

SEVERN

TRENT

Qualitative research to shape Severn Trent's AMP8 rising block tariff trial

November 2024

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JN9883





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Executive summary

The research highlights a clear trajectory from initial rejection and hostility to cautious acceptance and even mild positivity towards the proposed RBT concept, driven by progressive adjustments to its design and positioning in light of customer feedback.

Early negativity: The initial Rising Block Tariff (RBT) concept, with mandatory participation and five charging blocks, was met with strong resistance. Participants felt it was punitive, overly complex, coercive and unfair to larger households. This led to widespread distrust and negative views of Severn Trent as a company.



Even when the mandatory aspect of the concept was softened, allowing families of four or more to opt-out, the mandatory participation of larger households still causes major concern.

Improved perception over time:

As greater customer choice was introduced and the trial eventually became voluntary in nature, perceptions improved significantly. By the end of the research, most felt that they would successfully save money and reduce their water consumption if participating in the trial.



Emotion: With a lack of choice comes a sense of participants becoming emotionally fraught. This was particularly acute amongst those from larger households who expressed real concern for their wellbeing and ability to cope should a mandatory rollout be instigated.



Brand perception: In its earlier (mandatory) forms, the RBT has the potential to significantly impact the Severn Trent brand with customers assuming that the tariff is designed to increase profits – despite being told this is not the case. Many see the proposed tariff as an indication that the company as disconnected from the realities of its customers' lives.



By making the trial entirely voluntary, the negative impact on brand satisfaction is reduced.

Naming: Participants even feel that the name 'Rising Block Tariff' implies that they would be punished for their water usage rather than supported to reduce it. 'Water Saver Tariff' was preferred as it aligned better with the trial's intended goals of affordability and water conservation.



Support: This tariff will be a new experience for trial participants who cannot predict in advance its impact. As such, they expect Severn Trent to support them, through financial protections (such as bill caps, monetary incentive for taking part, or a refund, should bills end up being higher), providing practical tools and incentives and clear, tailored communication.





Background and research context



Ofwat has asked water companies in England and Wales to trial innovative charging tariffs which would achieve two objectives at the same time:

To make water bills more affordable (especially for those struggling financially).

1

To encourage customers to reduce their water consumption.

2

Severn Trent plans to trial a rising block tariff with up to **3,000** smart metered household customers from **April 2025**, to see if they save money and reduce their water consumption.

The trial will last at least one year.

Qualitative research was required to help shape the trial and the communications around it.



Objectives

Qualitative research was commissioned in order to shape Severn Trent's AMP8 RBT trial.

It was designed to understand how this type of tariff lands with customers, and to understand how it can be best positioned to minimise negative PR.

Key areas covered...

- **Perceptions of household water usage**
 - Consciousness of water usage – whether above/below average
 - Usage behaviours considered 'luxury' or 'wasteful'
- **Water bills**
 - Affordability
 - Understanding of how the bill is calculated
- **Their smart water meter**
 - General thoughts on smart water meters
 - Awareness of being on a smart water meter
 - Usage of *My Smart Tracker* to monitor water usage
- **The proposed RBT trial: as a concept**
 - Clarity
 - General perceptions of the trial (pros and cons)
 - Perceptions of fairness
 - Measures of success
 - The extent their perception of ST has been affected.
- **The proposed RBT trial: if personally affected**
 - How they would feel about being told they would be part of the trial
 - Suggestions for exclusions
 - Perceived impact on mental health/hygiene behaviours
- **Suggested changes to the trial and communications that will be required**



Methodology



Focus Groups

4 focus groups (26 customers)

We undertook four face-to-face focus groups with smart metered customers across Coventry and Warwickshire.

Group Location	Date	Sample Group
Leamington	4th Sept 2024	Just about managing (JAM) (6)
Coventry	5th Sept 2024	Financially struggling (6)
Leamington	10th Sept 2024	Comfortably off (8)
Nuneaton	11 th Sept 2024	Mix of JAM and financially struggling (6)

All focus groups were attended by at least one Severn Trent representative.

Each group lasted 2.5 hours and customers each received £70 for their participation.

All participants (FGs and depths) had had their smart water meter for at least a year, but they were not necessarily aware that their meter is ‘smart’. None were eligible for the Big Difference Scheme or WaterSure, since people on these schemes will be exempt from the trial.

***Note:** Please find a more detailed breakdown of respondent demographics in the appendix.



Online depth interviews

14 customers

14 online depth interviews were held with smart metered customers living across Coventry and Warwickshire.

Financial Situation	
Financially struggling	7
Just about managing	7
Groups of interest	
Student	2
Faith groups (Hindu, Islam and Jewish)	4
English not first language	3

Each interview lasted 1 hour and customers received £40 for their participation.

Fieldwork Dates: 18th October – 12th November 2024

With the exception of the ‘comfortably off’ group, recruitment focused on customers struggling financially or just about managing, due to these being key cohorts that Ofwat says an RBT trial should particularly aim to help.



How the concepts that we tested evolved throughout the research

Concept 1 (5 blocks)

At the start of the research process, the RBT concept was outlined as requiring:

- Fully mandatory participation if selected, apart from those meeting certain qualifying criteria (e.g. being on a Severn Trent financial support scheme).
- 5 blocks of water (each covering 2,500 litres per month).

Concept 1 - tweaked (5 blocks)

- **Due to customers' distinctly negative reactions in the first two focus groups, Severn Trent revised the RBT trial concept so that:**
 - Families of four or more were allowed to opt-out of participating.
 - All other aspects of the trial remained the same.

Concept 2 (3 blocks)

Following the sustained negativity, Severn Trent decided to overhaul the structure of the proposed RBT. Changes included the following:

- The trial is now completely voluntary. Anyone who wants to opt out, can.
- Instead of 5 blocks of water, this has been reduced to 3 (each now covers 5,000 litres per month, rather than 2,500).
- The focus is placed more on improving affordability rather than addressing water scarcity.
- The trial name has been changed to the 'Water Saver Tariff Trial', reflecting feedback collected from the focus groups.



Customers have a varied awareness of their household's water usage

Many say they're mindful of water consumption - reducing shower times, turning off taps while brushing teeth, and using bowls for dishwashing.

While most customers rationalised their own behaviours (see overleaf), there was consensus on certain activities that they considered wasteful, particularly when performed excessively or without reason:

Running dishwashers/washing machines half-full



Leaving the tap running



Taking excessively long showers



Frequent lawn watering



Awareness and frustration about water usage were notably higher among the comfortably off group, who felt more conscious of their habits and the challenges of reducing 'essential' consumption.

"I try to keep my usage down, but when you have a garden, it's hard not to use more water, especially in the summer. We try to be sensible, but certain things just need more water."

Comfortably off - Leamington Spa

"We do our best, but with kids, it's not easy. They don't always understand the importance of saving water, so they'll take long showers or forget the tap is running. We're aware, but it's tough to control."

JAM and financially struggling - Nuneaton



Most customers using a lot of water consider this justified, rather than wasteful

Practical needs

Larger households felt their water usage was higher by necessity, making it harder to adopt water-saving behaviours. Parents, for instance, pointed out the challenges of teaching children to conserve water, while larger families argued that their consumption was unavoidable due to the number of people in the home.

Lack of alternatives

For some, perceived wastefulness was linked to a lack of alternatives. For instance, washing dishes under running water was justified by those without access to a dishwasher

Seasonal and occasional usage

Some customers argued that activities like filling a paddling pool or watering lawns during dry spells were rare or seasonal and therefore not reflective of regular wasteful behaviour.

Health and lifestyle

Many customers rationalised higher water use when tied to hygiene or health. For example, long showers were excused as a way to relax after a long day or to relieve stress. Watering vegetable gardens was justified as a lifestyle choice contributing to household well-being or sustainability.

Household constraints

Activities such as frequent laundry, longer showers, or watering gardens were not seen as wasteful but rather essential to maintaining household hygiene, comfort, or upkeep. For example, customers with children highlighted that keeping up with laundry and occasional paddling pool use in summer were unavoidable.



For these metered customers, saving money is the key motivation for reducing water consumption



Cost savings emerged as the primary motivation for conserving water across all groups, particularly given rising utility bills. For many, reducing water usage was seen as a practical necessity rather than a choice.

"We try our best ... like, when I'm washing dishes, I try to turn the tap off between rinsing. We shower instead of taking baths and use a low-flow shower head that my sister recommended."

Depth - Struggling financially

Environmental considerations were a secondary motivator, viewed as a positive outcome rather than the main driver. Participants who were already environmentally conscious often cited a mix of financial and ecological reasons for their water-saving efforts.

"We try to limit our shower time to 3 minutes ... but our little one loves the shower, so it's sometimes hard. We also use a low-flow showerhead they handed out at the community centre."

Depth - Hindu

Depth interview respondents emphasised financial motivations even more strongly, often linking water conservation directly to economic pressures rather than environmental concerns.



Practical household constraints and lack of awareness/information were identified as barriers to saving water

Practical household constraints

For many customers, the structure and needs of their household present significant barriers. Larger households, families with young children, or households with higher water demands due to lifestyle or medical needs often struggle to keep usage low. Parents, for example, described the challenge of getting children to adopt water-saving habits, and seasonal demands, such as filling a paddling pool in the summer, were seen as inevitable spikes in consumption.

"The showers add up quickly with teenagers in the house ... you try to keep it low, but everyone has different habits, and it's not always realistic to keep a strict eye on it."

Just about managing – Leamington Spa

Lack of awareness or information on water-saving measures

A recurring theme was the need for clearer guidance from Severn Trent on effective ways to conserve water. Some customers felt they were already "doing their best" with basic strategies, like turning off taps and minimising shower length, but lacked confidence that these actions were making a substantial difference. Others mentioned that they were unsure which devices or techniques would have the most impact, especially as they haven't seen resources or support directly from Severn Trent on this front.

"If they want us to save water, they should show us how. An app or something with tips would be great, because right now, we just aren't sure what works best."

Depth - English not 1st language



Customers suggested that Severn Trent could raise awareness through more proactive communication and accessible resources

Tools



Providing accessible water-saving tools like low-flow shower heads, or water butts, either at no cost or through subsidies.

Education



Increasing education on effective water-saving techniques through easily digestible content, such as apps, videos, or community outreach.

Regular comms



Regularly communicating the importance of water conservation, both financially and environmentally, to motivate behavioural changes and reframe water as a resource worth saving.

"Honestly, I'd never heard about the water scarcity problem from Severn Trent before today. They should be sending information out on social media or even in emails with some stats. Maybe more people would take it seriously if they understood the future risks."

Depth - Struggling financially

"They could do more with visual content ... a few videos or TV ads to show what's happening with water, the bigger picture. People pay attention when they see things, and that would stick in their minds more."

Depth - Hindu

"They need to show us the impact ... if they put stats in our bills or sent emails about water usage over time, it might get people's attention. Just hearing it one time in an interview won't make much difference."

Depth - Struggling financially



Across all groups and interviews, affordability of water bills was a major concern, with customers expressing financial strain due to rising utility costs

Many customers felt water bills were relatively manageable compared to other utilities, especially gas and electricity, which are more susceptible to seasonal spikes and steep price increases.

However, for households already struggling financially, water bills added to the cumulative burden, with participants describing their financial situations as precarious. Most customers admitted they paid little attention to the breakdown of charges and focused primarily on the total amount due.

Those in the 'financially struggling' focus group and the depth interviews were particularly vocal about the strain, indicating that even small increases could push them into further financial hardship.



"The bills are manageable right now, but I don't look too closely at the breakdown. I just pay what's there. I'm not sure how fair the amount is, especially when it comes to sewerage."

Just about managing – Leamington Spa

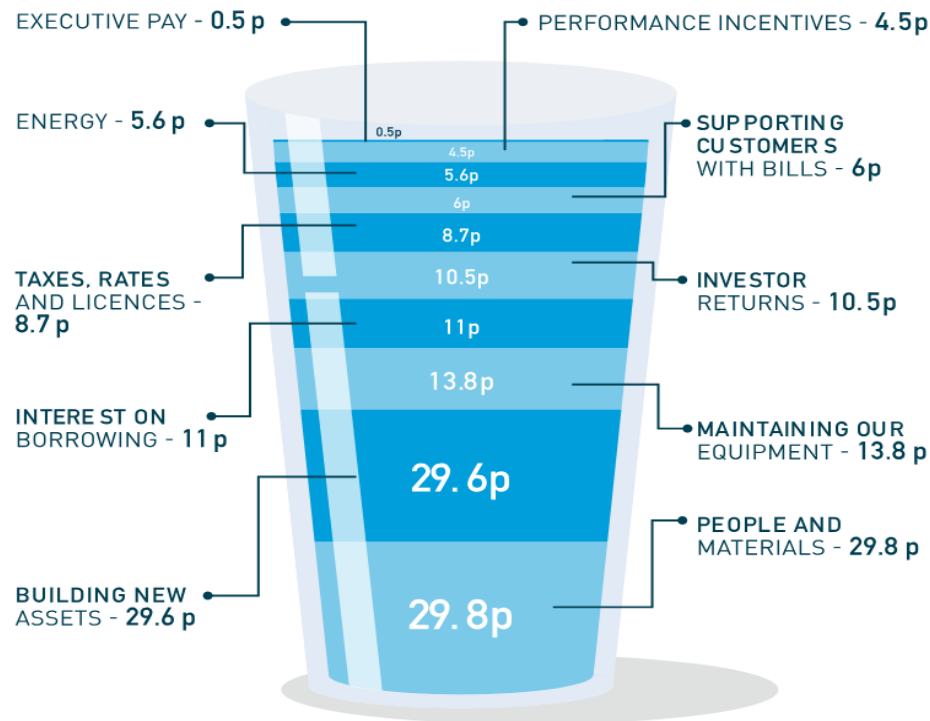
"Honestly, the water bill is just another thing to worry about. I try to keep track, but it feels like no matter what we do, the cost keeps going up. It's hard to see where the money goes."

Financially struggling - Coventry



Customers have limited unprompted awareness of how Severn Trent spends customers' money

When asked if they knew how their bill broke down, and which services their bills paid for, customers show very limited awareness, with most purely stating water and sewage. However, once given more information, customers are generally unsurprised – the shown activities just make sense to them.



Having said this, a very small handful of customers did pick up on **executive pay**, with some saying that they were surprised it wasn't higher, and others trying to calculate how much of their total monthly bill would go towards executive pay. One also questioned why Severn Trent are **borrowing money** and therefore paying interest on it.

"I don't really look into it too much. I think it involves them getting the water from the source, obviously make sure the water is clean and then obviously get in the used water to clean it."

Depth - Financially struggling

"I did kind of assume that obviously all of these different costs do come into it because, you know, at the end of the day, the company's still got to run."

Depth - Jewish

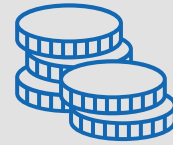


Most customers were unaware of Severn Trent's financial support schemes

Awareness of Severn Trent's affordability support schemes, was limited.

Those who were aware often heard about it through friends, community centres or through their work rather than direct communication from Severn Trent.

Most felt that the information was not widely publicised or easy to access. Many suggested that the company could improve outreach to ensure more customers in need are informed about available support.



After being made aware of the schemes, perceptions of the company positively shifted, with many appreciating the support and viewing it as thoughtful and customer-focused.

While some were surprised a utility provider offered such help, others felt these schemes were poorly publicised, suggesting better outreach could enhance their impact.



"I wouldn't know where to start if I wanted help with the water bill. It seems like they don't really advertise it, and it's not something you'd know about unless you go looking for it."

Depth - English not 1st language

"I don't know much about what Severn Trent offers. I've seen other utilities advertise their support schemes more openly, but with water, I haven't seen anything like that."

Struggling financially - Coventry

"I haven't really seen anything from them directly. An email or flyer explaining what help there is would be nice, because not everyone knows about these things."

Depth - Struggling financially



Summary of significant differences between cohorts

Concept 1 (5 blocks)

Leamington – JAM and
Coventry – Financially struggling

Those just about managing expressed cautious optimism about managing their finances despite rising costs, while those financially struggling described acute financial stress, with participants **feeling overwhelmed** by even small increases in bills.

Concept 2 (3 blocks)

Mixed financial status
across Coventry and Warwickshire

Participants in the depth interviews frequently cited the **rising cost of living** as a factor that exacerbated their financial **stress**. While some found water bills manageable, others highlighted difficulties in budgeting, as being in metered households means you can face seasonal fluctuations. They also noted that information about affordability support schemes was **not well-publicised**, creating a barrier for those needing assistance.

Concept 1 – tweaked (5 blocks)

Leamington – Comfortably off and Nuneaton
– JAM and Financially struggling

The comfortably off group expressed **frustration** over certain elements of their bills, e.g. standing charges and sewerage. They also express scepticism around the company's intentions and motivations for raising bills. In contrast, the mixed group (JAM and financially struggling) viewed their bills as generally fair but desired better communication to understand how rates were set.

"I find the bills frustrating, to be honest. I have no idea why the charges are what they are, especially for things like sewerage. They should be clearer about where our money is going."

Comfortably off – Leamington Spa



Customers expressed a range of opinions on smart water meters, generally recognising their benefits

Smart water meters

Many viewed smart meters as a positive development, primarily for their ability to provide accurate, **real-time data on water usage**.



Some customers welcomed the potential for greater transparency, feeling that the insights could encourage **a more mindful approach to water use**.



However, several had reservations about the technology's reliability and data accuracy, **worrying that inaccuracies could lead to billing issues or extra costs**.



Privacy was also mentioned as a potential drawback, with a few customers unsure about how their data is handled.



My Smart Tracker

My Smart Tracker tool, though rarely used, was largely well-received, with respondents seeing it as a **useful platform for keeping tabs on daily or monthly consumption**.



Customers, especially those already using similar energy tools, could see its value for **fostering sustainable habits and understanding their household's patterns**.



However, some doubted whether they would continue to engage with the platform over time, noting that **initial enthusiasm for tracking might diminish** once routines were established.



A segment of customers felt that tracking water usage too closely could create **unnecessary stress**, particularly for households already mindful of their consumption or struggling financially.



"It sounds interesting to see how much we're using each day or month, but would it be something I'd use a lot? Maybe at first, but I don't know if I'd stick with it."

Depth - English not 1st language

"If it works, that's fantastic ... there shouldn't be confusion over bills or getting into debt. But I've heard there can still be issues with smart meters, so I'd want it to work properly first."

Depth - Struggling financially



Awareness of Smart Meter status

Around half of those spoken to were aware that they were on a smart water meter.

On the whole, smart water meters were talked about in positive ways, particularly amongst those who had experienced something positive as a result of having one installed (e.g. had a leak detected, experienced a greater sense of control of their usage etc).

Others like smart water meters have the potential to add a layer of transparency around what ST is charging them as they can see easily the impact of their usage.

- **Just about managing group 1 – 4** (of 6) aware
- **Financially struggling group 2 – 3** (of 6) aware
- **Comfortably off group 3 – 6** (of 8) aware
- **Mix of JAM and financially struggling group 4 – 2** (of 6) aware

"Well before, like with the gas, it annoyed me a little bit because they estimated it based on someone else's usage and take the money upfront but I don't want to pay for something I am not using."

Financially struggling - Coventry

"I didn't know it was a smart water meter. I knew it was a water meter but now I know it's smart I feel like I can go online and check so I think it's brilliant."

Just about managing – Leamington Spa

"It makes you feel as though you're in control and helps you budget better then."

Financially struggling - Coventry

"For me, I had a leak in a toilet in the garden, a few months ago before summer time and I wasn't aware of the leak there. Because of that smart meter, because it was continuously going ... I receive a text message from Severn Trent saying you've got a leak somewhere and since then my bill's dropped down!"

Just about managing – Leamington Spa



The views of comfortably off customers differed from those of all other customer groups

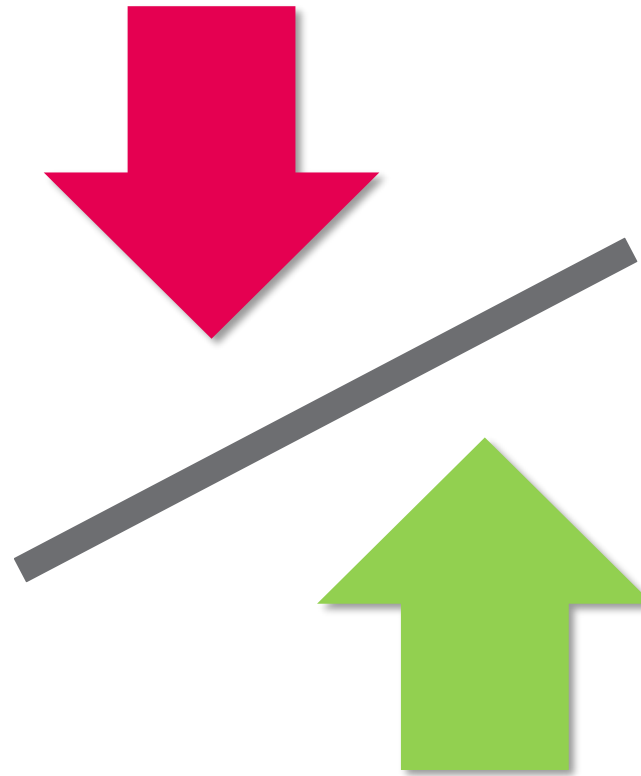
Comfortably off

The comfortably off group largely distrust smart meters, with many expressing concerns over accuracy and added stress. They viewed the technology as more beneficial to the company than the customer.

*Please note, participants in this focus group were, on average, slightly older than those in other groups, so it is likely that this opinion is influenced more so by age than financial status.

"I know we have a smart meter, but honestly, I don't bother with it. It feels like it's more for Severn Trent's benefit than ours, and I'm not convinced it's accurate."

Comfortably off – Leamington Spa



"I check the tracker now and then; it's actually quite helpful to see how much we're using. But it would be better if it were more personalised, like showing data for households of our size."

JAM and financially struggling - Nuneaton

Other cohorts

Other customers were far more open to the technology, particularly appreciating its potential for transparency and accuracy. They viewed smart meters as a tool to support more sustainable habits but highlighted the need for assurances on reliability and data security.

The Rising Block Tariff Trial: Feedback on concept 1...

Concept 1: (5 blocks)

Fully mandatory participation if selected, apart from those meeting certain qualifying criteria (e.g. being on a Severn Trent financial support scheme).

5 charging blocks

Focus groups shown this concept:
Just about managing: Leamington Spa
Financially struggling: Coventry



Reactions to the RBT trial concept were distinctly negative, with many expressing concerns over fairness to larger households

The concept of **equal block sizes** for all households, regardless of the number of occupants, was a **major concern**, with many arguing it unfairly penalises larger families. This lack of dynamic pricing based on household size was seen as problematic, and comparisons were drawn to other industries (such as energy or transport) where usage-based pricing is more flexible.

Some participants **appreciated the automatic updates and alerts** (e.g. when the tipping point of a certain block is approaching) about their water usage but worried it **might create additional stress** by making them **overly conscious** of their consumption, **potentially affecting mental health** and daily behaviours.

Rising blocks	Daily usage	Monthly usage
Essential (1)	Up to 82.2 litres	Up to 2,500 litres
Essential (2)	82.3 - 164.4 litres	2,501-5,000 litres
Standard	164.5 - 246.6 litres	5,001-7,500 litres
Premium (1)	246.7 - 328.8 litres	7,501-10,000 litres
Premium (2)	>328.8 litres	Over 10,000 litres

"The idea makes sense to help people save water, but it's **not fair** for larger families like mine. We can't avoid using more water. It feels like we're being **punished** for something we can't control."

Just about managing – Leamington Spa

"It sounds like it's just another way to make us pay more. I get the idea behind it, but for people like us who are already struggling, it's a real **worry**. I'm **scared** it'll make things worse."

Financially struggling - Coventry



General reactions were negative across the two groups, however, those financially struggling were more heavily concerned about the financial impact

Just about managing

Though still unsure, this group had a slightly more balanced view of the RBT. While they had concerns about fairness, particularly for larger households, they were generally more open to the idea that the RBT could encourage water conservation and potentially help them save money if they were careful with their water usage.

Some participants felt they might be able to adapt their behaviour to benefit from the lower-cost blocks.

"The whole concept just seems unfair. Larger families have no choice but to use more water, and this system feels like it's targeting us specifically."

Just about managing – Leamington Spa

Financially struggling

The financially struggling group was much more negative about the RBT. They were deeply concerned about the possibility of higher bills and felt that the tariff structure unfairly penalised larger households or those with greater water needs.

The idea of tracking water usage closely added a layer of stress to an already difficult financial situation, with participants expressing fear that they would struggle to keep within the lower-cost blocks and would be pushed into higher pricing tiers.

"I'd constantly be thinking, 'Can I afford to do another load of laundry this week?' It's too much pressure."

Financially struggling - Coventry



Most customers expressed strong opposition to the mandatory nature of the trial

"If we were part of the trial...I'd **prefer to choose to take part, not be forced.**"

Just about managing – Leamington Spa

"Being told we'd be part of this trial would honestly **stress me out.** I'm already struggling with the bills – I don't want another thing to **worry** about. It feels like we don't have a choice."

Financially struggling - Coventry

CHALLENGE: Those with larger households felt particularly concerned that they would be penalised as it is unlikely that they would be able to stay within the lower-cost blocks, no matter what they tried.



CHALLENGE: Concern about the potential impact on mental health as families would become stressed about managing their water consumption and potentially reducing necessary hygiene behaviours to avoid higher charges.



CHALLENGE: Some customers feel that their perceptions of Severn Trent would suffer, should they be forced to take part. These customers feel that the company was imposing changes unfairly without adequate consideration of household needs.





While both groups strongly disliked that the trial was mandatory, strength of feeling varied somewhat between groups

Just about managing

While this group also disliked the mandatory nature of the trial, they were somewhat more resigned to the idea, with some participants expressing a willingness to see how the trial might impact them.

However, a key feeling was that of a violation of a sense of fairness for those in larger households with further concerns being raised around the lack of freedom to choose and the, as yet, unknown impact on bills.

"Why is this mandatory? What if it doesn't work, and I'm **stuck** paying more for a year just because I had no option to say no?"

Just about managing – Leamington Spa

"It's mandatory? Wow! That's a surprise...It would be **unfair!** You're **forcing** me aren't you! If you've got more people you're going to take more showers, wash more fruit etc...I don't think it's fair."

Just about managing – Leamington Spa

"It's **unjust!** If it's mandatory I'd feel **unhappy, annoyed...**"

Just about managing – Leamington Spa

Financially struggling

The second group felt very strongly that the mandatory nature of the trial was completely unacceptable.

They saw it as a direct threat to their already precarious financial situations, and the idea that they could be forced into a system that might increase their bills without a choice was a significant source of worry, frustration and anger.

"It's getting **the wrong message** across. You're not giving the message that everybody needs to be responsible. You're saying to all those people who have bigger families, YOU have to be careful but single person over there, you don't have to be."

Financially struggling – Coventry

"If they're going to make it mandatory, it feels like they're **treating us like guinea pigs**. Trials are supposed to be voluntary, not forced on people!"

Financially struggling – Coventry

"I feel quite **angry** and **annoyed** with this and **worried** about the impact on my family!"

Financially struggling – Coventry



Customers had multiple suggestions for changes to the trial and communications

Customers were quick to recommend that Severn Trent make the trial optional, adjust block sizes by household size, and communicate clearly and supportively about the trial through multiple channels. They also advised offering incentives and ongoing support to help customers manage water use and avoid negative feedback.

Suggestions included:

Allow customers to opt-in to the trial rather than making participation mandatory



Adjustments to block sizes to account for household size.

*Please note, the stimulus did explain that it's impossible for ST to know the number of household inhabitants



Provide clear, transparent communication about the trial well in advance, using a friendly, supportive tone



Sent via multiple channels: email, text, and post, with proactive outreach to households likely to struggle.

To avoid complaints and negative PR, Severn Trent was advised to provide incentives for participation



E.g. discounts, bill caps, ongoing personalised support and advice, water saving devices.

"I think if they explained it clearly and gave us some tools to manage our water usage, it could work. They need to be upfront and use a friendly tone, not make it sound like a punishment."

**Just about managing –
Leamington Spa**

"They should give people the option to opt-in and maybe offer some help, like discounts or caps, so we don't end up with higher bills. And they need to make sure it's easy to understand – no one wants more confusion!"

**Financially struggling –
Coventry**



Demographics influenced support sought. Those financially struggling were more focused on financial protections rather than education

Just about managing

This group suggested that Severn Trent could improve education about water conservation and offer incentives for participating in the trial.

They were interested in tools and information that would help them manage their water usage more effectively.

They were also more focused on the need for fairness in the RBT system, particularly in terms of adjusting the blocks based on household size.

"Provide free water-saving tools, like showerheads or cistern bags. At least then we feel like they're helping us save water, not just charging us more."

Just about managing – Leamington Spa

Financially struggling

The financially struggling group called for direct financial support, such as bill caps or discounts, to protect them from potential bill increases during the trial.

They were more interested in immediate relief rather than long-term behavioural changes.

Their suggestions centered on financial protections and ensuring that the most vulnerable households were exempt from the trial altogether.

"If they're asking us to trial something, it shouldn't cost us extra. If our bills go up during the trial, Severn Trent should cover that difference. It's not fair to make us take the financial hit."

Financially struggling - Coventry

The Rising Block Tariff Trial: Feedback on the tweaked version of concept 1

Concept 1 – tweaked: (5 charging blocks)

Here the RBT trial concept was positioned so that families of four or more were allowed to opt-out of participating.

Focus groups shown this concept:
Comfortably off – Leamington Spa
JAM and Financially Struggling – Nuneaton



The concept of the RBT trial was polarising, with both groups disagreeing on its value and fairness

Perceptions of the RBT trial

Comfortably off group

The comfortably off group was **strongly opposed**, viewing it as punitive and unfairly weighted against larger households, which led to **anger** and **scepticism**. They saw it as a hidden price increase suspecting funds would be **used to address broader environmental challenges**, such as river pollution, to repair ST's reputation, rather than directly benefitting customers.

"This whole rising block idea is completely unfair. Larger families will be paying way more, even though they don't have a choice in needing more water. It's just another way to charge more without calling it a price increase."

Comfortably off – Leamington Spa

JAM and financially struggling

The mixed group (JAM and financially struggling), however, was **receptive to the concept** and generally viewed it as beneficial for water conservation, though customers did still emphasise the need for adjustments to fairly accommodate larger families.

"I think it could work, but they need to tweak it. It's a good idea for conservation, but they should consider different block sizes for families with more people. Otherwise, it's going to be hard for bigger households."

JAM and financially struggling



Mandatory participation is still a major cause for concern. Customers were not reassured by the option for larger families to opt out

The comfortably off group strongly opposed mandatory participation due to fairness and mental health concerns, whereas the JAM and financially struggling group was open to inclusion if adjustments for household size were implemented.



Trial acceptance

The **JAM and financially struggling group** was more open to being included.

The trial was largely seen as beneficial if certain adjustments were made, such as setting different block sizes for larger households.

The **comfortably off group** was adamantly against mandatory inclusion in the trial.

It was seen as an infringement on their autonomy, and a potential stressor, especially for larger families.

An opt-in option for everyone was preferred.

"I'd be okay with being part of it, as long as they consider larger households. It's the right direction, but I'd want some reassurance that families like ours won't be unfairly hit with higher bills."

JAM and financially struggling

"If I was told I had to be part of this trial, I'd be **very unhappy**. I'd rather have the choice to opt in. It's going to add stress if you have to worry about going over into each block."

Comfortably off – Leamington Spa



As with groups 1 and 2, these customers advocate for clear and transparent communications from Severn Trent

Clarity and transparency



Both groups advocated for clear, transparent communication about the trial and a simplified explanation of the trial's benefits to ensure customer buy-in.

Empathetic tone



The comfortably off group was particularly vocal about wanting a simple and empathetic tone to rebuild trust.

Tools and advice



The mixed group suggested additional tools and advice for customers, especially larger households, to help manage their usage.

Opt-in approach



Customers also mentioned that Severn Trent should track customer satisfaction and monitor any complaints or issues to identify areas for improvement.

"They need to make it optional and communicate it properly—use plain language and actually explain why this is being done. Right now, it feels like another way to squeeze more money out of us."

Comfortably off – Leamington Spa

"I think they should let people opt in and give everyone tips on how to save water during the trial. They also need to be upfront and avoid any confusing jargon, or people will push back."

JAM and financially struggling



The name 'Rising Block Tariff' was generally disliked by customers

Several customers recommended avoiding technical or financial jargon entirely and emphasising positive environmental and community outcomes. Customers across groups suggested simpler, more customer-friendly language, focused on helping rather than penalising. Simple terms like "tiered", "saver" and "plan" resonated more, as they convey positivity and align with the trial's intended goals of affordability and conservation.

"Rising"

This term was associated with increasing costs, causing anxiety and a perception of financial penalty.

Participants felt it implied that they would be punished for their water usage rather than supported to reduce it.

"The name itself—'Rising Block Tariff'—it just sounds like bills going up. As soon as I heard it, I thought, 'This is going to cost me more.' That word 'rising' puts people on edge."

Just about managing - Leamington

"Block"

Customers found the term "block" confusing and overly technical, struggling to understand how it would be calculated, allocated, and applied to different households.

The lack of clarity made it difficult to visualise their usage within the system. Many felt the word added unnecessary complexity to an already challenging billing process

"Tariff"

This word elicited a sense of formality and inflexibility, making participants feel the trial was focused solely on revenue generation rather than encouraging conservation or affordability.

"I don't like the word 'tariff'; it sounds formal and punitive, like something you're forced to pay. It doesn't sound like it's here to help."

Financially struggling - Coventry

The Rising Block Tariff Trial: Feedback on concept 2

Concept 2: (3 charging blocks)

Following the sustained negativity, Severn Trent overhauled the structure of the RBT. Changes included:

- The trial is now completely voluntary. Anyone who wants to opt out, can.
- Instead of 5 charging blocks, there are 3 (each now covers 5,000 litres per month, rather than 2,500).
- The focus is placed more on improving affordability rather than addressing water scarcity.
- The trial name has been changed to the 'Water Saver Tariff Trial', reflecting feedback collected from the earlier focus groups and a survey conducted on TapChat.

Depth interviews:

Mixed financial status, spanning Coventry and Warwickshire.



Though generally positive about the concept of the Water Saver Trial, customers still shared concerns

Pros



- Customers appreciated a system **rewarding lower water usage** with reduced bills, especially benefiting **smaller households**.
- They believed monitoring and **reducing non-essential water use**, like shorter showers or less garden watering, could help stay within lower-cost blocks.
- **The potential for savings was a strong incentive**, particularly appealing for those feeling the pinch during the ongoing cost-of-living crisis.

Cons



- A minority of customers worried about the **mental and practical stress** of monitoring water usage closely. Concerns arose that households might feel **pressured to limit even essential water use** to avoid higher-cost blocks, causing stress, particularly for families with children or high water needs.
- Fear of **reduced comfort or hygiene**, such as fewer showers or limited laundry, was highlighted as a potential issue, though only by a small number of customers.
- **Larger households** were seen as more likely to exceed lower-cost thresholds, making the trial **financially challenging or punitive** for them.

"Constantly checking where we are with the blocks could become a bit much, especially if it means having to restrict things that feel basic, like showers or cooking."

Struggling financially

"It's a great idea in theory, but with three kids, it's just not realistic. I don't want to be in a position where we're trying to save by cutting back on essentials."

Student



Customers believe the trial could encourage mindful water use but are less sure about its effects on bill affordability

Water conservation

It is believed the tariff would make people more aware of their consumption.

Block pricing structure would push households to be more mindful of non-essential water use.

BUT some question if this effect would be sustained over time or if the novelty of tracking would eventually wear off.

"I think people would definitely try to use less, especially at first. It makes you think twice when you know it'll save you money."

Struggling financially

Affordability

General feeling was that the new tariff could help reduce bills for households who are careful with their water use.

BUT larger households or those with high water needs worry they could end up paying more. For some, the new structure might not make bills more affordable, but rather increase financial pressure.

"It sounds like it would help smaller households a lot, but for us, I'm not sure it would improve things – we'd likely go into the higher blocks."

Depth - Hindu



Customers appreciated the trial's opt-out nature, feeling reassured that they could decide if it was right for their household

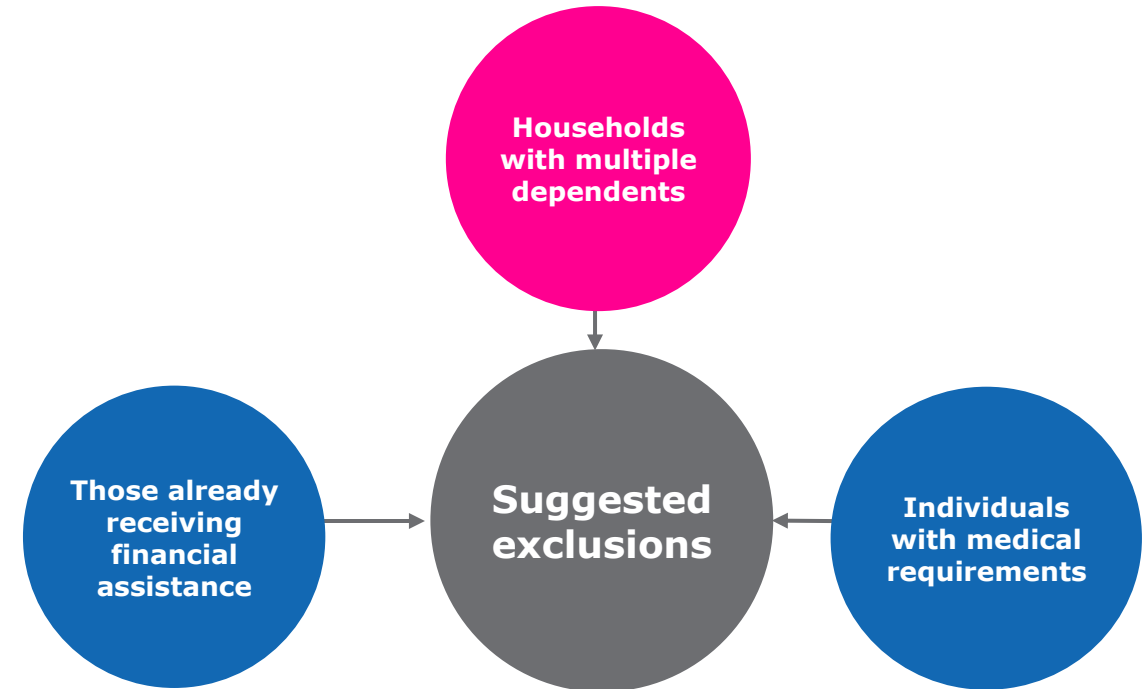
How the option to opt-out made customers feel:



These descriptors stood in stark contrast to the words used in the focus groups...

"It's good to know it's not forced on us. At least that way, if we don't think it's right for us, we can opt out."

Struggling financially



"Families with more kids or medical needs shouldn't be included – they'd end up paying more, which isn't fair when they already need extra help."

English not 1st language

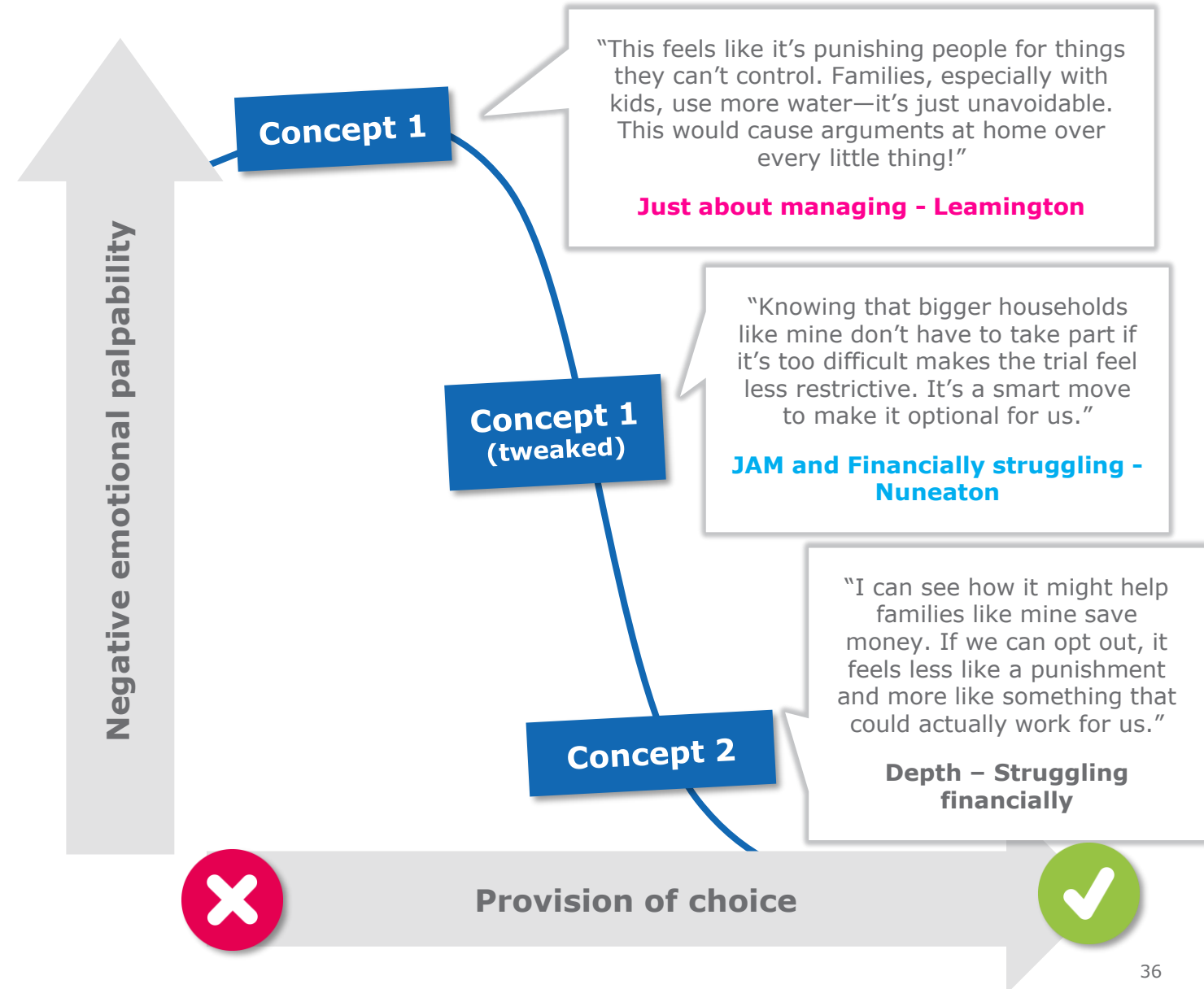


A word on emotion...

It's important to highlight how striking the emotional content of people's tone and body language was across the fieldwork.

Across focus groups there were instances of participants becoming emotionally fraught and expressing real concern for their well-being and ability to cope should a mandatory element be instigated.

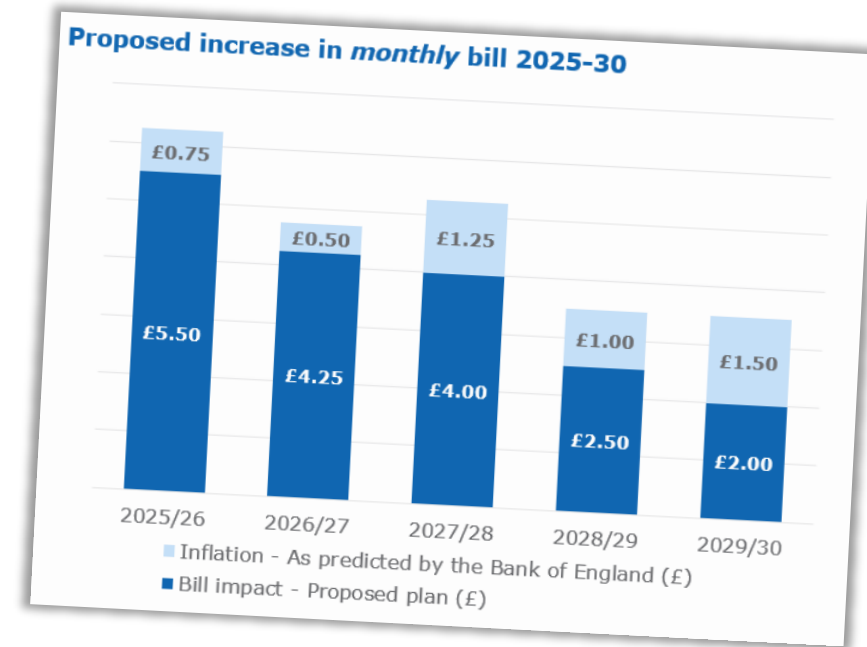
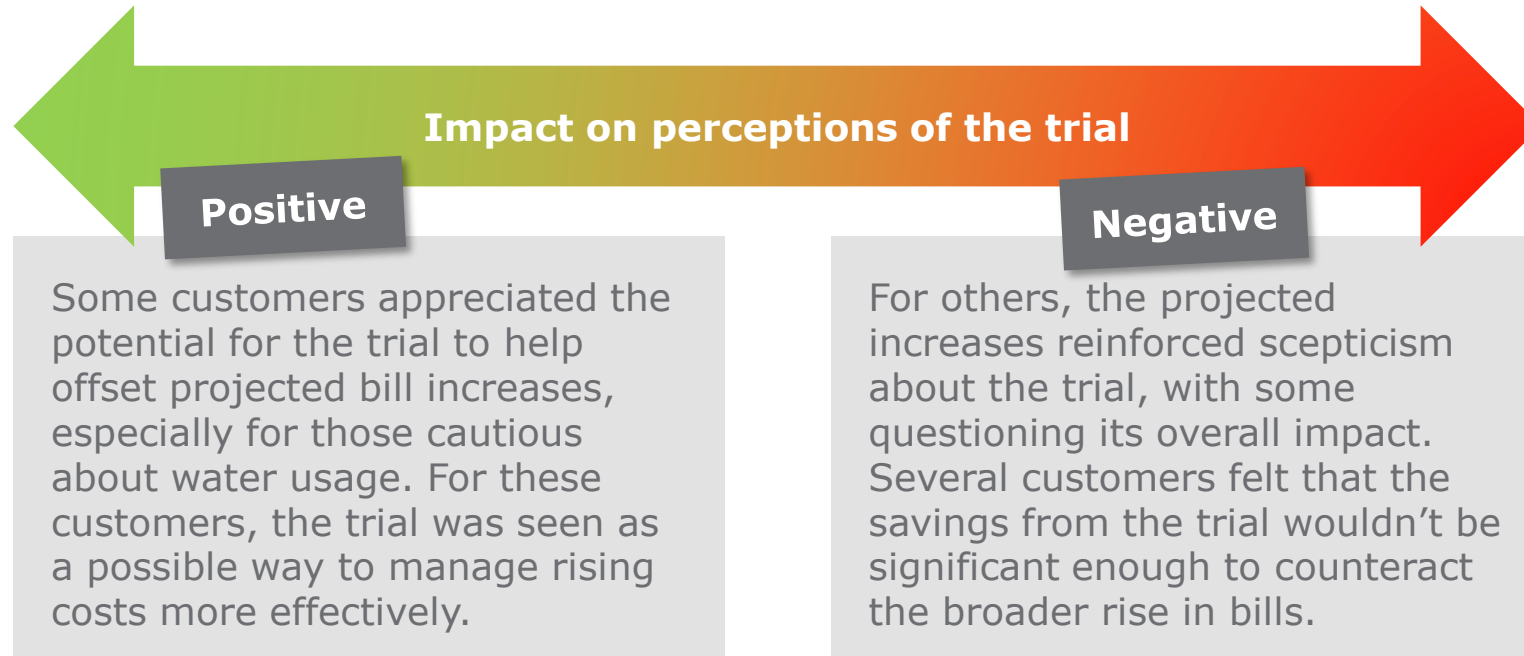
As the inclusion of more choice was put to customers, the impact of this was immense and resulted in a completely different view of a RBT trial.





Information about likely bill increases in AMP8 garnered mixed reactions

When informed about the extent to which water bills are projected to increase over the next five years, customers expressed resignation, viewing it as an inevitable part of rising costs across utilities (and life more generally). However, this information prompted a mix of opinions about the trial's potential to mitigate those increases.



General sentiment:



"If it helps bring my bills down even a little, it's worth considering."



"Even if I save a little with this trial, my bills are still going up overall — what's the point?"



Key metrics suggested to assess trial success were bill affordability and water consumption

Impact on monthly bills



Customers would look for evidence that the Water Saver Tariff is, indeed, improving the affordability of their bills. If bills reduced for most participants, it would be viewed a success.

Changing water usage patterns



As water conservation is one of the reasons behind the trial's existence, customers feel that it would be successful if most of the participants saw a reduction in their water consumption.

Adherence to blocks



Many felt that tracking the proportion of households that manage to stay within the cheaper usage blocks would be a strong indicator of the trial's affordability goals.

Customer satisfaction



Customers also mentioned that Severn Trent should track customer satisfaction and monitor any complaints or issues to identify areas for improvement.

"It's not just about numbers – it's about whether people feel this is helping them manage their bills. Customer satisfaction has to be part of it."

Struggling financially

"They should measure how many people stay within the cheaper blocks – if only a few manage it, then it might not be working as well as they think."

Struggling financially

"The purpose is saving money and using less water. If people actually save on their bills and use less, then you can call it a success. Complaints and feedback should also be checked to see how people really feel."

Depth - Hindu



Customers suggest surveys, focus groups and real-time contact as trial feedback mechanisms

Surveys



Customers felt that short, regular surveys could capture changing attitudes and experiences over time. This appeared to be the preferred method of feedback collection during the trial.

Online surveys were frequently mentioned, though a few customers acknowledge that paper surveys would be necessary for some.

Focus Groups



Additionally, customers believe that, when the trial period is over, focus groups would allow Severn Trent to delve deeper into specific challenges or successes experienced by different types of households.

Helpline



Some also suggested providing a dedicated helpline or contact point for participants, enabling them to share real-time feedback or concerns as the trial progresses.

Whilst there were multiple mentions of a dedicated call centre, some customers mentioned offering support via WhatsApp.

"They should do regular surveys to ask how people are finding it – a few questions now and then would help Severn Trent know if things are working or if changes are needed."

Struggling financially

"Focus groups would be good to go into more detail ... people could share their honest experiences, and Severn Trent would get a real sense of what's working and what isn't."

Struggling financially



Customers feel that multi-channel communication would be essential to ensure participants understand the trial's mechanics before launch

Customers stressed the importance of clear, accessible, and proactive communication from Severn Trent to ensure that households selected for the trial fully understand the trial's details and implications.

Many suggested that communication should start well before the trial begins and include a combination of written and digital materials:

- Detailed **informational packets or leaflets** explaining the trial's purpose, structure, and how the tiered block system works.
 - Breaking down the tariff and usage blocks with straightforward examples would help households grasp potential impacts on their bills.
- Holding **community information sessions or webinars**, allowing residents to ask questions and gain a thorough understanding of the trial.

To avoid confusion or misinterpretation, customers emphasised that the communication should be clear, jargon-free, and provide practical guidance on managing usage within the block system.



"They need to explain it simply, with examples of what different water use looks like. A leaflet or online breakdown with real examples would make it easier to understand."

Struggling financially

"Emails and maybe a few sessions for people to ask questions would be good. It needs to be clear from the start so people aren't left wondering what it all means."

English not 1st language



Recommendations

Be transparent about the trial's goals and ensure customers understand it is not a profit-making initiative.

1

Emphasise the link between the trial and reducing water waste in order to address water scarcity, and prioritise cost savings to align with customer affordability challenges.

2

Avoid jargon and use customer-focused language to explain the trial's objectives and benefits, such as "helping you save on your bills" or "making water use fairer."

3

Clearly communicate how block pricing works and why the blocks are structured as they are, using relatable examples (e.g., baths, showers, or laundry cycles).

4

Highlight the non-mandatory nature of the trial and reassure customers they can opt out at any time.

5

Use multi-channel communication: personalised letters, emails, texts, and even face-to-face outreach in trial areas. Ensure digital tools (e.g., My Smart Tracker) are user-friendly and well-promoted.

6

Offer customers a personalised usage estimate and predicted bills based on historical data before they join the trial. This will help them better understand potential savings or costs under the new tariff.

7

Include interactive tools, such as an online calculator, where customers can input household details to see how the tariff might impact their bills.

8

Create a dedicated helpline and online chat for trial participants to ask questions or get advice.

9

Customers want a financial safety net for trial participants, ensuring no households (especially larger families) face **significantly** higher/unaffordable bills during the trial.

10

For more information



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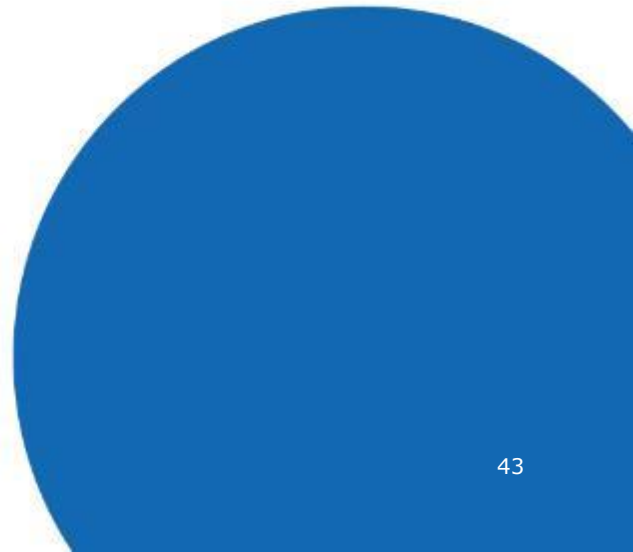
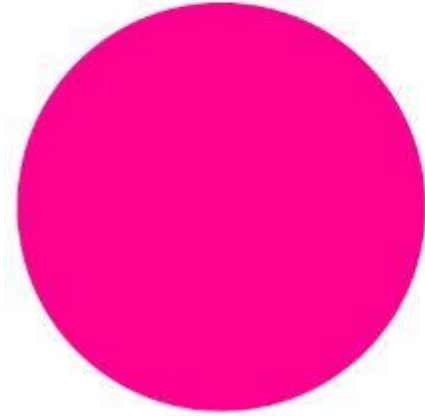
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Appendix 1:

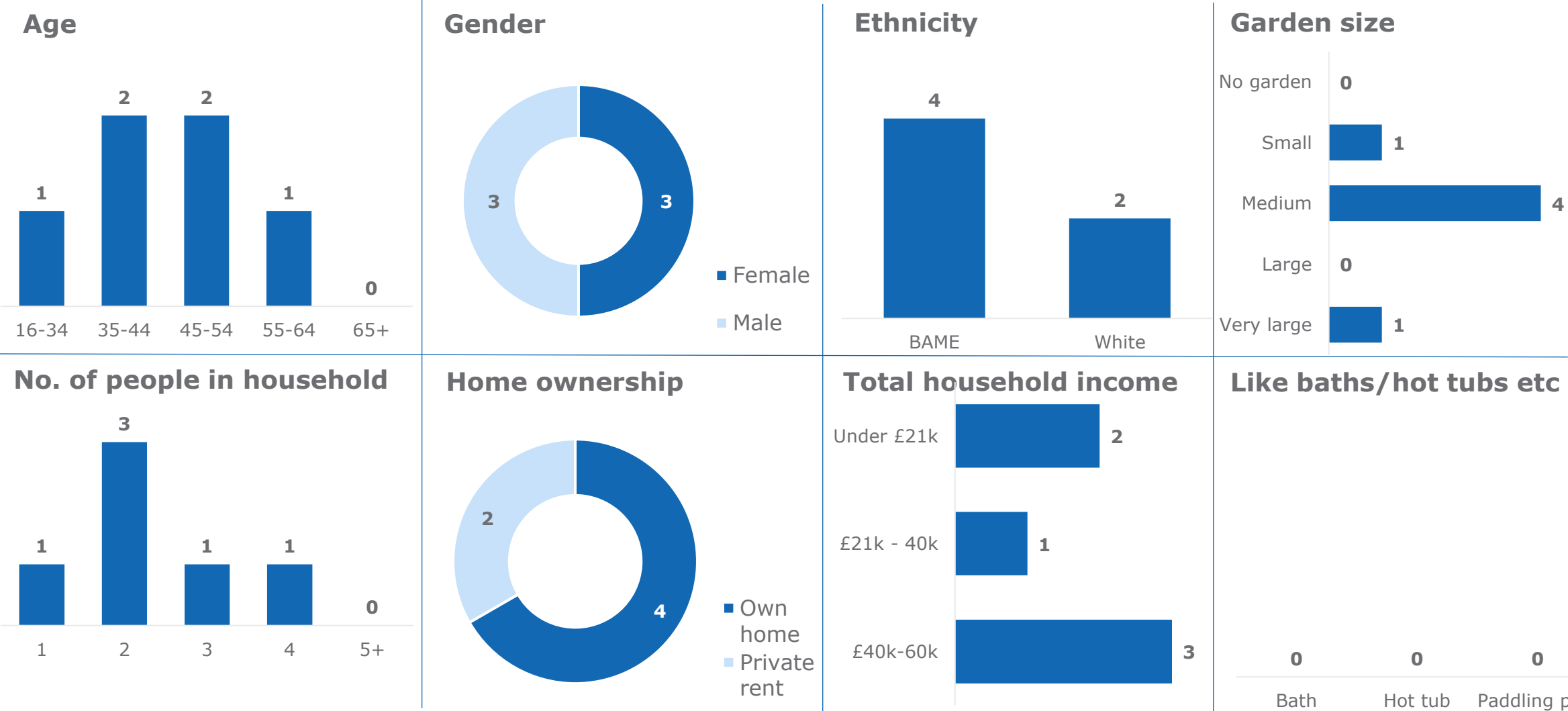
Respondent profile





Customer demographics: Focus group 1

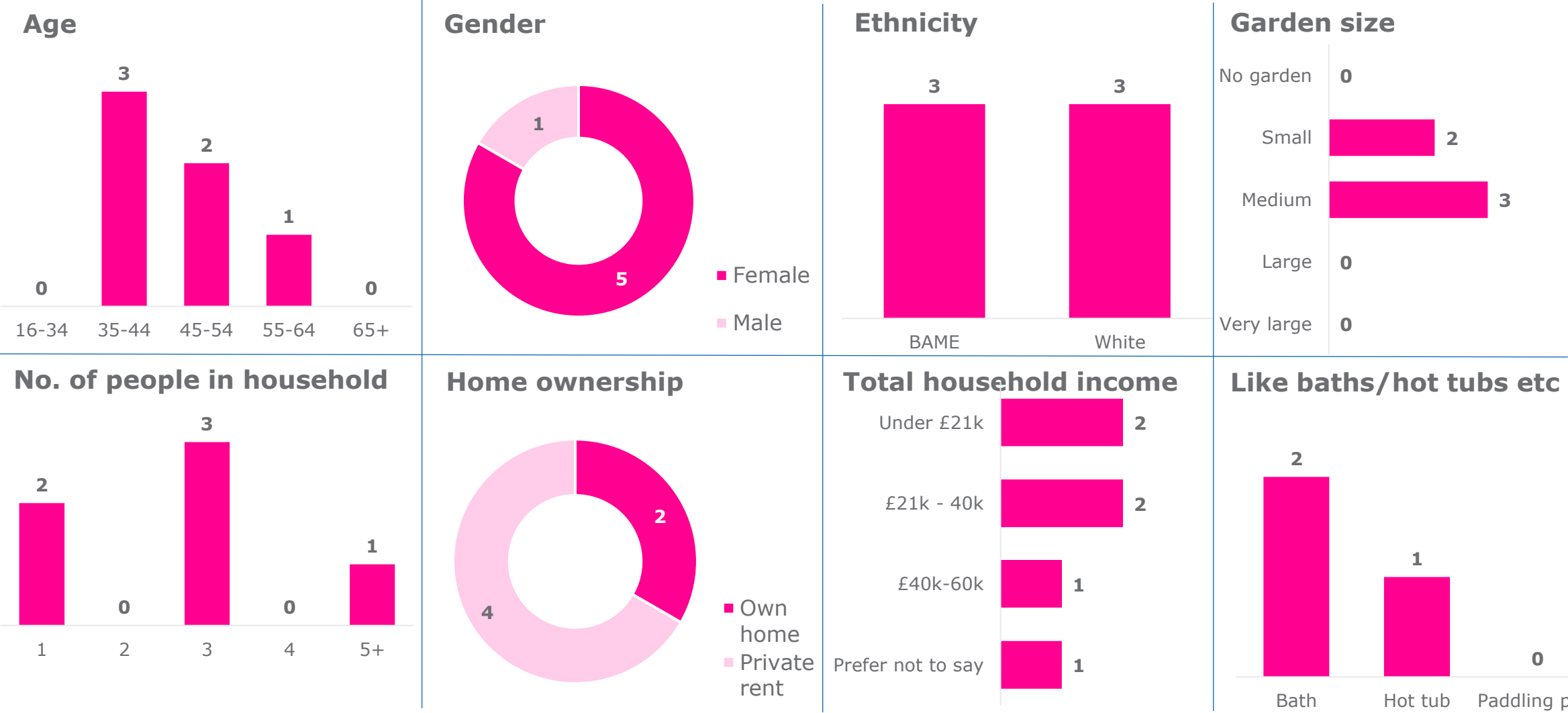
Just about managing – Leamington Spa





Customer demographics: Focus group 2

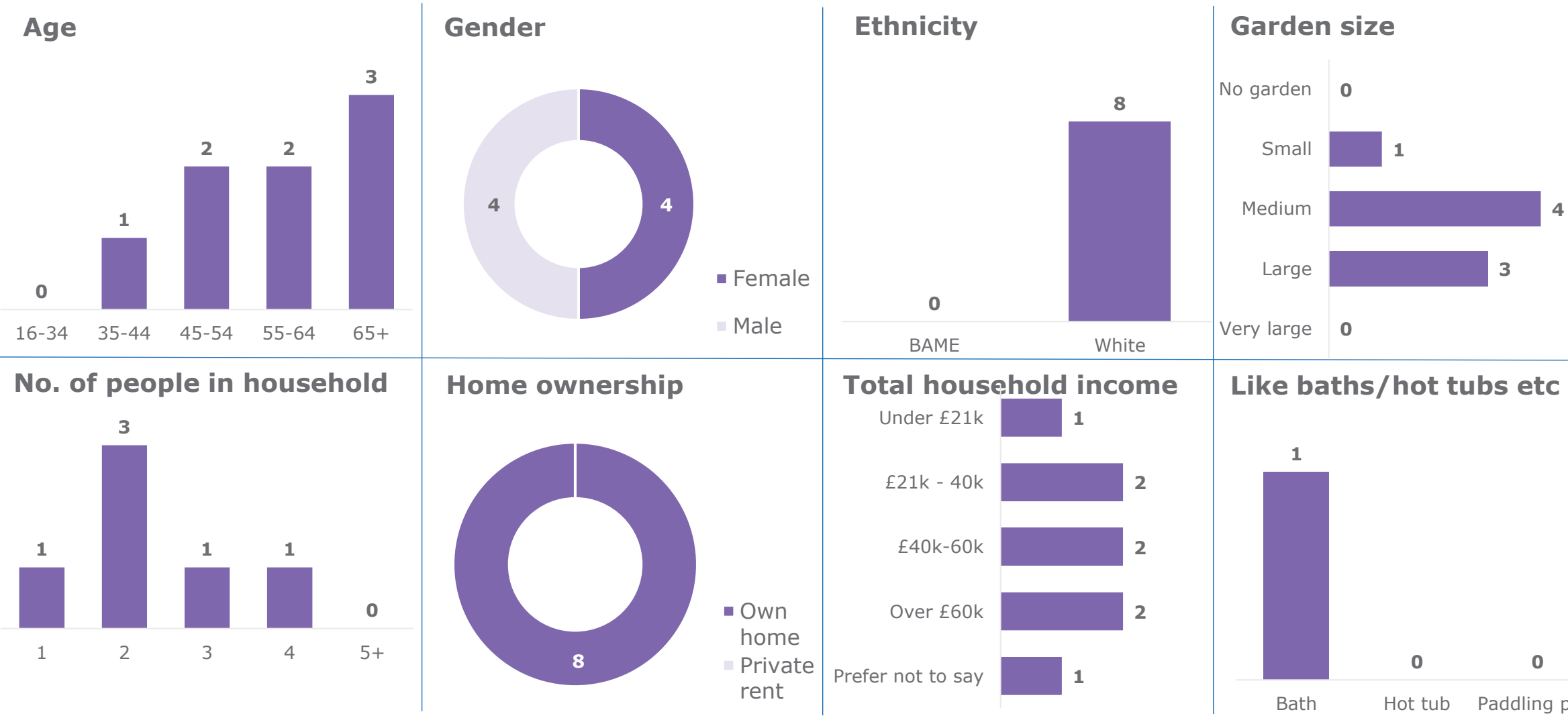
Financially struggling – Coventry





Customer demographics: Focus group 3

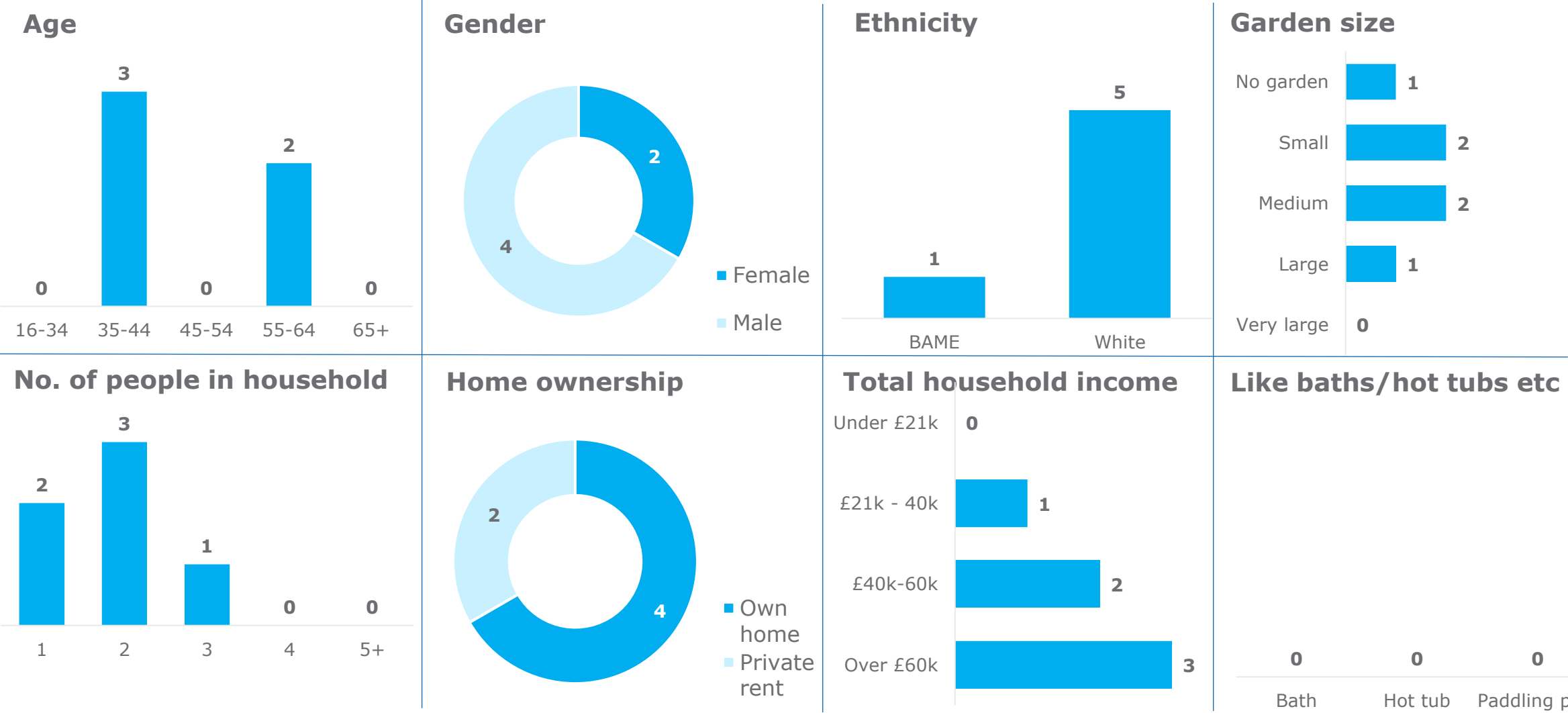
Comfortably off – Leamington Spa





Customer demographics: Focus group 4

JAM and financially struggling – Nuneaton





Customer demographics: Depth interviews

Varying financial situation, from across Coventry and Warwickshire

