better distribute that over the months and things. I’m definitely paying more attention to my spending versus just going out and tapping”*
- *“We’re trying not to flush the loo every time. Luckily, in our house we effectively have a toilet each, just the three of us, and then we’re just using our own toilet and doing it like that. I’m definitely having much shorter showers. Mum’s still having a bath, but she just likes a bath. I’m just trying to cut everything down, to be honest, and just not spending on unnecessary things. I’m just trying to save up. Because it’s all just gone a bit crazy. Another thing, we’re trying to go to the shops to get all the reduced items and things like that”*

However, some of the young panel felt that because of their current circumstances, such as not having bills to pay or earning more money they didn’t need to worry.

- *“I don’t think it’s really affected the way that I spend because I don’t have as much to worry about at the moment. I feel like when I go to university and I’m managing my own expenses and accommodation and everything, it definitely will have an impact on what I spend it on, because I’ll be choosing the most budget things, the necessities”*
- *“Because I’ve just started my new job, my income has basically tripled. It’s changed a bit but it’s not something that now I care about to be honest”*
- *“I just don’t really have that many costs. So, I don’t have to think about it that much. I’m just generally conscious of my spending anyway. Because I don’t earn very much, so I try not to spend outrageous amounts of money all the time”*

The majority of the young panel said they would prefer to pay a set amount upfront rather than paying retrospectively for what they had used as this would give them security of not having any unexpected charges.

- *"I'd rather have the certainty myself. I pay for my contract because I know what I'm getting and how much data I'm getting, how many texts, how many minutes. I know that and I think that helps me keep within that. Almost like a budget, I guess. So, I don't get extra charges"*
- *"I would just say that I'd probably prefer to have a set price that you're paying every month, just so you have that security of knowing that you're not going to have to pay extra, like Emma said before"*
- *"I don't know how I can really relate to it, but I feel like I would rather know how much I'm paying, that it's set each month, so I can prepare and plan and budget according to that"*

Affordability was seen as being able to buy something without it having an impact on being able to afford other necessities, leaving further disposable income, and living within your means.

- *"You look at something and think it's affordable if, once you pay that money for whatever item it is, you still have enough left to do what you want with after it"*
- *"Just being able to buy something and have it not affect the rest of your financial decisions for that week or month"*
- *"I suppose not living above your means, seeing how much you have, and knowing what you need for budgeting for everything else and seeing if you can afford that as well"*
- *"If you can afford something, it's not going to make you stress if you spend money on this, and that would make it affordable. If you're having to put one thing above everything else, then that's not affordable"*

Price comparisons with other similar items, quality of a product, discounts and the desire for the item were all suggestions for how to determine whether something is good value for money.

- *"Just comparing to similar products, comparing the price. Similar products from other brands are way more expensive and it's basically the same thing. If it's much cheaper, it's a good price"*
- *"If something has been reduced then you're more likely to buy it, aren't you? I know that I'm like that. If something was a £100 and it's been reduced to £70, then that to me means that I've got to have that deal because a week later the shoes that I wanted, they're going to go back up again"*

- *“You want a quality service. You obviously wouldn’t mind paying a little bit more if it was more reliable, if you were getting more for your money perhaps”*
- *“Usually by comparing it to other relevant [similar products] ... depending on what it is, and how much I actually want or need [it]”*

When asked if there were any organisations panellists would advise those who needed financial support to contact, suggestions included Citizens’ Advice Centre, friends and family, and contacting the suppliers of the bills they are struggling to pay. They also reported having seen communication about this on social media, which links to comments raised earlier relating to companies reaching out to those who are struggling.

- *“There’s a place down the street at mine called the Citizens’ Advice Centre. They do money problems and things. So, probably there, or a family member. Your family will help you out more than anyone else. So, maybe a family member or a friend”*
- *“I’ve seen on social media that various service companies, like water, electricity, have been advertising that consumers should contact them directly if they need support, and they can see what they can do to help out. So, I’d obviously advise that, to contact the people involved directly”*

### Expectations of Northumbrian Water and Essex & Suffolk Water

Young panellists all agreed that they expected Northumbrian Water and Essex & Suffolk Water to take into consideration the cost of living crisis and as an organisation not to make unnecessary increases to make profit and make efficiency savings internally that they could pass on to the customer.

- *“Take into account the cost and price, not be for-profit, and move with other people’s wages. So, really just keeping in mind the cost of living and not do it out of greed but out of necessity”*
- *“I think that no matter however much they’re going to pay, like X was saying, charge it because they have to, not because they think, ‘we’ll get a few extra quid out of this’. If they need to rise it, I think they should only rise it if the only other option is going down to the stream and taking a bucket with you”*
- *“It costs the water companies to provide these services, so looking at ways they can reduce their own costs to keep the consumer costs low. That could be quite useful in not affecting the customer as much”*

- *“I think it’s them making sure that the cost is cheaper for everyone. So, the company should be cutting down their costs so that it’s more affordable for everyone, because people who can’t actually afford water, that will help them to be able to pay their bills and stuff like that”*

It was also agreed that given the current circumstances, the company should be focusing more on the cost of living crisis and reducing costs rather than on green issues and improving their environmental footprint. Notably, young panellists had highlighted the environment as being important in previous sessions.

- *“We looked at things in the past couple of sessions like looking out for the green spaces and stuff. Perhaps not putting as much energy and money into that and refocusing where the money is at the moment where the cost of living is a priority”*
- *“I think at the moment it should probably just be about cost at the top, prioritise that, and then hopefully once things do settle down, then have a look at the other areas after that”*
- *“I think the situation right now is just so unprecedented. I’m pretty sure it outweighs everything else”*

It was also suggested that support should be offered to customers who were struggling financially by offering alternative payment plans.

- *“Obviously, they can’t reduce everyone’s water bills, but they could have certain payment plans or different plans for people to help them not to use as much water or not pay all at once but pay a certain amount at one point and then another certain amount at a different point”*
- *“...offering payment plans – obviously, payment plans are not going to be like, ‘you don’t have to pay for your bills this month’ because that’s just never going to happen. It’s more making it easier every month, cutting down the costs, breaking it down to, ‘you need to pay £50 this month but you can pay it weekly’ or ‘pay a fiver every month’ – just making it easier. Obviously, they will still pay that money off, but it’s just that if they don’t have that money to pay it all at the end of that month, it should be split up so they could afford it then”*

However, when asked about the potential for a flexible payment plan panellists were concerned that by offering a flexible payment option where customers paid different amounts each week depending on what they could afford, there were concerns raised that this may cause customers to get into more debt if they didn't pay the necessary amounts. It was however recognised that this could be helpful to some people but shouldn't be offered automatically to all customers.

- *"I think for paying £5 here, £10 there, if they were to offer that to everybody, it could cause an even bigger problem. Because if people are avoiding paying their bills, then they're going to be getting into debt. If people have the money to pay for their bills that month, then they should be made to pay it"*
- *"I wouldn't support it being offered to everyone because it's a bit worrying. But then even if it's offered to people at risk of not being able to pay their bills, then there's the worry of increasing debt and interest levels on that. Is that a factor as well, and how that would affect people? It could just make the situation a lot worse actually"*

When thinking about flexible payments, rather than being flexible with the amount customers paid, young panellists suggested that customers could change the date of their payment depending when they get paid within the month, or paying weekly or fortnightly depending how often the customer was paid.

- *"I think it would depend on what your income was like. If your income was weekly, fortnightly, monthly. I think if you had that option, it would improve it for a lot of people. For instance, say you got paid on the first of July but your water bill came out on the 25<sup>th</sup> of July, if you could change the dates, it would be a lot more beneficial for people to actually pay their bill"*

### Communication around changes

If bills were going to increase, panellists thought the company should provide as much advanced notice as possible and be open and transparent for example letting the customer know if the prices are going to increase again in the future.

- *"I think that there should be plenty of advancement in the correspondence. So, say they were going to up the price in two months' time. Instead of waiting until that month's bill and saying, 'surprise. We're putting the bill up', it should be plenty of time in advance so the customer can sort out if there's a way that they can budget a bit more"*
- *"Just explain the reasons why they're doing it, to be more transparent and explain why"*

- *“My mobile phone bill has increased, and it’s just been through an email. But they told you a bit in advance, so it’s allowed you time to prepare, which has been quite helpful because you can look at other options rather than just having it sprung on you”*

Thinking about the level of detail behind the reasons for price increases, it was suggested that it needed to be explained at a level everyone would understand, without using jargon. One young panellist suggested providing a timeline explaining exactly how the customer’s money is used, however another thought just a brief explanation of the reason for the increase would suffice.

- *“I think a level of information that’s on the basis that every customer could understand. So, not any jargon or anything but on a level basis that every customer of every ability being able to understand”*
- *“I would maybe think a timeline. So, a document that gets sent out by email or on a poster that says, ‘first of all, the cost of flushing your toilet is this, then the cost of treating the water in your area is this, the cost of the second part of treating the water costs this much, we take this percentage as profit, we put this percentage into charity, and that equals your total bill. That is how much your bill is costing”*
- *“I don’t think too much information is necessary, but just an explanation would be nice. Because a lot of them obviously just say it. They state what they’re doing. They won’t give you any kind of explanation. Nothing too detailed, just because it’s not necessary. Do we look into the prices of everything we buy?”*

A letter was generally the preferred method for receiving notification of price increases, as it was felt people would pay more attention to a letter than to other methods such as email.

- *“I think because everyone gets loads of spam emails every day, I don’t think they’re super important. Most people won’t read them in-depth. But perhaps a letter would be okay”*
- *“If this was actually utilities related then I would prefer a letter than an email. But everything else, just an email. Just the bills, utility stuff I’d want a letter. I can’t just cancel water, but I can cancel Netflix. That’s the kind of thing.”*

If bills were to decrease, it was agreed that customers should still be notified, however it was seen as less of a priority, and less detail would be required in the explanation.

- *“I don’t think it would be as much of a priority to notify a price decrease. It could just be put on the next bill, saying ‘we’ve decreased the price’. It wouldn’t be something that I would be expecting them to send a letter two months earlier saying ‘we’re going to decrease the price in two months”*

- *“Not as in-depth, but if they’re going to decrease, just send you some form of notification, whether that be an email or a letter. Just to say, ‘we’re decreasing the price’ and maybe just a sentence of, ‘because of such-and-such’. I just think if you’re going to do it one way, you should do it the other, just for consistency really”*

#### Discussion – bill profile over time

Young panellists generally agreed that they would prefer the flat bill profile over the fluctuating bill profile, as then customers would know what to expect each month and this would allow them to budget accordingly. However, it was recognised by some that a fluctuating bill might be helpful for those who had a fluctuating income.

- *“I think you need to know what to expect in order to be able to budget. Over time, if it goes up and down, you’re going to be paying about the same rate as if it’s flat. So, I just think flat is easier for everybody, fairer on everybody, and you’ve got more direction for your budgeting”*
- *“I just think if people are budgeting and they’re living pay cheque to pay cheque, as most people do in this country, if it changes – if it goes down, obviously that’s a big plus, but if it goes up, it’s going to really detrimentally affect their living circumstances, even if it’s just for a little while. I don’t think it’s worth it just to have that little bit of a financially better time. So, consistency is probably better for planning for the long-term”*
- *“I think it just depends on the person, maybe personal preference and what they prefer. Because obviously, with people’s incomes, some get a flat salary wage over the year, and some people get more in some months, like if you’re self-employed and things like that. So, people could have a really good month and pay more for their water, and then have a really bad month the month after and not be able to pay the same amount. So, I think it just depends on personal preference. But maybe they should just give the option to the individual for what they would prefer”*

## Overall summary and conclusions

Three of the five groups (Essex, Suffolk and Young) thought the war in Ukraine was the most concerning factor in terms of the cost of living crisis at the time of the discussions, whereas the Northumbrian and Employee groups considered ‘energy price rises’ to be the most concerning.

When discussing reasons for the way in which they ranked these factors, panellists generally highlighted how the factors were interrelated to one another and had knock-on effects. For instance, panellists said that the war in Ukraine had had an impact on fuel costs, whilst fuel costs and energy prices rising go hand in hand, as well as the rising inflation rate, all adding to panellists having to consider their behaviour more carefully.

	Employee	Northumbrian	Essex	Suffolk	Young
1st	Energy price rises	Energy price rises	War in Ukraine	War in Ukraine	War in Ukraine
2nd	Rising inflation rate	Rising inflation rate	Rising inflation rate	Rising inflation rate	Energy price rises
3rd	War in Ukraine	War in Ukraine	Energy price rises	Energy price rises	Covid-19 impact
4th	Covid-19 impact	Covid-19 impact	Covid-19 impact	Covid-19 impact	Rising inflation rate
5th	Energy suppliers going bust				

The majority of respondents reported feeling ‘okay at the moment but worried about the future outlook’ when asked how they were feeling about their costs of living at the moment. ‘Young’ was the only group where this was different, with ‘quite worried now’ being the most prominent feeling, although this was the only group where anyone reported feeling ‘all good, not worried at all’. Discussing how it felt to be a bill payer at the moment, many panellists felt that it was worrying and stressful due to the price rises, and not knowing how much prices would rise in the future, causing uncertainty about the outlook. There were also concerns about the further cost increases expected in October 2022.

Most panellists across each group said they did keep an eye on their bills, with many stating they did more so now due to the rising costs. Panellists were less likely to keep a close eye on their water bills as the amount was generally considered to be lower than other utility bills, and their bills hadn’t increased. However, some panellists did discuss how they were more conscious of the amount of water they used now, and were making a conscious effort to use less. The majority of panellists across the

groups thought their behaviour had changed in terms of their spending: keeping a closer eye on what they were spending, cutting down on non-essential spending, using their car less and turning lights and appliances off.

Across the groups, affordability was discussed in terms of essentiality, such as basic products or services which are needed to survive, including food and fuel for cars. Something could be classed as unaffordable if it is not essential; panellists felt they needed to prioritise in terms of what is affordable and what isn't. The 'young' panellists felt affordability equated to living within your means, and something being affordable if it didn't have an impact on their ability to be in a position to pay for necessities. Value for money was generally thought to be determined by making comparisons with other similar products, and by the perceived quality and reliability of a product.

In terms of expectations of Northumbrian Water and Essex & Suffolk Water, panellists felt the organisations should be offering help and support to anyone who was struggling with paying the full cost of their bill regularly. There were several suggestions made as to how Northumbrian Water / Essex & Suffolk Water could help, including offering payment 'holidays' and flexible payment plans, offering advice on saving water for those on metered supplies, checking in with customers to ensure they are managing with price increases, voluntary schemes for customers to pay a little extra to help those in need, and making savings internally that they could pass on to the customers via creating efficiencies. Getting in touch with various organisations was suggested for customers who were struggling to pay their bills. Citizens Advice was mentioned several times across different panels, as was contacting the supplier of the bill customers were struggling to pay directly.

Thinking about communication regarding any changes to customer bills, panellists felt this should be provided with as much notice as possible, with an open and honest explanation as to the reasons behind any increases in the bill. Advanced and detailed notification was seen as less important for a bill decrease, although panellists would still like to be notified. The method of communication preferred varied between groups, although letter was considered to have more gravitas in this circumstance, with people paying more attention than they would to an email or social media.

It was widely agreed by panellists that they found their water bill to be affordable. Many commented on the fact that the bill was relatively low in comparison to their gas and electricity bill, they thought it was good value for money, and any increases they had experienced so far had been minimal. It was however discussed that Northumbrian Water and Essex & Suffolk Water should be doing everything they could to keep the bills as low as possible for customers, and that profits for shareholders could be decreased as a way of helping out customers who were struggling due to the cost of living crisis.

Opinions on the idea of offering a flexible payment plan to customers was mixed. Some panellists thought it was a good idea for those whose income fluctuated, or for those who received income on a weekly basis rather than monthly, however others raised concerns that this may cause customers who are in financial difficulty to put off paying their bills and end up in further debt and therefore shouldn't be offered as a blanket payment option. In terms of payment options, the majority of customers would prefer one big increase rather than incremental increases each month and would also prefer a flat bill profile rather than a fluctuating one as on the whole panellists would rather know exactly what they would be paying, allowing them to budget accordingly.

## Event feedback

The closing satisfaction polls were asked to four of the five panels (it wasn't shared with the young panel due to time constraints). Panellists were asked to use a rating of 1 'strongly agree' to 5 'strongly disagree' to show how they felt about each statement. The results are as follows and reveal a positive experience for all attendees on all aspects for this round of sessions.

All panellists strongly agreed or agreed that the information provided throughout the session was clear and easy to understand, which was particularly the case for the Suffolk panel.

The information provided throughout was clear and easy to understand



All but one of the panellists agreed or strongly agreed that they understood the purpose of the session. The remaining panellist neither agreed nor disagreed.

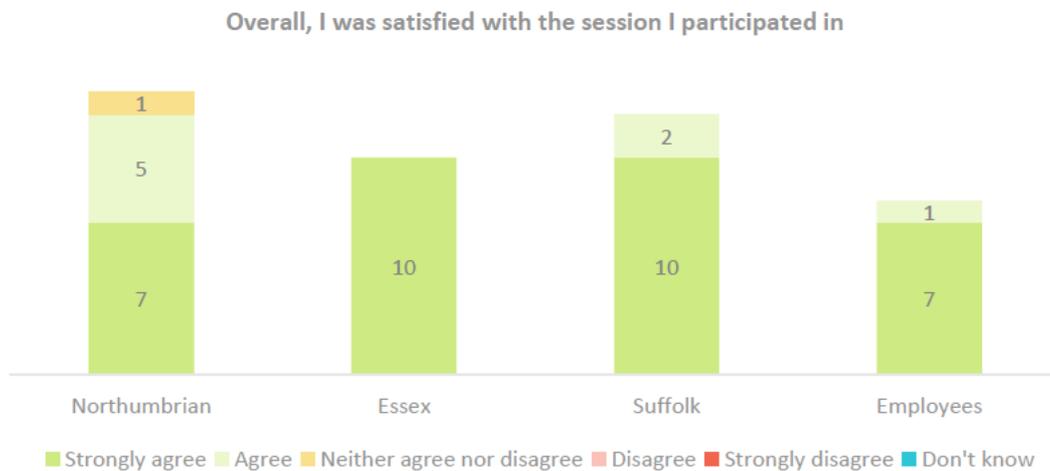
I understood the purpose of the session



There was also strong agreement that the discussion was interesting, with just one panellist neither agreeing or disagreeing with this statement. All other panellists agreed or strongly agreed.

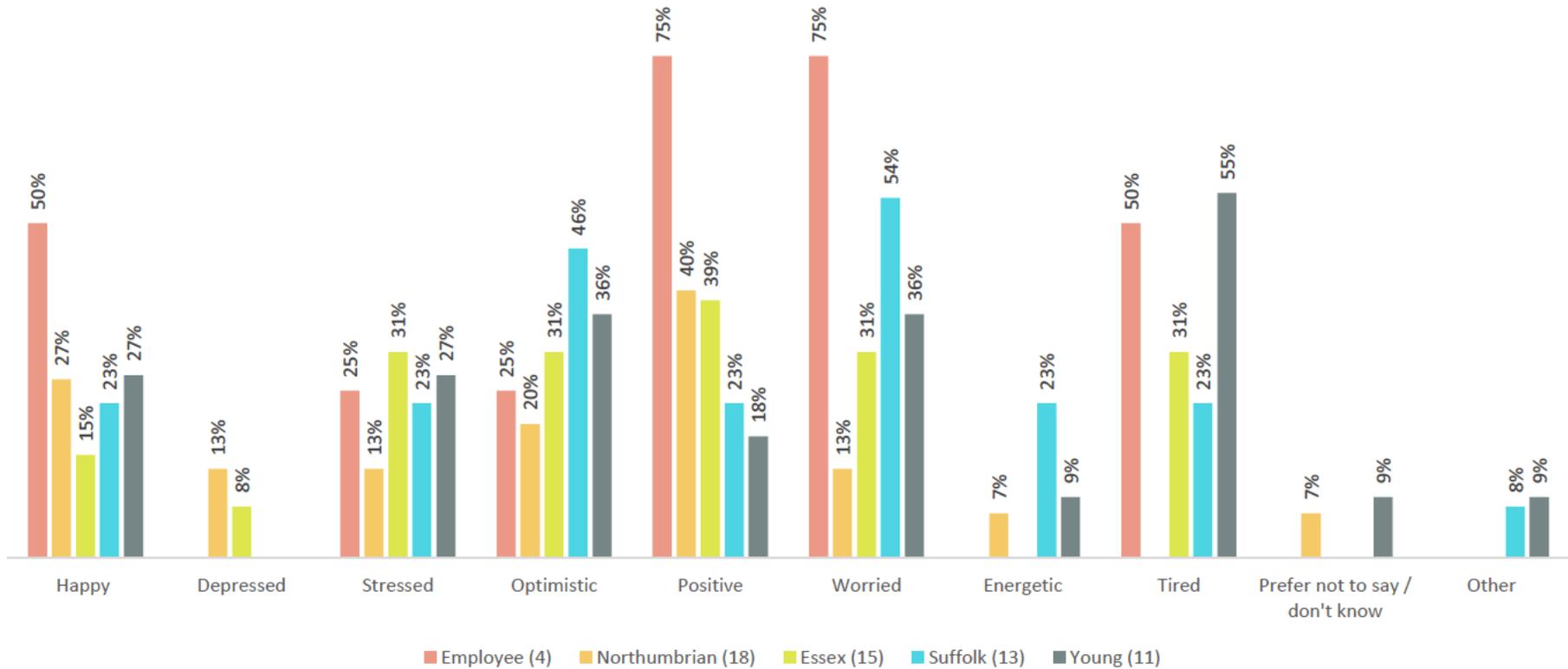


Results were very similar for the final poll, with all panellists from Essex, Suffolk and employee groups either agreeing or strongly agreeing that they were satisfied with the session. There was one panellist from the Northumbrian panel who neither agreed nor disagreed with this.

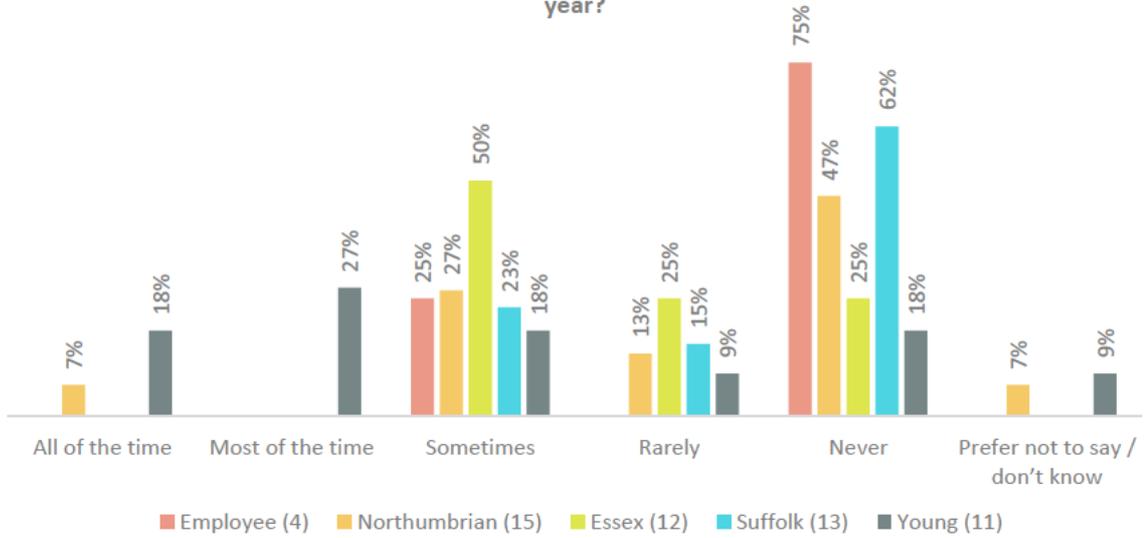


# Appendix 1 – Results of session pre-work

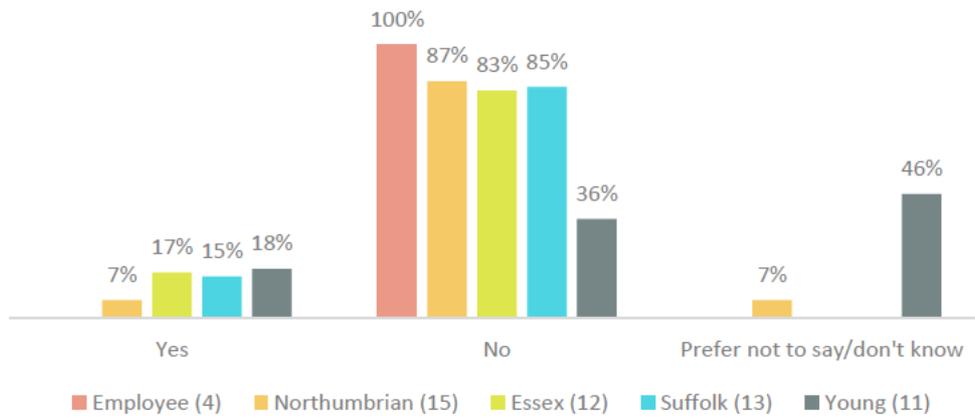
Which of the following emotions best describe how you're feeling towards day-to-day life at the moment? Please select all that apply



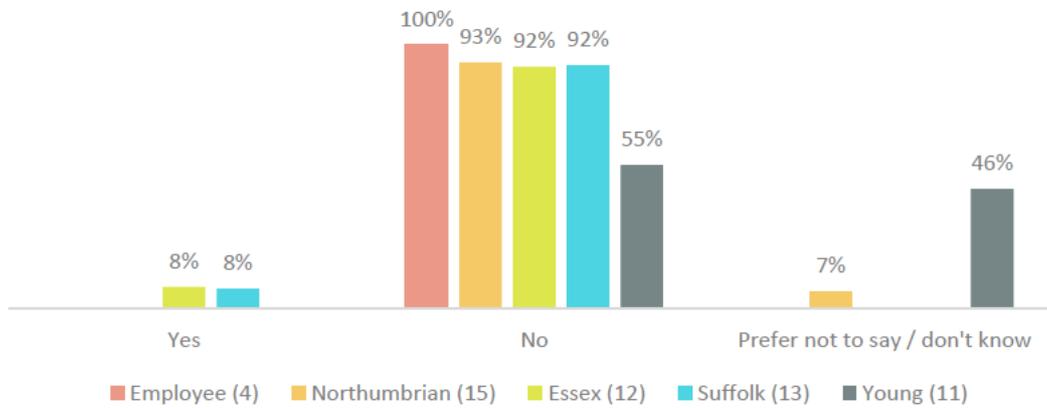
Have you/your household struggled to pay your household bills at all over the last year?



Have you/your household received any financial support from any company over the last year?



Have you/your household received any financial support from any of your utility providers?

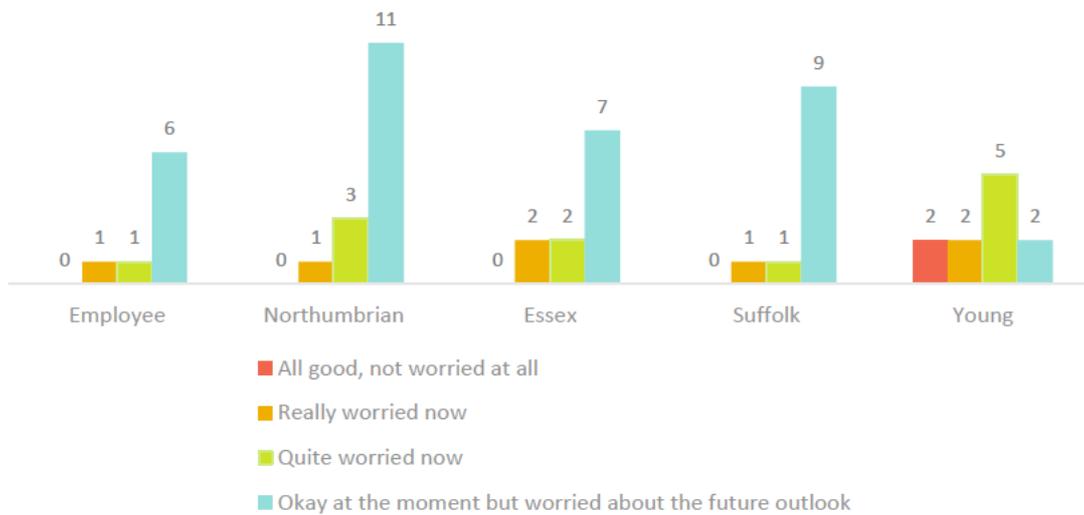


Those who answered 'yes' to receiving financial support from any organisation over the past year listed the following companies. *Please note the colour codes below relate to the panel group as shown on the chart legend.*

- **Eon. Energy support grant for low income/disability**
- **BME Girls Empowerment Initiative - Financial support included gift vouchers for groceries**
- **I had a small loan from the bank**
- **I have had a few food parcels and have been given some food vouchers**
- **Warm Home discount via Bulb due to me receiving ESA Council Tax discount due to me receiving ESA**
- **Ovo**
- **Extended payment plan**

# Appendix 2 - Poll on feelings about cost of living

How are you feeling about your costs of living right now, i.e. your outgoing spending?



# Appendix 3 - Slide content

## BRAINSTORM IN ZOOM CHAT

- From what you've seen and heard, what factors are contributing to the cost of living crisis, and challenges in the economy?

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## POLL VOTE [MENTI]

- Please rank the following based on your level of concern about each factor, i.e. highest rank equals greatest concern.

*Response options to include the following plus any additional mentioned by respondents:*

- Energy price rises
- Energy suppliers going bust
- Rising inflation rate
- War in Ukraine
- Ongoing impact of Covid-19 pandemic

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## CONTEXT

### WHY DO WE WANT TO TALK TO YOU ABOUT THIS?

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- Though we aren't an energy supplier, we are one of your utility providers and one of the services which your household has to pay a bill for
- The affordability of our bill is important to us and to our bill payers
- As you've heard in previous sessions, we have an ambitious goal to eradicate water poverty in our regions (customers spending more than 3% of their income after housing costs on their water bill)
- It's also important to us to understand how our customers are feeling, and what life is like for those in our regions, including how these things might change over time
  - We might look to pick this conversation back up with you again at a later time too

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## POLL VOTE [ZOOM]

- How are you feeling about your costs of living right now, i.e. your outgoing spending?
  - All good, not worried at all
  - Okay at the moment but worried about the future outlook
  - Quite worried now
  - Really worried now
  - Not sure
- **Follow up discussion question with full group:** How does it feel to be a bill payer at the moment?
- Have you noticed any changes in your bills over the last six months or so?

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## DISCUSSION – GENERAL BILL ENGAGEMENT

- What do you think about when deciding whether you would consider something “affordable”? How do you assess what is affordable for you?
- How do you determine if something is good value for money?
- Do you typically keep a close eye on your bills, i.e. the amount they cost? (*any bills not just water at this stage*)
  - Would you typically check to see how much your bill is?
  - Would you compare it to the previous bill you had from that company?
  - How about for your water bill specifically?
- Do you have a preference for paying up-front or retrospectively, i.e. paying for a service in advance or one you’ve already had, such as based on usage? Does this play into your decision making at all? Why? [*Mod note: unpick uncertainty element around this*]
- Has your behaviour around your bills changed in the last 6-12 months at all? If so, how?
  - With everything going on at the moment, are you paying any less or more attention to your bills? Why?
- If someone needed advice or support with their finances, where would you recommend they go? If you were to struggle, who would you ask?
  - Are there any particular organisations you would direct them to? If so, where?

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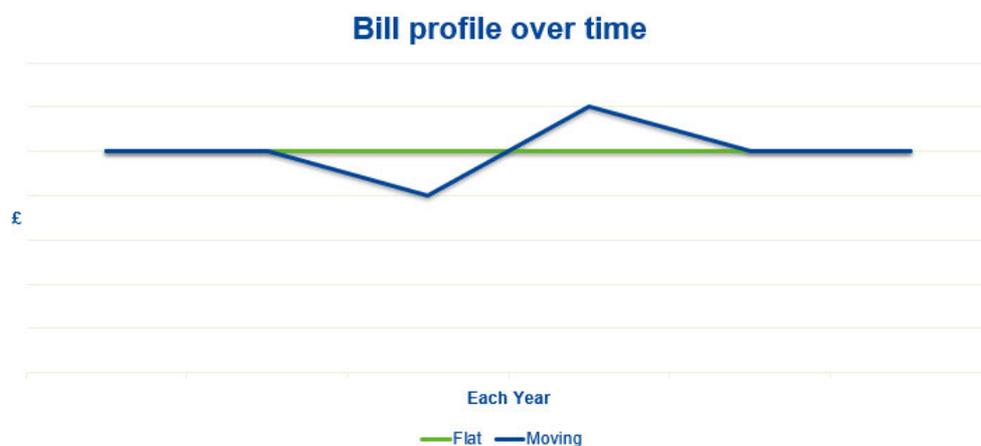
## DISCUSSION – EXPECTATIONS OF NW / ESW

- To what extent do you consider your water (and wastewater) service to be affordable?
  - Good value for money?
- What do you expect from NW/ESW in the current circumstances?
  - Is there anything you expect them to be doing differently?
  - If yes, what?
- Would being able to make flexible payments (e.g. pay £20 this week and £5 next week, or change payment dates) be a structure which would be of interest to you? Would you find this helpful?
- If yes, how would you like to manage this?
- How do you think NW could manage this effectively?

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## THINKING ABOUT BILLS CHANGES IN BILLS OVER TIME

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## DISCUSSION – BILL PROFILE OVER TIME

*MODERATOR SHOW BILL PROFILES. PLEASE NOTE THAT THE TOTAL AMOUNT PAID IS THE SAME EITHER WAY, IT CAN JUST BE FLAT OR FLUCTUATING*

- What are your thoughts on what you have been shown? Why?
- What do you feel are the pros of each option?
  - And cons?
- What do you like/dislike about each? Why?
- Bearing in mind that you would pay the same overall, would you prefer a constant bill amount or one moving up and down over time?

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