ICS

South West Water

Long-term tracking survey 2022/23

Year-end results

May 2023

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Executive summary

ES.1 Project Objectives

South West Water has a long history of consistently tracking customers' views to inform the development of strategic business plans, as well as informing day to day delivery of plans and services.

More specifically, annual tracking research has helped South West Water to:

- Understand customer priorities and preferences for services.
- Analyse trends in customers' views around the services it offers.
- Link customer priorities and preferences to strategic business planning.
- Monitor progress against current performance commitments e.g., customer satisfaction with value for money.
- Improve recovery and response plans to provide better support to customers as and when issues arise.
- Understand and improve communications with customers.

This report summarises the findings of the long-term tracking survey for 2022/23.

A key output of this report is the result for customer satisfaction with value for money performance commitment (PC). This is a non-financial reputational measure.

The survey was amended at the start of this reporting year to include questions to track sentiment in preparation for PR24.

ES.2 Fieldwork

The survey covers both the South West Water (SWW) and Bournemouth Water (BW) regions. A sample of 900 South West Water and 300 Bournemouth Water domestic customers has been achieved, reflecting the diverse customer base. Since 2021/22, the South West Water sample area has been expanded to include the Isles of Scilly.

All fieldwork was managed and delivered by our Market Research partners Feedback Market Research. The fieldwork aligns with the Market Research Society Code of Conduct and Data Protection Regulations. The research has been delivered via a mix of telephone (CATI) and online survey modes. The research was split two-thirds telephone survey and one-third online.

Customer sample information was sourced by Feedback Market Research. SWW did not provide customer information.

The survey was conducted throughout 2022/23. Quarterly targets ensure the data is collected throughout the year.

ES.3 Performance Commitment (PC) - Satisfaction with value for money

Overall, satisfaction with value for money is 76%. This exceeds the PC target for 2022/23 (73%) and also the end of AMP target for 2024/25 of 75%.

This year value for money peaked in Q2 overall at 79%. Since Q2, the SWW region has seen a reduction of 10% over the last two quarters. Whilst drops in satisfaction with value for money have been seen in previous years, it tends to be over one quarter followed by a recovery. In this case the recovery was not observed, and this will be monitored.

At an annual level the value for money results have shown a year-on-year increase over the last three years. The South West region has seen a 13% increase since 2019/20. The Bournemouth region remains stable when compared with the previous year and shows an increase of 4% from three years ago.

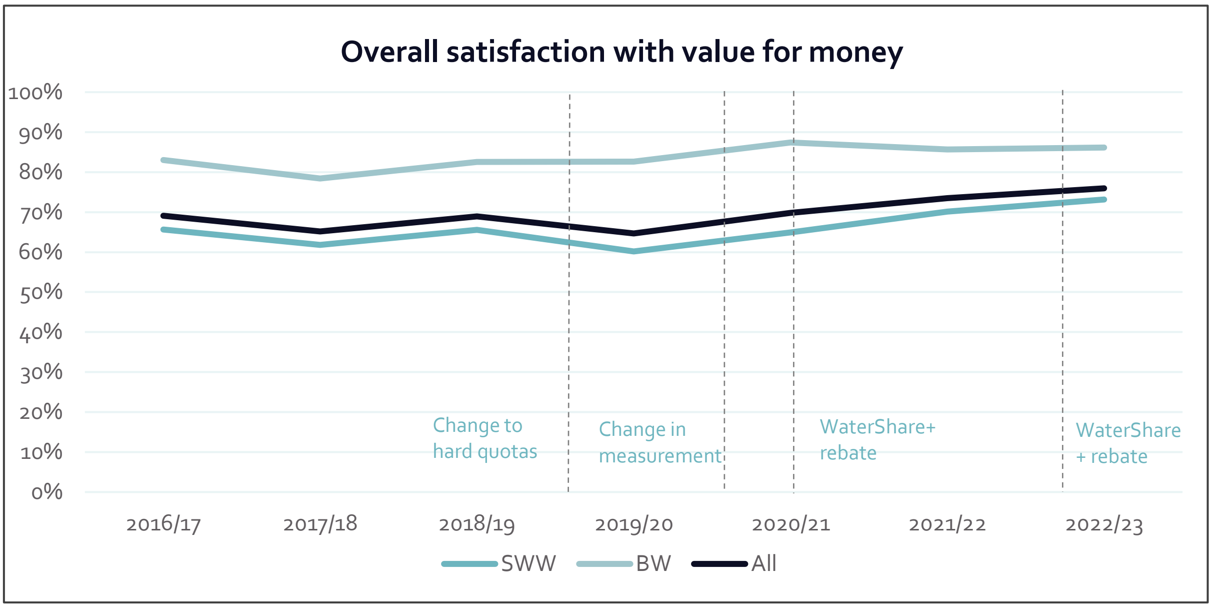


Figure ES.1: Overall satisfaction with value for money – annual average results

Results up until end 2019/20 are CATI only. 2020/21 results onwards based on CATI plus online. 'All' results are weighted to reflect customer numbers for SWW and BW.

ES.4 Satisfaction with service

Satisfaction with service is 89% in 2022/23

- Satisfaction with the overall service provided by SWW and BW combined is 89%. The result for 2022/23 is higher than 2021/22 (86%). 5% are dissatisfied with service.
- Findings for the combined area show a peak in Q2 with stable satisfaction for the remainder of the year.
- At a regional level, the results show that customers are more satisfied with service in the Bournemouth Water region. Overall, 88% of customers are satisfied with SWW services, and 94% of customers are satisfied with Bournemouth Water services.

The top three areas for satisfaction are water supply measures. Dissatisfaction is focussed on sewage and environmental measures

- Customer satisfaction is highest for the direct water supply service. The aspects of service with the highest satisfaction are the number of interruptions to the water supply (93%), the quality and safety of drinking water (89%) and the taste, smell and appearance of tap water (85%).
- Satisfaction with help provided for those struggling to pay has decreased by 16%, customers largely moving to a neutral view.

- Satisfaction with sewerage and environmental service elements has shown a statistically significant decline of between 6% to 11%. There has been a notable increase in dissatisfaction with sewage and environmental measures across the year, indicating that customer views have declined to dissatisfaction rather than a neutral view.
- Overall dissatisfaction is centred on the quality of bathing waters at beaches (25%), care about the environment (19%) and the quality of sewage treatment and disposal (16%).

Satisfaction that information provided is open and transparent has declined

- 64% are satisfied that information provided is open and transparent. This is a decrease from the 2021/22 finding of 77% and both regions saw a notable downturn.

ES.5 Other key findings

- 89% state they have trust and confidence in SWW and BW overall. This is lower than 2021/22 (93%). This has declined but at a lower rate than satisfaction with openness & transparency.
- Overall, 83% find the bill they pay to SWW/BW to be affordable. This is in line with 2021/22 (also 83%).
- Customers think it is important to continue to invest in all areas in the future. Safe water supply that is good for drinking remains the top priority. This is followed by preventing pollution.
- Half of customers are concerned about the quality of rivers and coastal waters. In the latter half of the year there is a substantial increase in the number of customers who perceive the rivers and bathing waters have deteriorated in the last decade.
- Customers consider all environmental issues to be serious. 94% of customers rated river pollution as being very serious or somewhat serious (the fifth highest priority). Customers view ocean/sea pollution and single use plastics as the most serious of the environmental issues presented (both 96%).
- Customers' views of the seriousness of general environmental issues decreased in Q4 for all issues. Even though satisfaction has decreased, customers think that environmental issues are less serious. This may reflect the importance of wider issues such as the cost-of-living crisis.
- The impacts of population increase are the most significant concern for the region, alongside climate change.,
- Customers also remain concerned about the availability of water, with 76% of customers saying they are very or quite worried about the availability of water. Most customers say they would be willing to try behaviour changes to reduce their use of water. They feel the water resource plan should balance supply and demand options. Customer views on options are very similar between the regions.

ES.6 Conclusions

Overall, the survey has been effective in providing customer views across a wide range of topics.

The survey was amended at the start of this year to include questions to track sentiment in preparation for PR24. This change has been effective in producing insight on issues such as water resource planning and customers views on the environment.

Key metrics are performing well:

- Value for money has exceeded the PC target for 2022/23 and the 2024/25 end of the AMP target.
- Satisfaction with service is higher than 2021/22.

- Trust is lower than 2021/22, though still remains high.
- Stated affordability of the bill payable to SWW is in line with 2021/22.

Whilst the overall annual results are positive, the results show a number of notable downward trends for the latter half of the year that will need monitoring in 2023/24. Key trends to monitor include:

- Value for money has reduced in Q3 and Q4 from a peak in Q2. SWW has showed a decrease of 10%.
- Satisfaction with openness and transparency has declined from 77% to 64%; trust is also lower than 2021/22.
- Satisfaction with help provided for those struggling to pay has decreased by 16%, customers largely moving to a neutral view.
- Satisfaction has with sewerage and environmental service elements has shown a statistically significant decline of between 6% to 11%. The findings show there is a move to dissatisfaction.
- There is an increase in the number of customers who perceive the rivers and bathing waters have deteriorated in the last decade.
- Customers' views of the seriousness of general environmental issues decreased in Q4 for all issues.

1 Introduction

1.1 Project Objectives

South West Water has a long history of consistently tracking customers' views to inform the development of strategic business plans, as well as informing day to day delivery of plans and services.

More specifically, annual tracking research has helped South West Water to:

- Understand customer priorities and preferences for services.
- Analyse trends in customers' views around the services it offers.
- Link customer priorities and preferences to strategic business planning.
- Monitor progress against current performance commitments e.g., customer satisfaction with value for money.
- Improve recovery and response plans to provide better support to customers as and when issues arise.
- Understand customer perceptions of the environment.

This report summarises the findings of the long-term tracking survey for 2022/23.

1.2 Report Structure

This report sets out the findings from undertaking the long-term tracking research for 2022/23. The report is structured as follows:

- Survey design and implementation (Section 2).
- Sample overview (Section 3)
- Key survey findings (Section 4).
- Conclusions and Recommendations (Section 5).

A separate document contains the appendices:

- Appendix 1 – copies of the survey
- Appendix 2 – profile of the sample data collected
- Appendix 3 – detailed summary of findings

2 Survey Design and Implementation

The survey design and implementation process involved four steps.

Figure 2.1 Approach to survey design and implementation

The approach is aligned with the Market Research Society Code of Conduct, and all Data Protection Regulations.

These four steps are explained in more detail below.

2.1 Step 1: Questionnaire Design

The aim of the research is to allow South West Water to understand customers' views across a wide range of aspects of service and satisfaction in a consistent manner over time. This supports delivery and enables progress monitoring against strategic business plans and informs the development of the future PR24 business plan.

The 2022/23 the tracking research covers the following key topics:

Topics continued from previous year:

- Customer satisfaction with services and overall
- Affordability and value for money
- Future service priorities
- Trust and values

New topics for 2022/23:

- Rivers and bathing waters
- Future planning

The new topics replace the net promoter score and company monitoring and communications. These additions will help South West Water understand customer sentiment on environmental issues and pressures for the region as well as tracking customer views on key topics such water resources.

The survey has been consistently applied in the South West Water and Bournemouth Water operational areas.

A summary of the structure of the survey contents is given below:

Table 2.1: Questionnaire structure

Part A
 	
ELIGIBILITY
	• Confirmation of eligibility to complete the survey based on:
	  ○ South West Water or Bournemouth Water customer
	  ○ Jointly or fully responsible for the bill
	  ○ Meeting quota specifications (age, gender and socio-economic group, constituency location in the SWW region).
	• Followed by introductory questions about the respondent's household including the level and affordability of their bill.

Part B CUSTOMER SATISFACTION WITH SERVICES	• Questions around experience and contact with SWW/BW. ○ New for 2022/23 - Tracking satisfaction with digital contacts with South West Water following service problems. • Overall satisfaction with water and wastewater services followed by reasons for being satisfied or dissatisfied. • Satisfaction with key elements of service performance – such as leakage, water supply interruptions and pollution.
Part C VALUE FOR MONEY	• Satisfaction with value for money, along with reasons for considering or not considering their bill value for money. ○ In the SWW region the bill is the combined bill. In the Bournemouth Water region, the bill is the water only bill.
Part D FUTURE SERVICE PRIORITIES (rotated in CATI surveys)	• Views on the priority areas for future investment. • Acceptability of the bill changes due to PR19 (online survey only).
Part E RIVERS AND BATHING WATERS (rotated in CATI surveys)	• How often they visit rivers and bathing waters. • How customers perceive the quality of rivers and beaches has changed, and their levels of concern. • The importance of catchment management.
Part F FUTURE PLANNING	• Views on environmental issues and concerns for the region. • Preferred responses to water shortages and willingness to engage in water saving activities.
Part G TRUST AND VALUES	• Overall trust in South West Water. • Satisfaction with the transparency of information and views on how the company is seen within the region.
Part H HOUSEHOLD INFORMATION	• Household profile questions to understand the sample and allow customer segmentations. This includes: ○ Metering, household composition, disability status, PSR status, household location, receipt of financial or non-financial assistance, employment status, qualifications, home ownership and household income.

The South West Water and Bournemouth Water surveys are highly aligned so the results can be compared to each other and aggregated into a single company view.

The only differences are:

- The Bournemouth Water variant focuses on water priorities and satisfaction with water services only (and excludes all wastewater issues).
- The Bournemouth Water variant focuses on two bill levels for questions on affordability and ease of paying the bill: (i) the water only bill and (ii) the combined water and sewerage bill; the SWW version only considers the combined bill.

OTHER KEY CHANGES FROM 2022-23

In addition to the changes to the sections, a number of changes were made to the survey following an end of year review:

- Adding questions to track how customers contact SWW when there are problems and their satisfaction with responses via digital channels.
- Removing some of the questions tracking the impacts of Covid-19 as the importance of this issue recedes.
- Removing some verbatim questions to streamline the survey, including on value for money.

2.2 Step 2: Set Sample Sizes and Quotas

The sample covered the South West Water and Bournemouth Water regions. As in 2022/23, the target sample sizes, and household quotas were set based on NOMIS[1] data and aligned with the PR19 Sampling and Survey Strategy. The quotas cover the respondents' gender, age and socio-economic group (SEG).

The target sample size was set at a minimum of 1200 households, gathered across four quarters. This allows robust statistical analyses for households in total, whilst also facilitating drill down to the customer segments.

The sample size is 900 in the South West Water region and 300 in the Bournemouth Water region. In developing a single company narrative covering both regions, the key findings are weighted 78.5% South West Water; 21.5% Bournemouth Water in line with the customer base.

Since 2021/22 the sampling approach includes sampling 10 customers in the Isles of Scilly to reflect that South West Water are responsible for the water and wastewater provision there.

2.3 Step 3: Fieldwork

Feedback Market Research conducted the fieldwork. Feedback is an independent market researcher that conducts research in compliance with the Market Research Society Code of Conduct.

Feedback sourced the customer sample. Data was not provided by South West Water.

SURVEY MODE

The research has been delivered via a mix of telephone (CATI) and online survey modes. The survey supports the reporting of a Performance Commitment and the survey modes aligns with the approach specified for the PR19 Final Determination (see step 4 below which covers PC reporting). The research was split two-thirds telephone survey (800); one-third online (400):

Quarterly targets ensure the data is collected throughout the year.

[1] NOMIS is a service provided by the Office for National Statistics, ONS, which gives access to UK labour market statistics from official sources.

SURVEY VARIANTS

Good practice is to ensure surveys are time limited – i.e., around 20 minutes of customer time. Online surveys are quicker to complete and can therefore contain more content and questions than a CATI survey.

The full survey taken together would increase the length of the CATI survey over 25 minutes to complete. To mitigate this, the sections on tracking priorities and rivers and bathing waters are rotated each quarter (and thus asked twice in the year rather than each quarter). The online survey does not need to rotate any parts.

This means there are some variants of the SWW and Bournemouth Water surveys:

- Online
    - All elements of the survey, each quarter
- CATI
    - All quarters:
        - Customer satisfaction with SWW/BW and its services
        - Affordability and value for money
        - Trust and values
        - Future planning
    - Rotated:
        - Our rivers and bathing waters
        - Future customer priorities

It was agreed with South West Water that the rotations should be balanced across years, ensuring that the rotated questions are asked across different times of the year over time.

2.4 Step 4: Analysis

The data has been collected on a quarterly basis and analysed over the whole year, for the whole customer base and by customer segment. The key findings are presented in Section 4, with the detailed breakdown of the survey included in Appendix 3. Results are presented to zero decimal places.

PC AND KPI REPORTING

The survey supports the reporting of the Customer satisfaction with value for money performance commitment (PC) to stakeholders and Ofwat as part of the 2020-2025 Final Determinations.

It is also used to produce the internal KPI Customer overall satisfaction.

Customer satisfaction with value for money

The PC is the percentage of household customers satisfied, very satisfied or extremely satisfied with the value for money of South West Water's services in the reporting year, as measured through the company's customer satisfaction tracking survey.

Question asked: Thinking about South West Water, how satisfied you are with the value for money of its services?

Respondents provide a score on a seven-point scale reflecting how satisfied they are with value for money. Customers can indicate a 'Don't know' response.

The PC is computed as:

$$\text{PC} = \frac{\text{Number customers satisfied/very satisfied/extremely satisfied}}{\text{Number customers}}$$

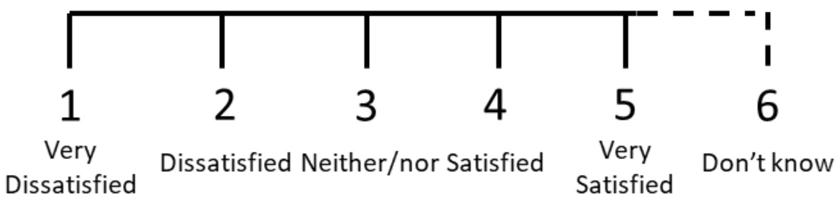
The PC is computed over the year from the CATI and online responses. Don't know responses are excluded from the total number of customers in line with the agreed methodology for this SWW PC.

Customer satisfaction with Services

This KPI is the percentage of household customers satisfied or very satisfied with South West Water's services in the reporting year.

The question asked is: Thinking about the service you receive from South West Water, how satisfied you are with the overall service provided by South West Water?

Respondents provide a score on a five-point scale reflecting how satisfied they are with the services they receive. Customers can indicate a 'Don't know' response. In 2020/21 this question was a 7-point scale, and the change has been made to bring more consistency across South West Water's tracking surveys.



The KPI is computed as:

$$\text{KPI} = \frac{\text{Number customers satisfied/very satisfied}}{\text{Number customers}}$$

The KPI is computed over the year from the CATI and online responses. Don't know responses are excluded from the total number of customers in line with the methodology agreed with SWW.

ACCOUNTING FOR DIFFERENCES IN METHODS

Ofwat recognises the differences between the methods in their C-Mex reporting. The Ofwat's C-Mex methodology[2] (extract below) applies a 5% upward correction factor to online results, given the industry-observed differential between telephone and online responses. In line with this, we have reported customer views with and without a similar 5% upward correction factor applied to online results for two metrics:

- Satisfaction with value for money PC
- Satisfaction with service

4.2.3. Online survey correction factor

Decision: We will be applying an upward correction factor of 5% to the online results. We will test this in the shadow year

During the pilot studies, Allto found that the results from the online surveys were significantly less positive than the results from phone interviews. The rationale given was that online response rates were substantially lower than for telephone surveys. This can give rise to sampling bias since customers with strong negative feelings are more likely to respond than those who are ambivalent. Allto therefore suggested that the online survey may be less representative of the population than the telephone survey. This might mean that companies with higher proportions of digital contact (and therefore higher numbers of online surveys than the minimum 50 expected) will be penalised in their C-MeX scores versus those with lower proportions

At the December C-MeX working group Workshop, one water company offered the use of its own telephone survey tracking data with digital contactors as a comparison to its C-MeX online survey results, in order to validate this figure. The evidence corroborated Allto's findings. Allto found that telephone results amongst digital contactors were 5.9% better than online results and the water company found that telephone results amongst digital contactors were 4.3% better than online results.

Our decision is to apply an upward correction factor of 5% to the online results in the shadow year, but to test this in the shadow year as this will inform our final decision on the methodology. This decision will ensure that we are measuring performance across companies consistently, reliably and fairly which is one of our success criteria.

Source: Ofwat, December 2019

[2] Survey approach for C-MeX and D-MeX: Recommendations for the PR19 final determinations. Prepared for: Ofwat; Prepared by: BMG Research; December 2019.
https://www.ofwat.gov.uk/wp-content/uploads/2019/12/BMG-%E2%80%93-Survey-approach-for-C-MeX-and-D-MeX-Recommendations-for-the-PR19-final-determinations.pdf

3 Sample overview

In this section we provide a summary of the sample collected. More detail on the sample is provided in Appendix 2.

3.1 Sample Size

A total of 1,200 respondents were surveyed in total, against a target of 1,200. The fieldwork was undertaken monthly across 2022/23. All respondents were either fully or partly responsible for paying bills and were successfully screened as South West Water or Bournemouth Water customers.

Bournemouth Water benefited from the larger sample – with 300 responses providing a large enough sub sample to be representative whilst broadly aligning with the proportion of customers overall. The SWW sample consisted of 900 of responses. Key findings are weighted SWW (78.5%) and Bournemouth Water (21.5%), where appropriate, to reflect the customer base when developing an overall company view.

3.2 Sample Profile

The dataset reflects the diverse customer base. There is good alignment with the quotas set.

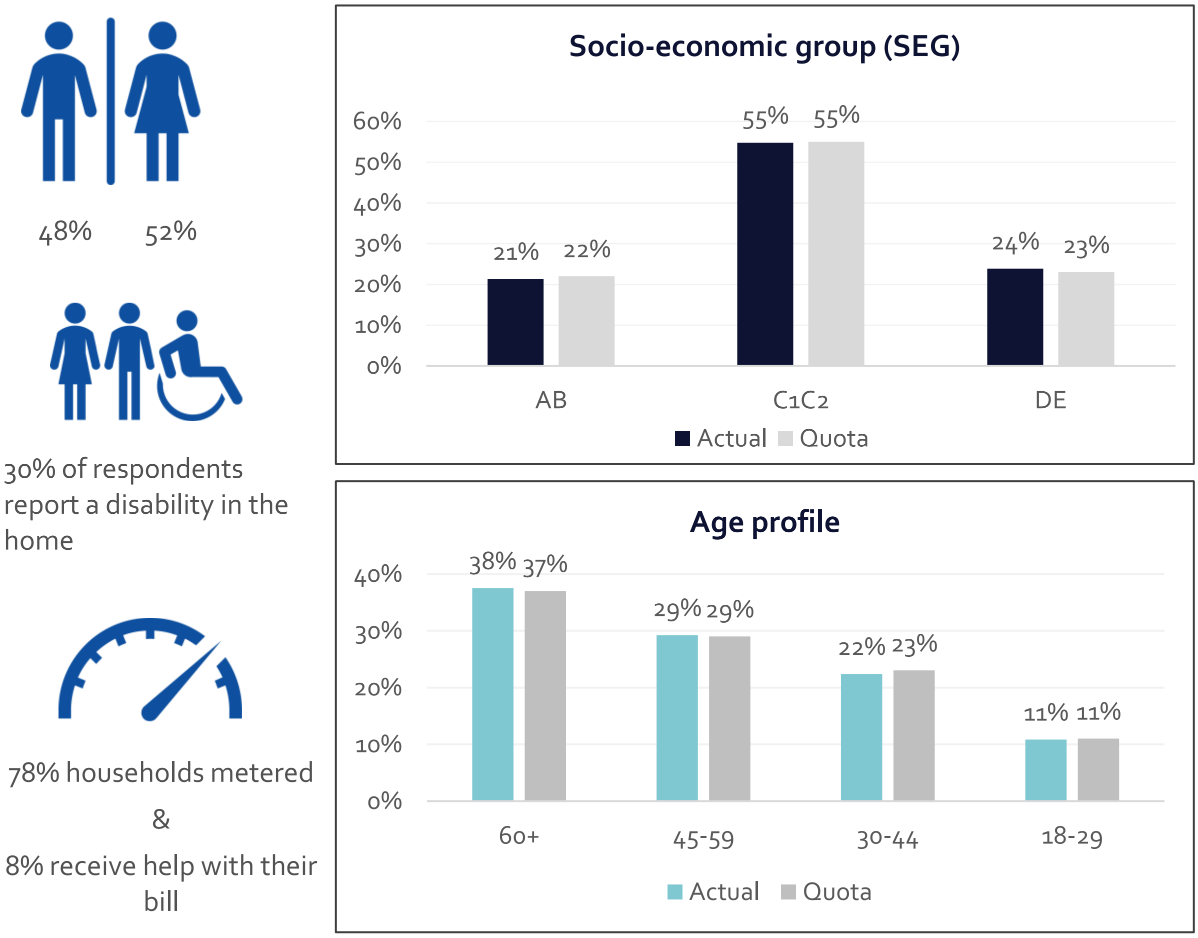


Figure 3.1: Overall summary of the sample dataset (n=1,200)

Quotas were also set to provide an even distribution of locations across the South West Water region based on six groups of MP constituencies, each with similar population levels, plus a smaller sample for the Isles of Scilly.

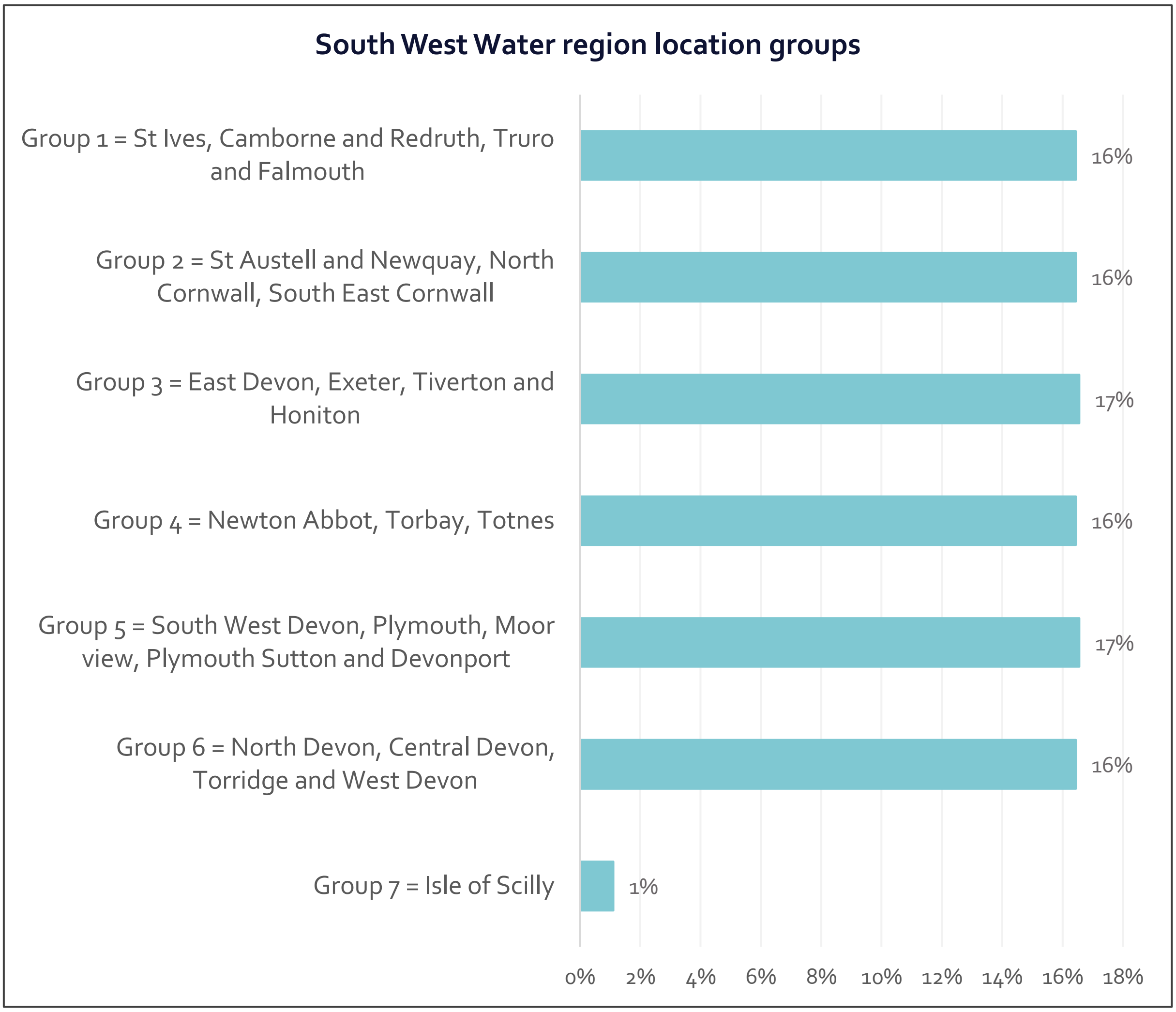


Figure 3.2: Overall summary of the SWW sample by location (n=900)

4 Key Survey Findings

In this section we provide the key findings. Where there are notable trends, we have summarised the findings in this report. Further detail on the findings is provided in Appendix 3.

4.1 Affordability and ease of paying bills

EASE OF PAYING THE BILL

Overall, ease of paying the bill is high, with only 16% of customers saying they either always or sometimes find it difficult to pay their bill. This is slightly higher than the 2021/22 results (13%).

4 % of customers indicate they always struggle to pay their bills. 8% indicate they receive support with paying their bills.

At a regional level, 17% of customers in the South West Water region report either always or sometimes finding it difficult to pay their combined water and sewerage bill. In the Bournemouth Water region, the figures are 13% for their water only bill and 16% once sewerage is also included.

STATED AFFORDABILITY

Overall, 83% self-report that the bill they pay to SWW/BW is affordable.

These findings are the same as the previous year (83%) and have reduced by 3% from 86% in 2020/21. The lower results this year and for the previous year may be linked to external factors:

- This year has brought a cost-of-living crisis driven by energy bills and inflation.
- The 2021/22 result is influenced by a dip in stated affordability in Q1 that was observed across multiple surveys (Affordability, LTTS and merger surveys), interview modes (online and telephone) and fieldwork providers. It is expected that this is likely to be due to external factors such as the end of Covid related furlough.

Stated affordability in the SWW and BW regions has converged during 2021/22. Whilst the SWW region remains stable, over the last six quarters the BW region is showing a steady decline.

For SWW area the figure is 82% for the combined water and sewerage bill. In the Bournemouth Water area, the figures are 89% for the water only bill and 85% for the combined water and sewerage bill.

4.2 Value for Money

Overall, satisfaction with value for money is 76%. This exceeds the PC target for 2022/23 (73%) and meets the PC target for the end of the AMP PC target for 2024/25 (75%). The result for 2022/23 is higher than 2021/22 (73%). This finding mirrors the results of a different question on value for money in the affordability tracker survey which also saw a small increase on the previous year.

The overall results are summarised below for the combined CATI and online results.

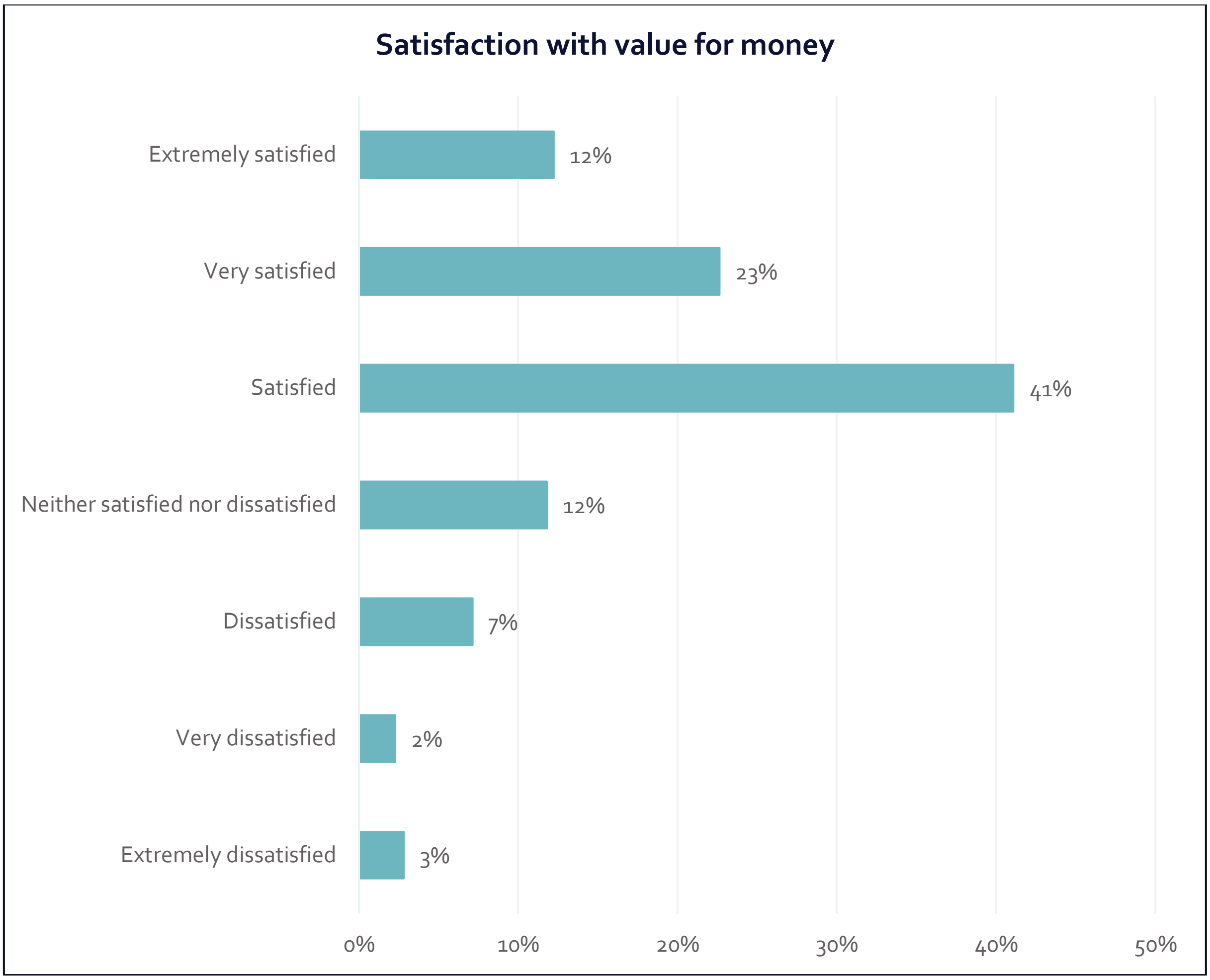


Figure 4.1: Customer Satisfaction with Value for Money - overall

(n=1,188) Results adjusted for a 5% online uplift and weighted to reflect customer numbers for SWW and BW. Excludes don't know responses.

The results for the year peaked in Q2 at 79% but have since tailed off in the last two quarters dropping to 72% by Q4. This could be an early indicator of challenges to come next year. The SWW region has seen a reduction of 10% over the last two quarters. Whilst drops in satisfaction with value for money have been seen in previous years, it tends to be over one quarter followed by a recovery. In this case the recovery was not observed, and this will be monitored.

At a regional level, 73% of SWW customers are satisfied with value for money; and 86% BW customers indicate they are satisfied with value for money for their water bill. Across the quarters we consistently observe that Bournemouth Water customers indicate higher satisfaction with the value for money.

DIFFERENCES IN METHODS

The combined SWW and Bournemouth Water results are higher for the CATI sample when compared to the online sample (see Table 4.1). This is also observed at a regional level where the difference is larger for the SWW region. The results are more aligned for the Bournemouth region.

	CATI	Online	Difference	CATI + Online	CATI + Uplifted Online (5%)
SWW	74%	66%	8%	71%	73%
BW	85%	83%	3%	85%	86%
ALL - SWW/BW combined	77%	70%	7%	74%	76%

Table 4.1: Summary of results across survey formats

Note: Results for ALL are weighted to reflect customer numbers.

Consistent with Ofwat's approach of applying an online uplift of 5%, for reporting the PC in 2022/23 we recommend that the result with the uplift applied (76%) is presented. This follows two years where no premium has been observed.

COMPARISON TO PREVIOUS YEARS

The annual satisfaction with value for money results continue to increase. The average for this year (76%) is higher than last year (73%) and follows two further years of improvement.

This is driven by the South West region which has seen a 13% increase over the last three years. The Bournemouth region shows an increase of 4% from three years ago. Two of these three years has seen SWW issue a Watershare+ bill rebate.

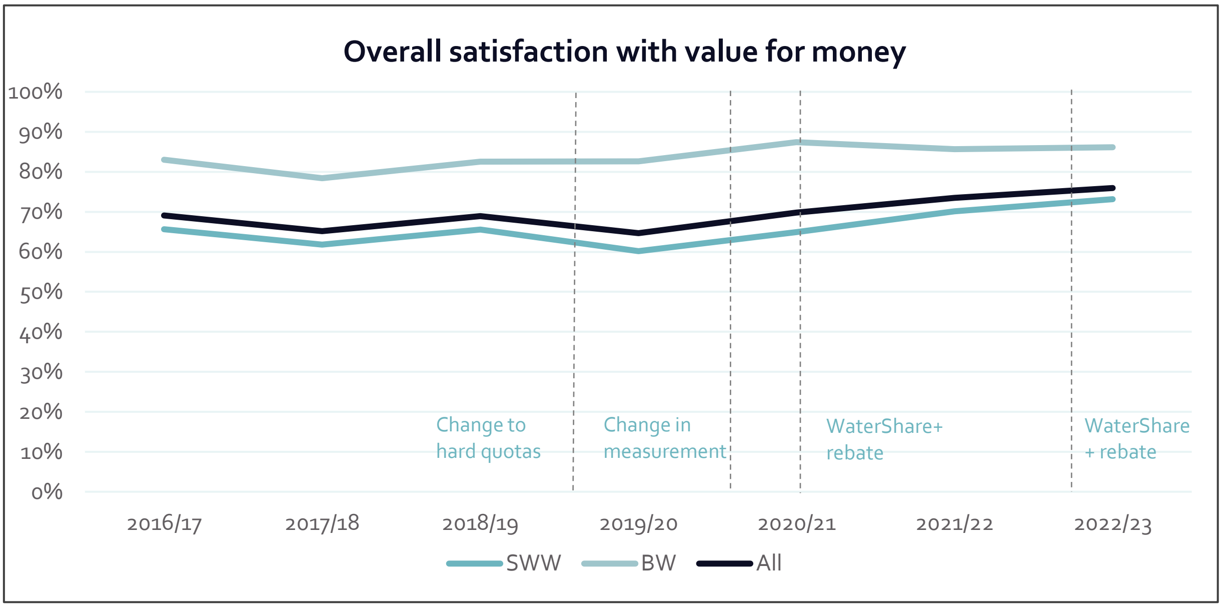


Figure 4.2: Overall satisfaction with value for money – annual average results

Results up until end 2019/20 are CATI only. 2020/21 results onwards based on CATI plus online. 'All' results are weighted to reflect customer numbers for SWW and BW.

REASONS FOR SATISFACTION WITH VALUE FOR MONEY

Customers who indicate they are satisfied with value for money often cite **affordable and fair bills,** an **absence of service issues.** Some felt that there is a good **balance between bills and service levels** and linked to this there is a view that the **water quality is good** (this is higher in the South West region).

Those that are dissatisfied cite **affordability challenges** as their main reason. Other notable reasons include that the **price is high**, especially compared to other parts of the country and that the **price of**

water and sewerage is unfair. Customers also cite a feeling that service levels are not good enough for the money (this is higher in the South West region).

4.3 Customer Satisfaction with service

CUSTOMER SATISFACTION WITH OVERALL SERVICE

Satisfaction with the overall service provided by SWW and BW combined is 89%. The result for 2022/23 is higher than 2021/22 (86%). In 2022/23, 5% are dissatisfied or very dissatisfied with service, marginally above the 4% in 2021/22.

The overall results are summarised below for the combined CATI and online results.

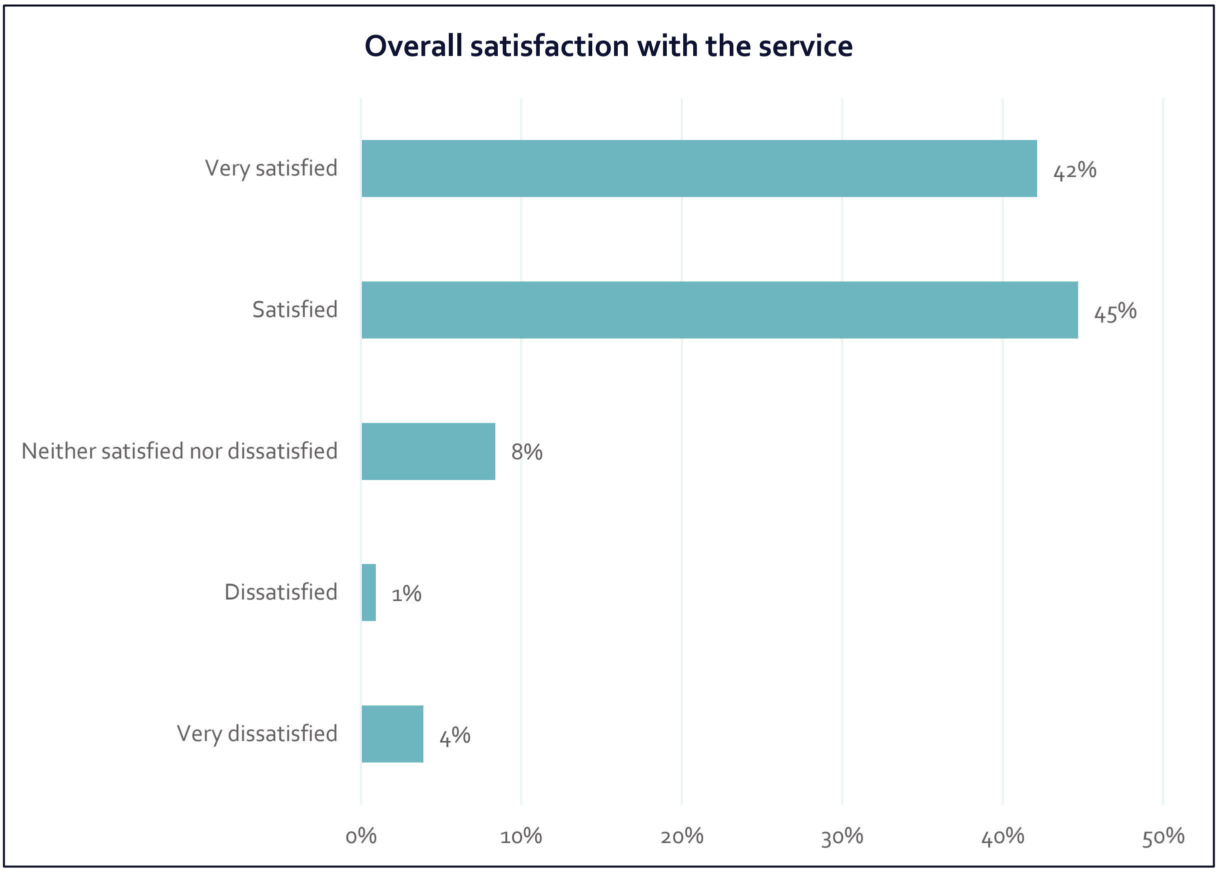


Figure 4.3: Overall Customer Satisfaction with Services (all results)

(n=1,198) Results adjusted for a 5% online uplift and are weighted to reflect customer numbers for SWW and BW. Excludes don't know responses.

The 2022/23 result peaked in the second quarter, with relatively stable performance for the remainder of the year overall.

At a regional level, the results show that customers are more satisfied with service in the Bournemouth Water region. Overall, 88% of customers are satisfied with SWW services, and 94% of customers are satisfied with Bournemouth Water services.

DIFFERENCES IN METHODS

Table 4.2 shows that the CATI results are higher than online results in the South West region but not the Bournemouth region. That difference in the South West is greater than the 5% uplift recommended by Ofwat, and this is sufficiently large to exceed this threshold when the two regions are combined.

	CATI	Online	Difference	CATI + Online	CATI + Uplifted Online (5%)
SWW	89%	81%	8.0%	86%	88%
BW	92%	93%	-1%	92%	94%
ALL - SWW/BW combined	89%	83%	6.0%	87%	89%

Table 4.2: Summary of results across survey formats

Note: Results for ALL are weighted to reflect customer numbers for SWW and BW.

MOTIVATIONS

Customers were asked their reasons for being satisfied or dissatisfied with services.

The main reasons cited for satisfaction are:

- A vast majority of customers indicated the find the service to be reliable and they had not experienced any issues
- Positive experiences when contacting the company
- The service provided is good value
- The high quality of drinking water
- Problems are fixed quickly when they occur
- Bills are affordable

For those that said they were dissatisfied with services the key reasons are:

- Lack of value for money
- Bills are not affordable
- Negative experiences when contacting the company
- Poor environmental performance
- Reliability issues or service problems

SATISFACTION WITH INDIVIDUAL ASPECTS OF SERVICE

Customers' satisfaction is highest for the direct water supply service (Figure 4.4). The aspects of service with the highest satisfaction are the number of interruptions to the water supply, the quality and safety of drinking water and the taste, smell and appearance of tap water.

Dissatisfaction is centred on the quality of bathing water at beaches, care about the environment and disposal and the quality of sewage treatment and disposal.

At a regional level the top three areas for satisfaction are the same for South West Water and Bournemouth Water customers. When looking at customers bottom three areas for satisfaction, the areas were also the same once wastewater measures are removed[3].

[3] The three measures with the highest satisfaction once the wastewater only measures are removed are care about the environment, the time take to fix leaks and help provided to customers that struggle to pay.

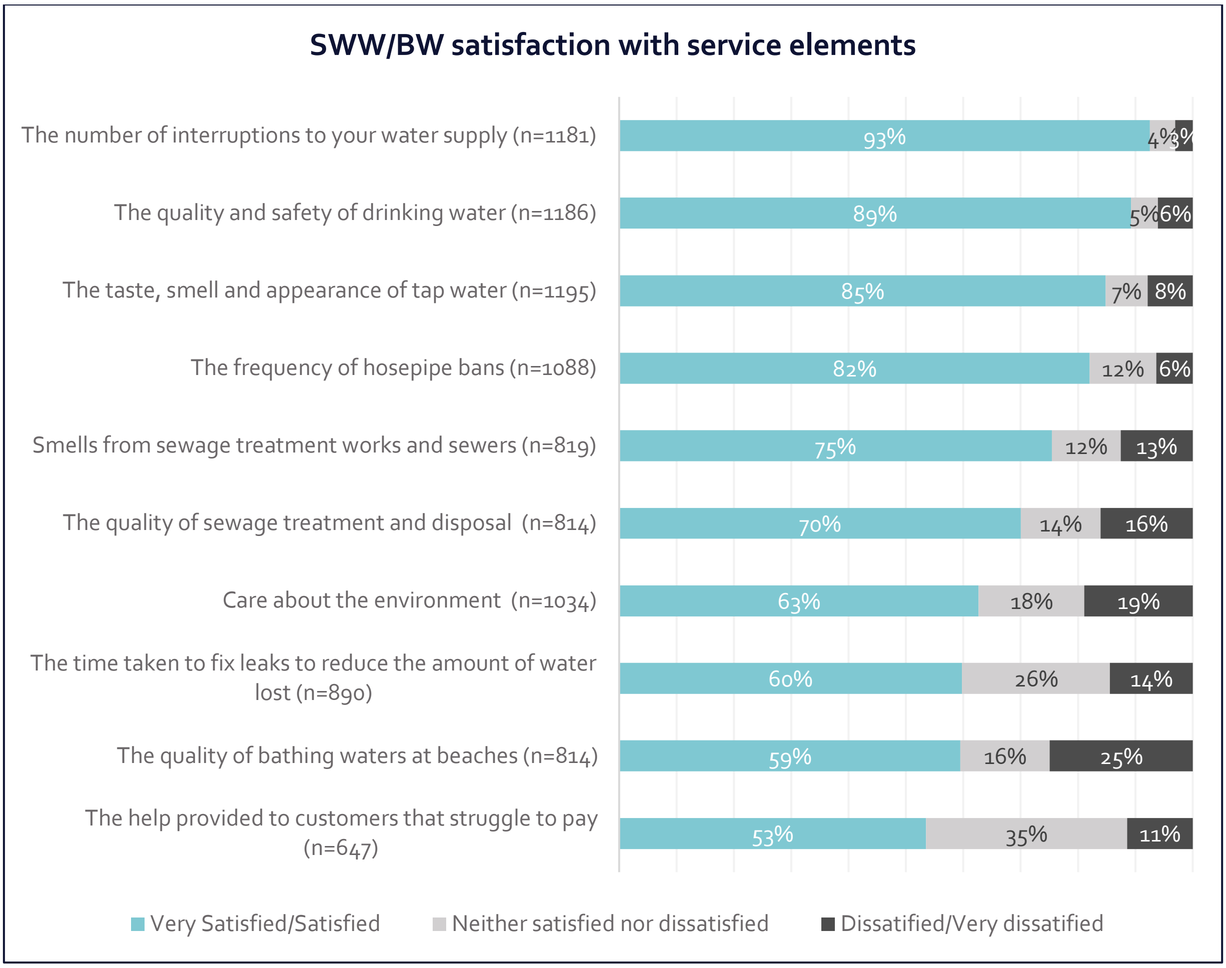


Figure 4.4: Customer Satisfaction with aspects of service – overall

Note: Results shown are weighted to reflect customer numbers for SWW and BW. Sample sizes shown in graph. Excludes don't know responses. Sample size is lower for sewerage measures as they were included in the South West Water region survey only.

Comparison to 2021/22

When compared to the results from 2021/22, Figure 4.5 shows satisfaction with service has a mix of stable and declining satisfaction.

Decreases in satisfaction are seen for the help provided to customers who struggle to pay (-16%), time taken to fix leaks (-11%), care about the environment (-8%), the quality of sewage treatment and disposal (-7%) and the quality of bathing waters at beaches (-6%).

Other measures are not statistically different to 2021/22 in terms of satisfaction.

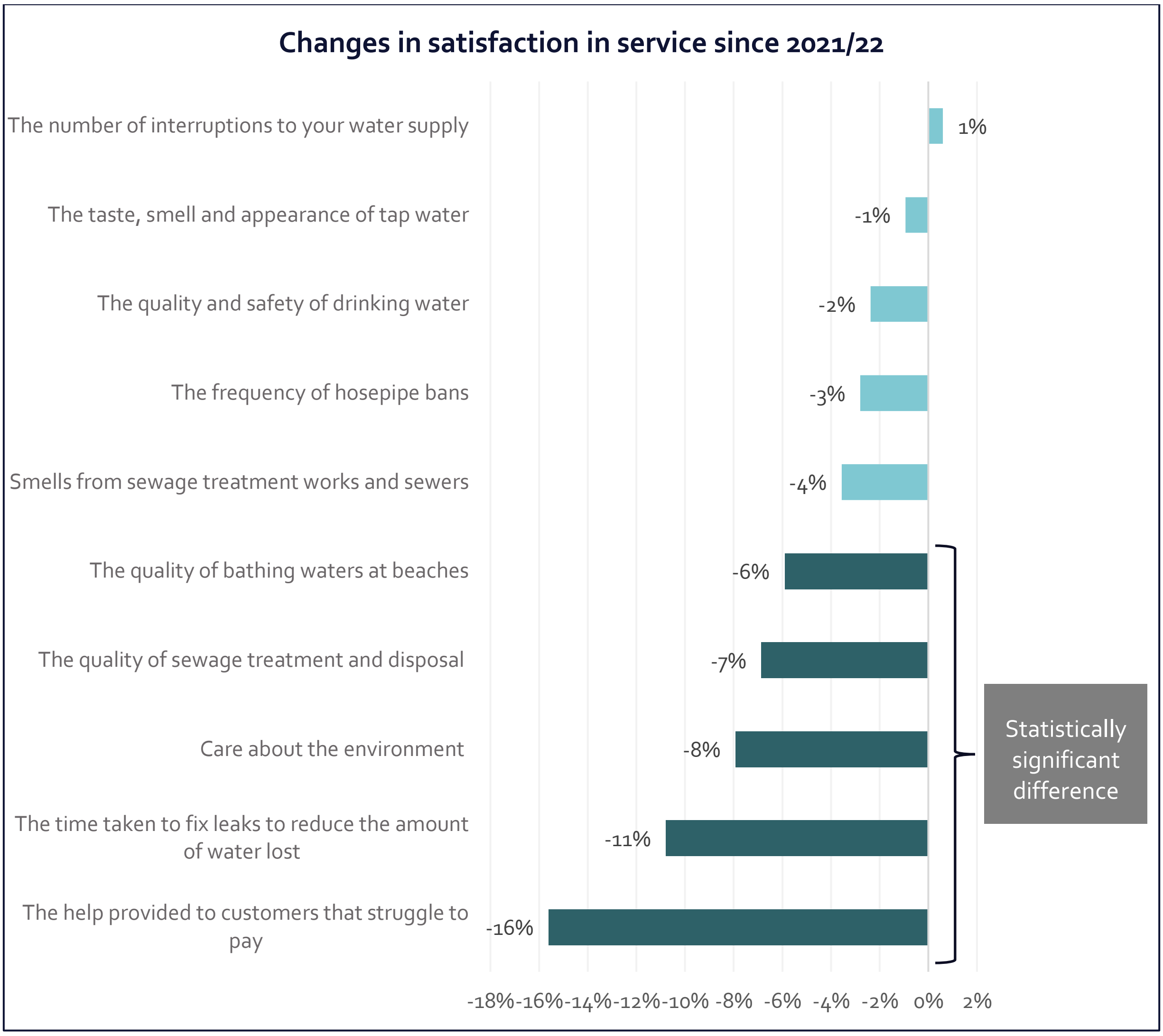


Figure 4.5: Changes in customer satisfaction with service elements since 2021/22

Note: Darker blue bars denote a statistically significant difference

SATISFACTION WITH SERVICE ELEMENTS OVER TIME

A review of the trends over time (Figure 4.6 to Figure 4.8) show that:

- The waste water and environmental measures all show a reduction in satisfaction since Q1. There has been a growth in those dissatisfied with sewerage and environmental services. This means previously satisfied customers are moving into the dissatisfied category and not just the neutral category.
  - Care about the environment and the quality of bathing waters have seen the largest increases in dissatisfaction since Q1, +17% and +11% respectively from Q1 2022/23 to Q4 2022/23. Dissatisfaction in the remaining measures peaked in Q3.
- Help provided to customers that struggle to pay has decreased since Q1 following an increase during 2020/21 and stable findings for the previous year. It has now decreased to a similar level to Q2 2020/21. The decrease in satisfaction with help provided to customers that are struggling to pay has led to an increase in neutral responses rather than an increase in dissatisfaction.
- Satisfaction with the frequency of hosepipe bans has remained relatively stable over time despite a temporary use ban in the Cornwall area, although it has reduced across the year from a peak in the spring.

- Satisfaction with water services remains stable over time.

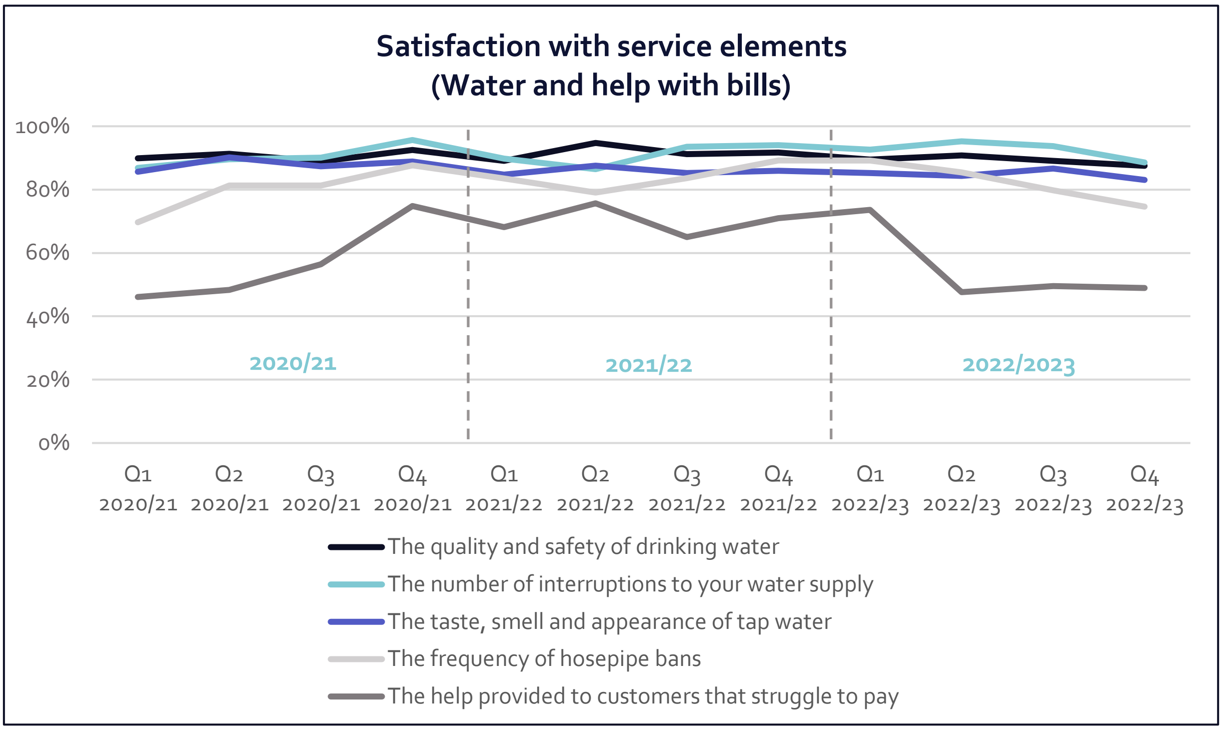


Figure 4.6: Satisfaction with water and financial assistance measures over time

Excludes don't knows. Results shown are weighted to reflect customer numbers for SWW and BW

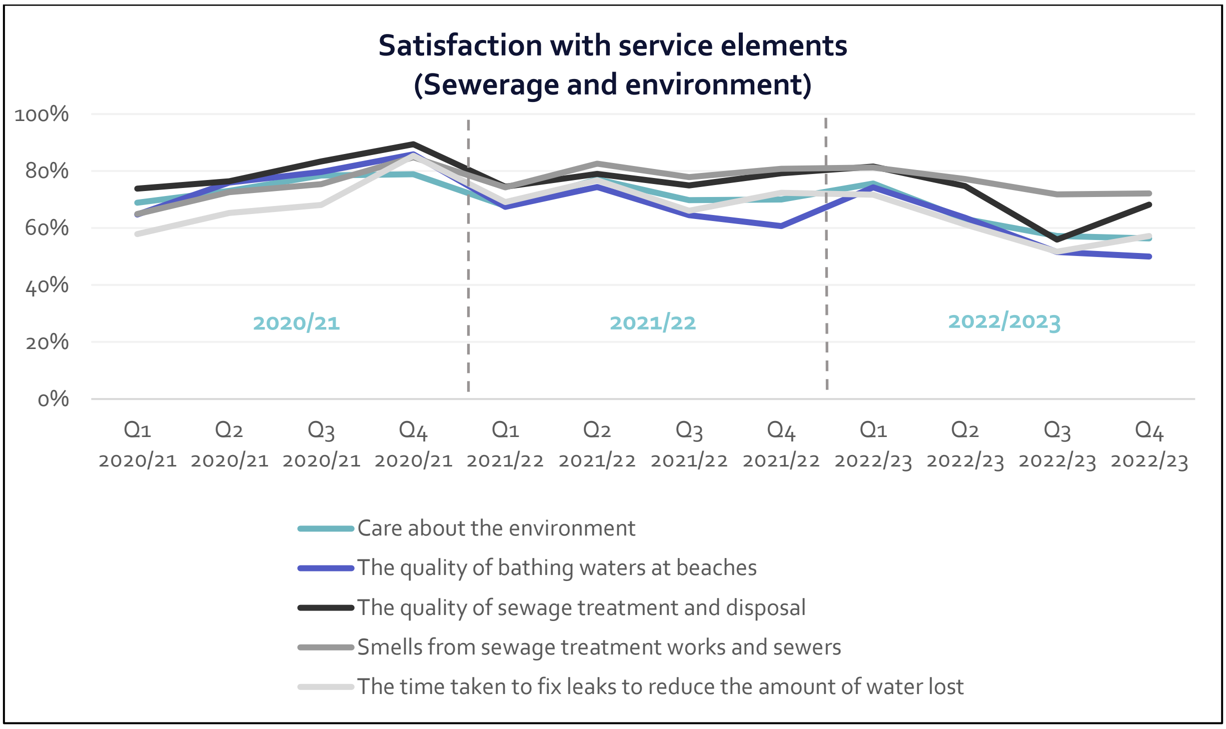


Figure 4.7: Satisfaction with sewerage and environment measures over time

Excludes don't knows. Results shown are weighted to reflect customer numbers for SWW and BW

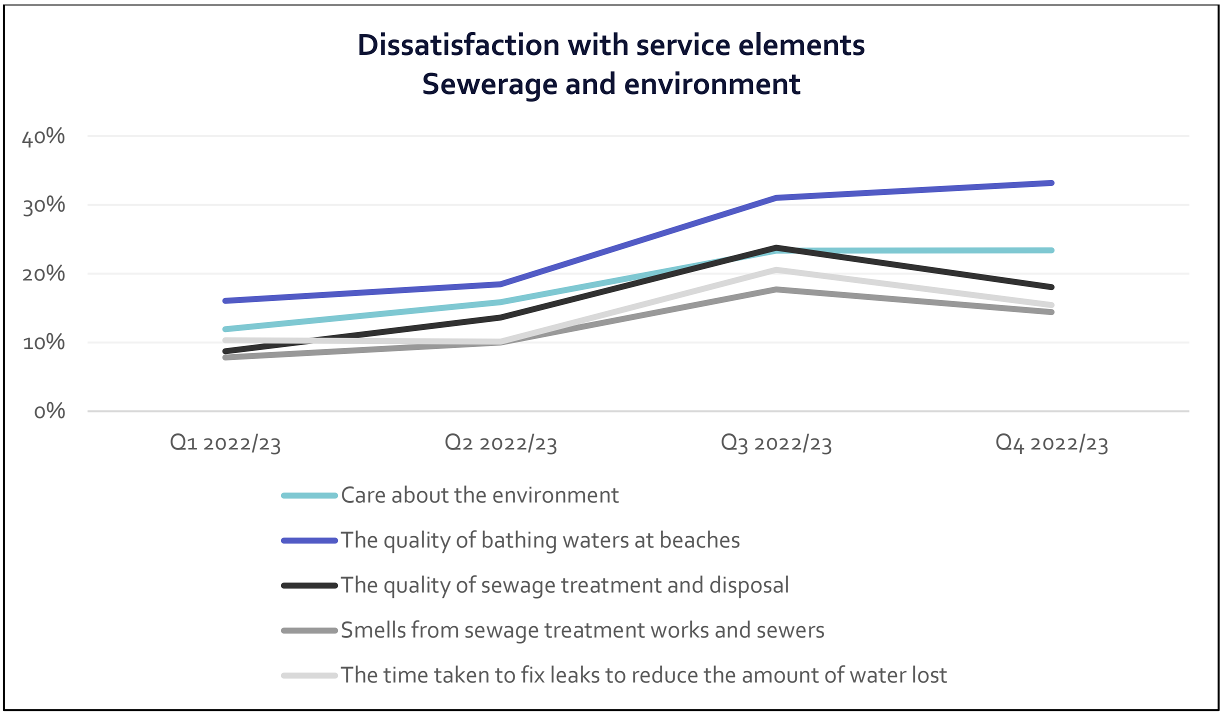


Figure 4.8: Satisfaction with sewerage and environment measures over time

Excludes don't knows. Results shown are weighted to reflect customer numbers for SWW and BW

4.4 Views on rivers and coastal bathing waters

CONDITION AND EXPERIENCE OF THE ENVIRONMENT

High proportions of customers report visiting rivers or coastal bathing waters regularly. Customers are more likely to report visiting coastal bathing waters (62%) compared to rivers (44%), potentially reflecting the availability of the coast.

Half of customers are concerned about the quality of rivers and coastal waters. The full year results show that more customers feel coastal waters and rivers have declined than those customers who consider they have improved over the last decade. These proportions are closer to being in balance for coastal waters. The highest proportion of customers consider quality has stayed the same.

Overall, 70% of customers think coastal bathing waters have either improved or stayed the same quality. The comparable figure for rivers is 72%.

Catchment management is seen as an important tool for nearly all customers (98%).

Question	Rivers	Coastal bathing waters*
Customers very or fairly worried about quality	50%	54%
Customers who think quality has improved over the last 10 years	19%	25%
Customers who think quality has stayed the same over the last 10 years	54%	45%
Customers who think quality has got worse over the last 10 years	28%	30%
Customers visiting very often or quite often	44%	62%
Customers who view it as very or somewhat important that SWW continues catchment management activities	98%	

Table 4.3: Agree (or strongly agree) with statements

Results shown for rivers are weighted to reflect customer numbers for SWW and BW. Coastal bathing water findings are SWW only.

At a regional level South West Water customers are more likely to report visiting rivers (46%) than Bournemouth Water customers (38%). There is also a notable difference in the proportion of customers who think river quality has improved over the last decade, with 20% of SWW customers stating that the rivers have improved compared to 13% in the Bournemouth Water region. This may indicate that use of the environment is associated with the perception of quality.

The proportion of customers who think that the rivers have deteriorated in quality is similar across the two regions. Bournemouth Water customers are more like to view the quality as unchanged.

CONDITION OF THE ENVIRONMENT OVER TIME

The annual view is masking a change over the year. Views on the environment have worsened over the year as shown in the two charts below.

Q3 and Q4 show a substantial increase in the proportion of customers who perceive a deterioration in water quality over the last decade compared to the start of the year. Q3 contains the highest proportion of negative views in 2022/23.

The responses for the first half of the year (Q1+Q2) are stable. Comparing this starting level to the finding from the second half of the year (Q3+Q4) provides a robust basis (due to sample size[4]) for assessing the change in the proportion of customers who perceive a deterioration in water quality over the last decade:

- For coastal bathing waters, there is an increase from 18% in the first half of the year to an average of 41% in the latter half of the year.
- For rivers, the proportion increases from 23% in the first half of the year to an average of 32% in the latter half of the year.

[4] Note: Q1 and Q3 findings are indicative only as the sample size changes each quarter (these are smaller online only samples).

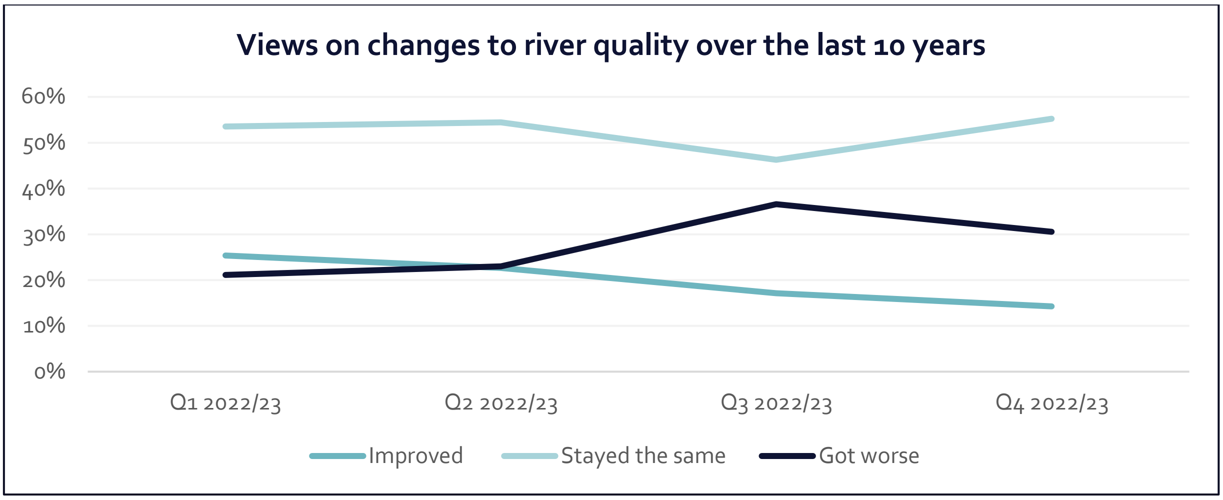


Figure 4.9 Views on long term river quality

Excludes don't know responses. For rivers the sample sizes are Q1 = 71, Q2 = 208, Q3 = 77 and Q4 = 232. Findings are SWW+BW weighted 78.5%:21.5%.

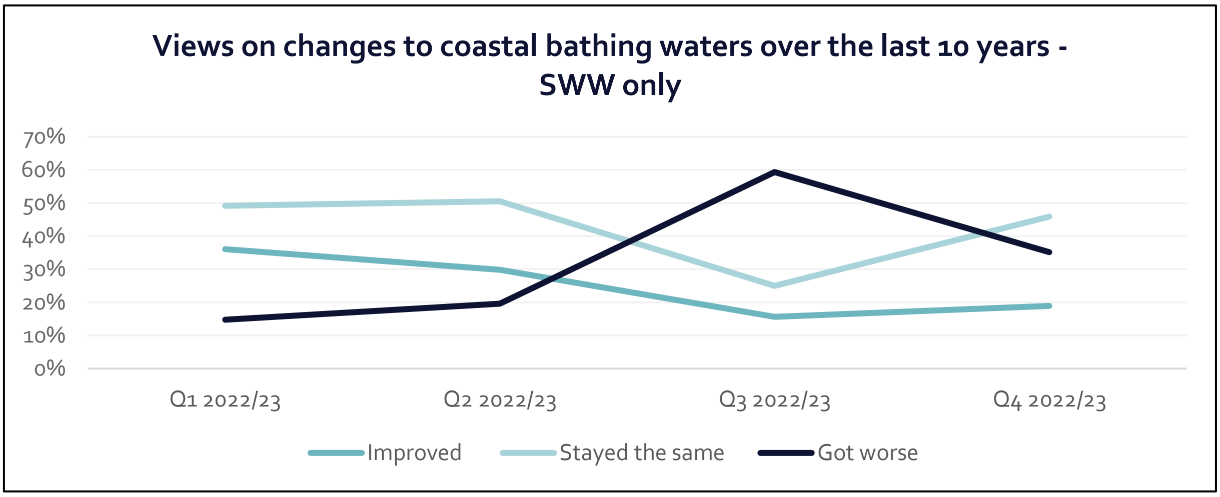


Figure 4.10 Views on long term bathing water quality

Excludes don't know responses. Coastal bathing waters is asked in the SWW survey version only. Sample sizes are Q1 = 61, Q2 = 184, Q3 = 64 and Q4 = 196. Findings are SWW+BW weighted 78.5%:21.5%.

4.5 Satisfaction with openness and transparency of information

Satisfaction with openness and transparency of information combined is 64%. The result for 2022/23 has fallen compared to 2021/22 (77%). In 2022/23, 11% are dissatisfied or very dissatisfied with transparency of information, which is higher than the 6% in 2021/22.

The overall results are summarised below for the combined CATI and online results.

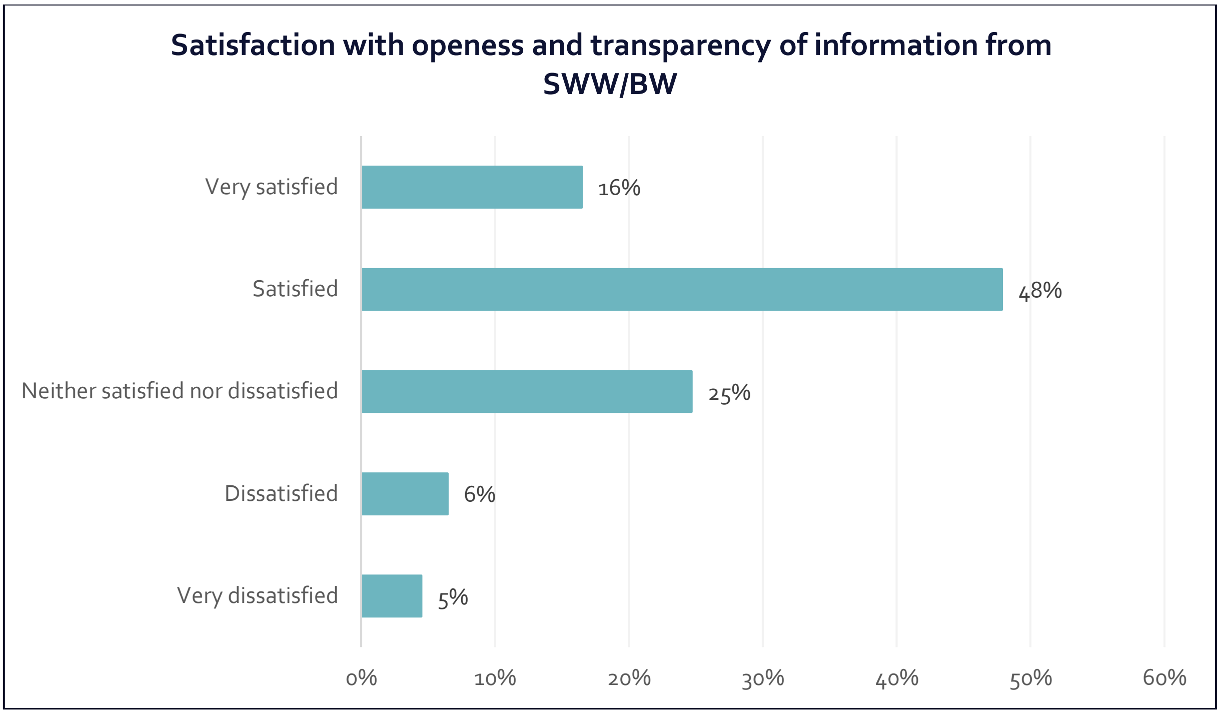


Figure 4.11: Satisfaction with open and transparent information

N = 836. Excludes don't knows. Results shown are weighted to reflect customer numbers for SWW and BW. Question introduced in Quarter 2 2022/23.

Across the year the result are highest in Q2 at 69% and lowest in Q3 at 60%, recovering to 64% in Q4.

At a regional level the results were similar in Q2 but deviate in the latter half of the year. Bournemouth Water results remain relatively stable/potentially increasing. South West Water region results are notably lower in Q3 and Q4. This change mirrors the trends observed for views on river and coastal bathing waters, indicating the change is potentially linked to satisfaction with wastewater and environmental measures.

4.6 Trust and values

Customers have high levels of trust and confidence in South West Water and Bournemouth Water at 89%. This is lower than 2021/22 (93%). It is declining, but at a lower rate than satisfaction with openness and transparency.

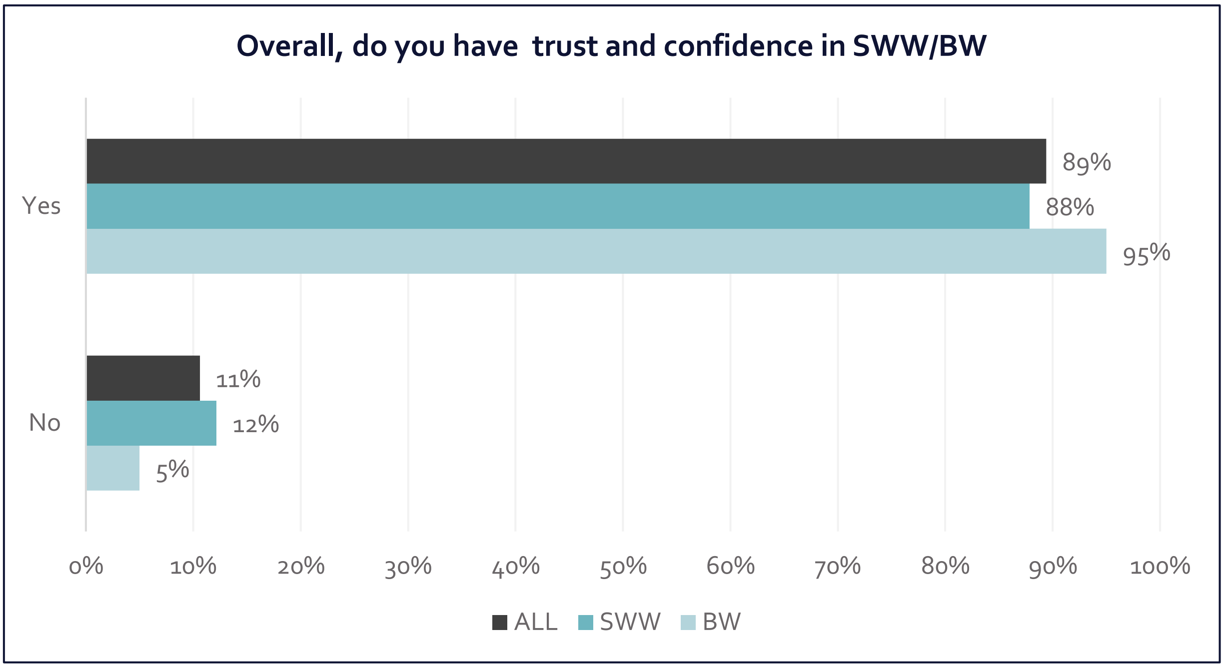


Figure 4.12 Trust and confidence

(n=1,104) Excludes don't know responses. 'All' results are weighted to reflect customer numbers for SWW and BW. Excludes don't know responses.

Trust and confidence is higher in the Bournemouth Water region (95%) compared to the South West Water region (88%).

TRUST AND CONFIDENCE OVER TIME

Trust and confidence has declined across 2022/23, with Q4 (88%) five percentage points lower than the 2021/22 average (93%).

- For South West Water region, the lowest quarterly result was 86% (Q4), a 5% decrease from 2021/22 average 92%.
- For Bournemouth Water region, the lowest quarterly result was 93% (Q3), a 5% decrease from 2021/22 average 97%.

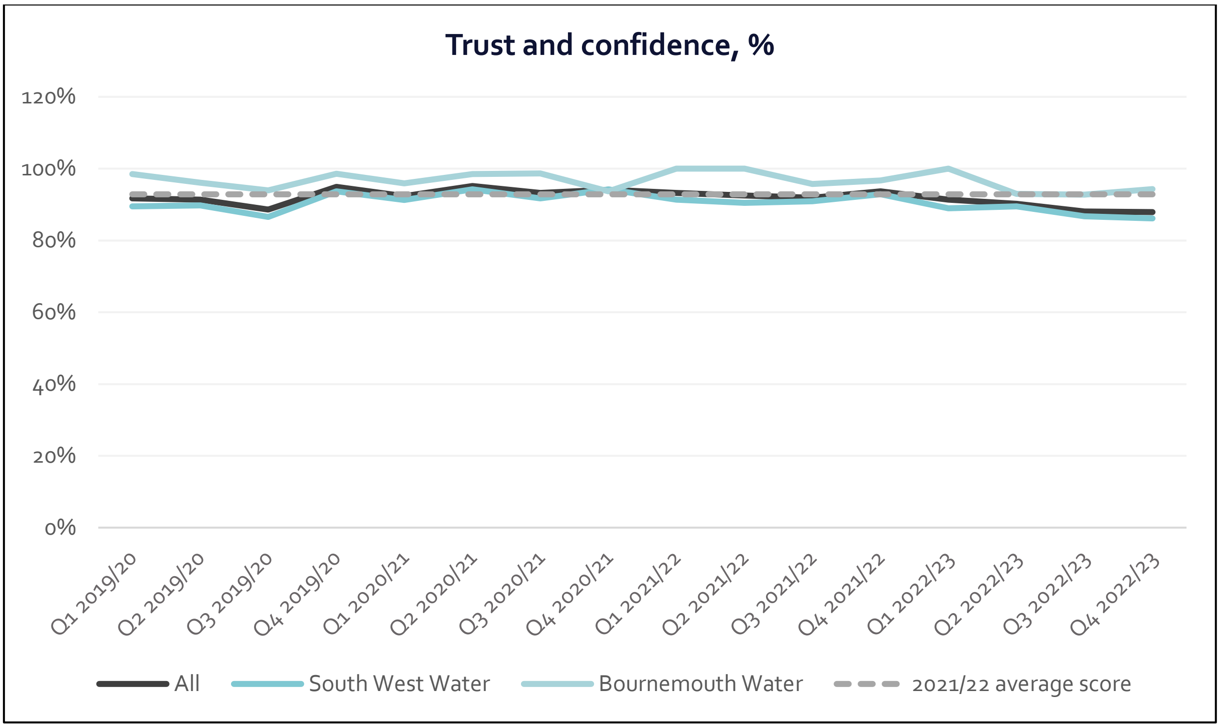


Figure 4.13 Trust and confidence

(n=1,104) Excludes don't know responses. 'All' results are weighted to reflect customer numbers for SWW and BW. Excludes don't know responses.

Other survey questions seek to understand customer views of trust and value in more depth. Customers were asked to indicate to what extent they agree with the statements about South West Water / Bournemouth Water trust and values. The percentage of customers agreeing or strongly agreeing with statements is shown below.

When the statements are ranked in order of strength of agreement the findings are consistent. We also consistently find that Bournemouth Water customers are more likely to agree with the statements than South West Water customers.

The extent of agreement is closest for contribution to and support of the local economy and support for people and communities.

The largest difference is for views on whether SWW or BW is a responsible company, with 11% more Bournemouth Water customers agreeing with this statement. Large gaps are also seen for confidence in how the company is run and views on whether SWW / BW are environmental leaders within the region (both 8% difference).

	SWW	BW	Overall
SWW/BW are a responsible company	74%	86%	77%
I have confidence in how the company is run	70%	77%	71%
SWW/BW contribute to and support the local economy	66%	70%	67%
SWW/BW support people and communities within the region	63%	68%	64%
SWW/BW are environmental leaders in the region	55%	63%	56%

Table 4.4: Agree (or strongly agree) with statements.

Excludes don't know responses.

TRUST IN SAFE AND RELIABLE DRINKING WATER

There are high levels of trust in drinking water overall. Overall, customers scored 8.4 out of 10 when asked about the extent they trust South West Water / Bournemouth Water to deliver safe and reliable drinking water services. This score is slightly lower than last year (8.7 out of 10 overall).

Customers in the SWW region gave the same score (8.4 out of 10) and customers in the Bournemouth Water region gave a score of 8.5 out of 10. Both the regions show a slightly lower value compared to last year.

4.7 Acceptability of the bill change

Overall, 93% of customers consider the change to bills that will occur between 2020 and 2025 as a result of the PR19 determination to be acceptable. This is lower than the 2021/22 findings of 97% (the difference is statistically significant).

Customers were shown information on the bill change and how this is broken down across service areas, including changes to improve financing and efficiency savings.

The findings for the Bournemouth region (98%) are higher than the South West region (92%).

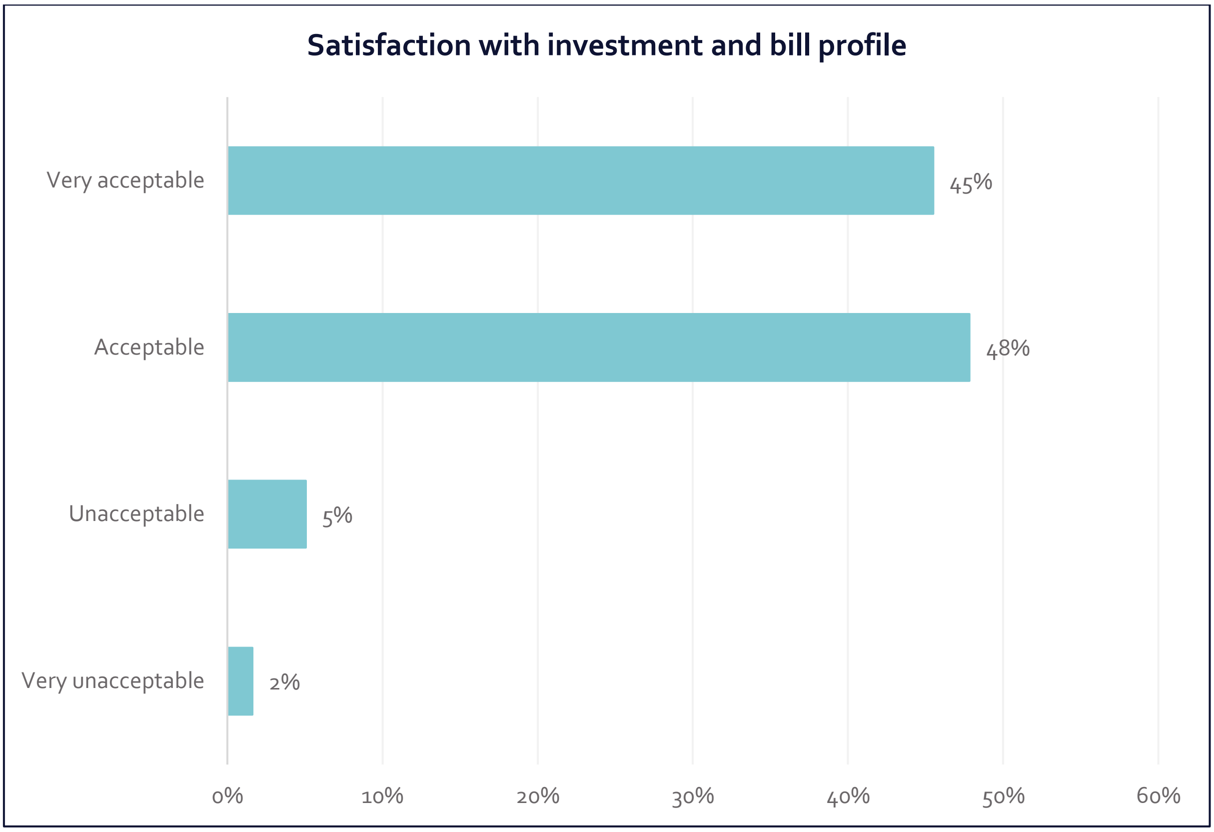


Figure 4.14: Household acceptability of changes to bills between 2020 and 2025

(n=386) Results are weighted to reflect customer numbers for SWW and BW. Excludes don't know responses. Question included in the online version of the survey only.

4.8 Future Planning – Future service priorities

Customers think it is important to continue to invest in all areas in the future.

Safe water supply that is good for drinking remains the top priority. This is followed by preventing pollution as the second most important. Customers also prioritise maintaining existing infrastructure for current and future customers, being responsive to service problems, sewer resilience, water supply resilience and leakage control.

Figure 4.15: Household priorities for the future: mean score

(n=800) Results are weighted to reflect customer numbers for SWW and BW.

Differences in investment priorities between the regions are limited as differences in ratings out of 10 are small. Both regions rank safe water supply as the highest priority.

When water only reasons are considered, the top priorities align. Preventing pollution and maintaining the existing infrastructure are included in the top three priorities alongside safe water supply. Also important are responsiveness to service problems, water supply resilience in extreme conditions and leakage control.

In the South West Water region customers also prioritise increasing sewer resilience in extreme conditions (3rd priority).

In both regions the bottom three priorities are transition to zero carbon footprint, avoiding water restrictions due to drought and education on water saving.

Comparison to 2021/22 and PR19 findings

Customers' priorities are similar to 2021/22 but rated higher than at PR19. For comparison, we compare the 2021/22 priority findings with last year's findings and the findings of the PR19 priorities study, which was conducted in 2017 Q1.

Differences in the overall mean score are shown below:

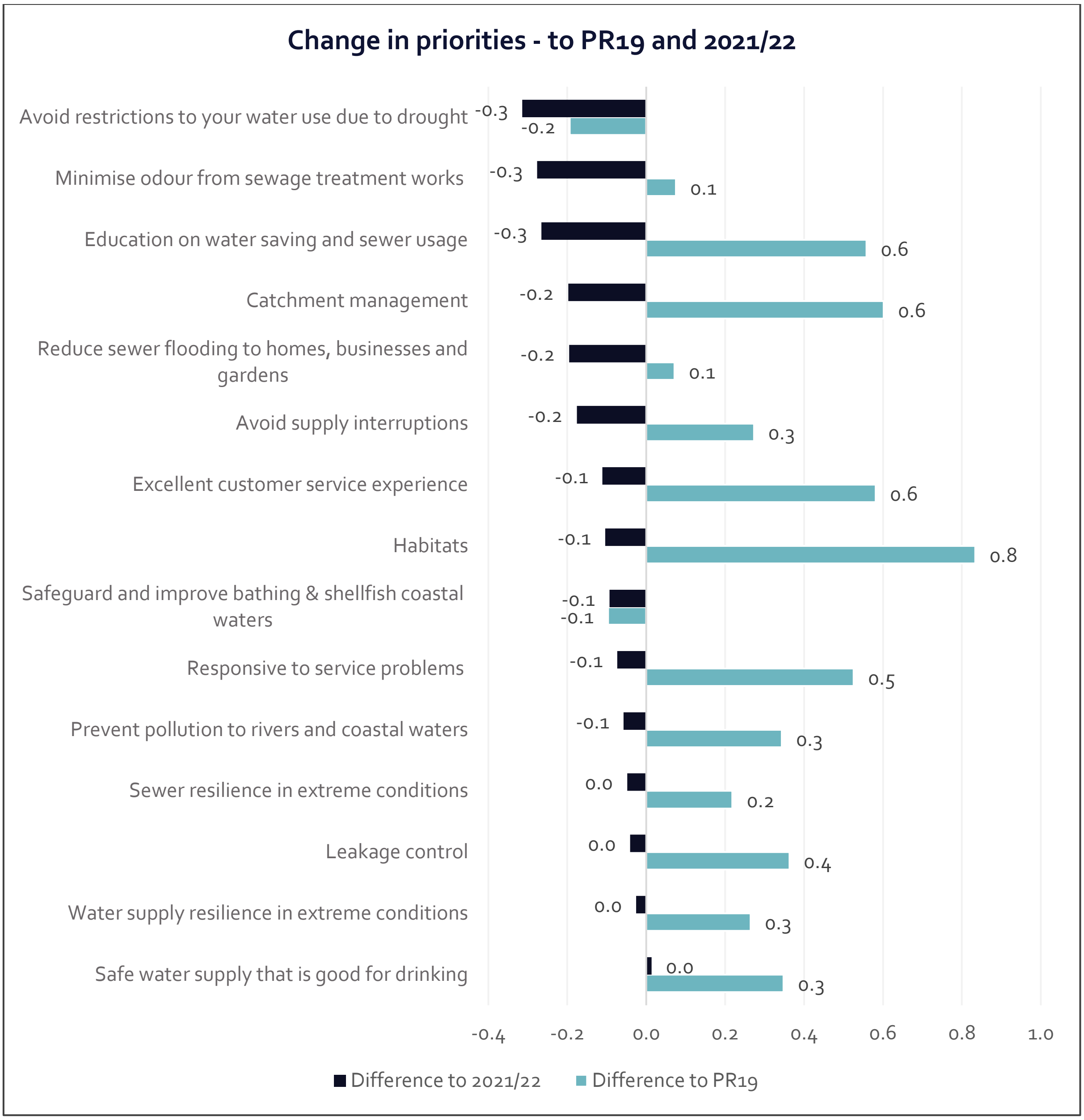


Figure 4.16: Household priorities 2021/22 versus 2020/21 and PR19: difference in mean score

Priorities are not consistent but vary across the quarters with seasonal or external factors such as avoiding supply interruptions being important in the Q2, leakage control being important to customers in the Q4 following the cold snap, sewer resilience being important to customers in Q3 and Q4 and sewer flooding being particularly important in the Q3. Prevent pollution ranked 2nd most important for the first three quarters (Q1, Q2, Q3) but dropped to 8th priority in Q4.

Relative to 2021/22 the overall priorities are stable (within +/- 0.3 of the 2021/22 figures). The top three changes are for future investment in:

- Avoid restrictions to your water use due to drought (-0.3)
- Minimise odour from STWs (-0.3)
- Education on water saving and sewer usage (-0.3)

The changes are more volatile compared to PR19. Many of the priorities are stable (i.e. most are within +/- 0.5 of the PR19 figures). There are four areas with larger changes:

- Habitats (+0.8)
- Catchment management (+0.6)
- Excellent customer service experience (+0.6)
- Education on water saving and sewer usage (+0.6)

Given that priorities appear to be slightly changeable over time – within years and across year – it is appropriate that future priorities are tracked quarterly via this survey.

Review of relative priorities compared to PR19

Whilst customers absolute priority scoring out of 10 is rated higher than PR19, customers' relative priorities are largely unchanged since PR19.

This finding is based on a qualitative assessment that takes into account:

- Relative priority in PR19 and 2022/23.
- Changes in score out of 10 between the two time periods.
- Variance in absolute score within time periods.

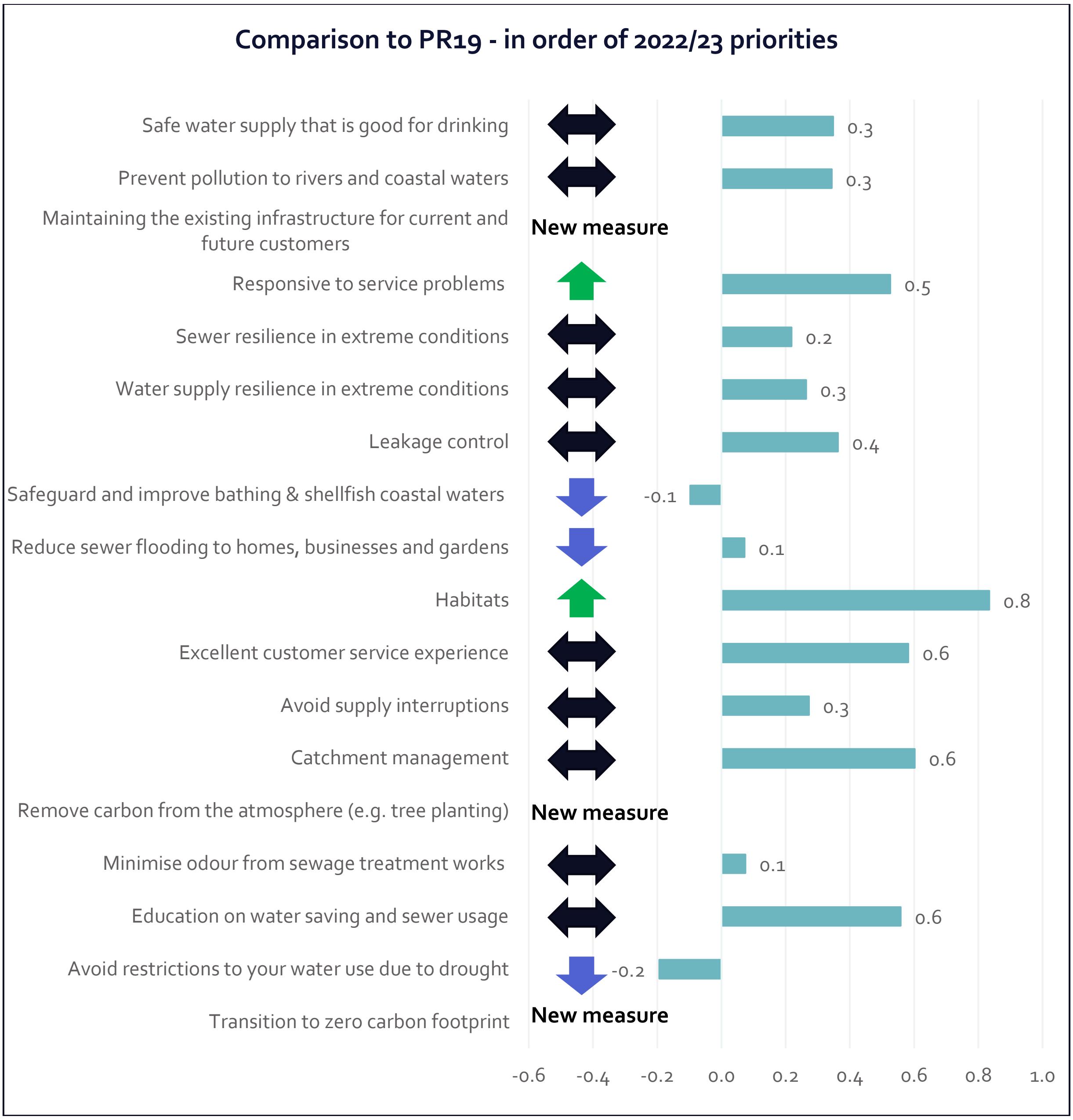


Figure 4.17: Qualitative assessment of changes in relative ranking shown alongside changes in absolute score since PR19

The graph shows the service areas in the order they are prioritised by customers in 2022/23 (same order as in Figure 4.15). The absolute change in in score out of 10 (from Figure 4.16) is shown in the bar chart. The findings from the qualitative assessment are represented by the arrows.

Notable changes in relative ranking based on the overall assessment:

There are only a small number of changes in relative priorities.

- Responsive to service problems and habitats have increased in priority compared to PR19.
- Whilst safeguarding and improve bathing and shellfish coastal waters appears to have decreased in relative priority, the score out of 10 is stable. Compared with PR19, the definition

is clearer to prevent overlap with pollution[5], which combined with the recent media focus on pollution and storm overflows may explain the change in relative priority.

- Reduce sewer flooding to homes, business and gardens has decreased slightly in relative priority. The score out of 10 also remains stable. The definition has changed since PR19 definition due to an introduction of a separate investment area on maintaining the existing infrastructure. This new measure is a high priority.
- Avoiding restrictions to water use due to drought has decreased in relative priority since PR19. This may reflect customers' experience of the drought water use restrictions. In contrast, the score for water supply resilience has increased.
- Avoiding water supply interruptions is lower in the list due to the introduction of a new maintenance measure and the two increased priorities.

[5] PR19 definition: Remove bacteria/viruses from treated sewage returned to the coastal waters to protect bathing/shellfish waters

4.9 Future Planning – Environmental sentiment and future regional pressures

This section summarises findings for questions that were added to the survey in 2022/23.

SERIOUSNESS OF ENVIRONMENTAL ISSUES

Whilst all environmental issues are considered important (Figure 4.18), customer view ocean and sea pollution as the most serious environmental issue.

96% of customers consider both ocean and sea pollution and the use, production and disposal of single use plastics as very or somewhat serious issues. For ocean and sea pollution this ranged from 92%-99% across the quarters with a peak in Q3, which aligns with the findings on views on coastal bathing waters (see section 4.4).

River pollution ranks fifth in customers priorities for the environment with 94% of customers rating this issue as being very serious or somewhat serious. The results ranged from 90%-97% across the quarters, peaking in Q3. This aligns with the trend observed for views on rivers (see section 4.4) and dissatisfaction with the quality of sewage treatment and disposal (see section 4.3).

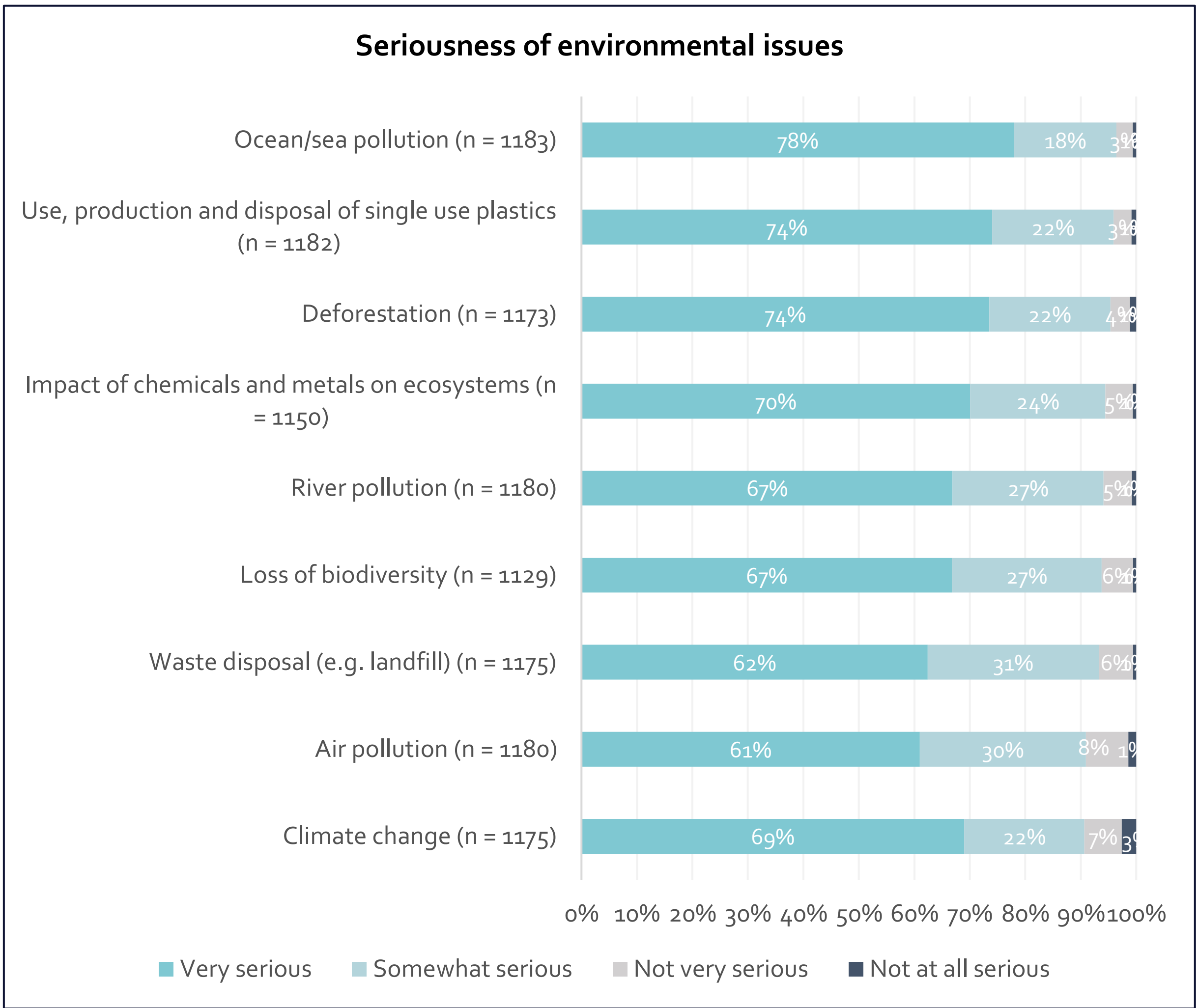


Figure 4.18: Importance of environmental issues

Results are weighted to reflect customer numbers for SWW and BW.

Whilst the annual results continue to show that customers consider all environmental issues to be important, there has been a notable decrease in Q4.

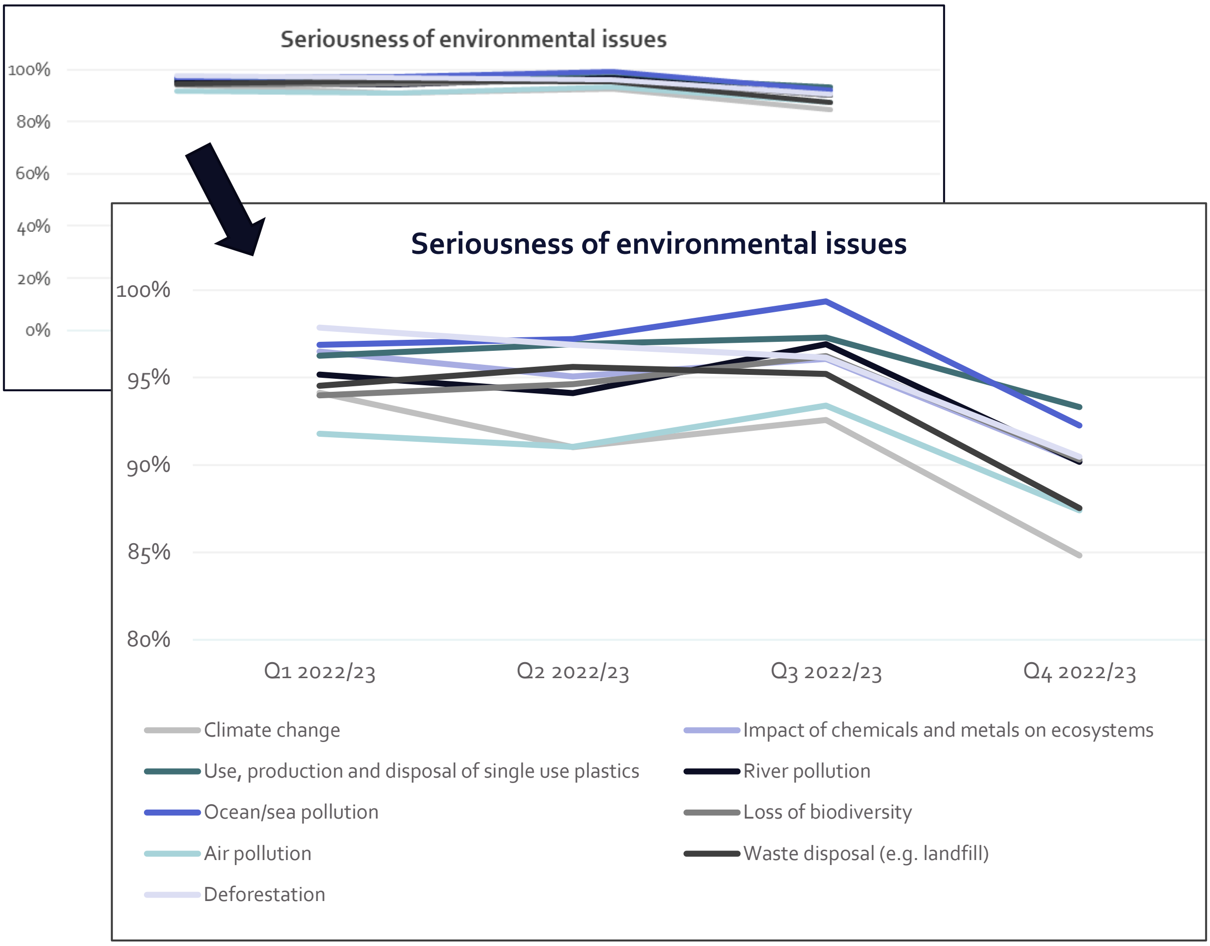


Figure 4.19: Importance of environmental issues over 2022/23

Results are weighted to reflect customer numbers for SWW and BW.

CONCERNS FOR THE FUTURE OF THE REGION

Customers' most significant concerns for their region out of those listed in Figure 4.20 are the impacts of population increase (32%) and climate change (31%). The proportion of customers selecting the remaining three areas are similar.

12% of customers consider the availability of water to be the most significant concern for the future of the combined region. Whilst annually customers' views on the availability of water as their biggest concern are broadly similar between South West Water and Bournemouth Water, this masks a regional divergence and variability within the year.

- SWW increases from 6% in Q1 to a peak of 16% in Q3 before falling back to 11% in Q4.
- BW decreases from 22% in Q1 to 8% in Q3 and Q4.

These findings are likely to reflect how the water resource situation developed throughout the year.

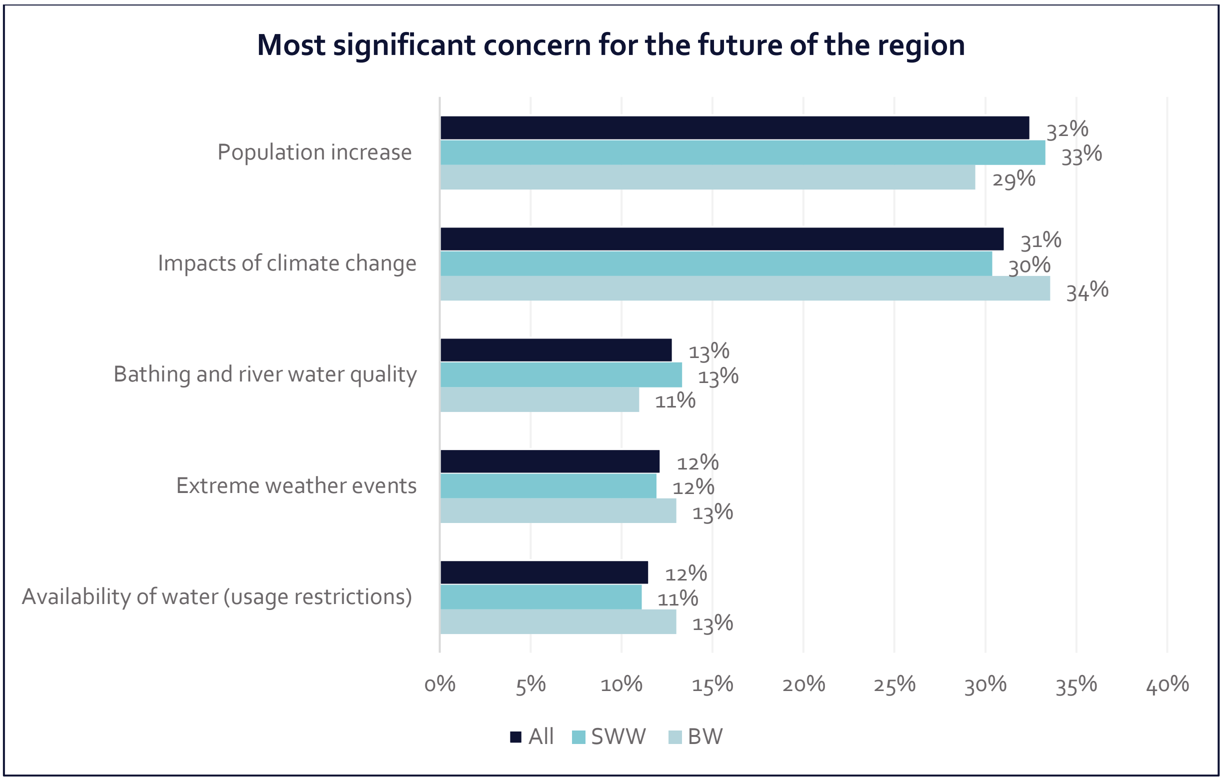


Figure 4.20: Future concerns for the region

(All n=1,148, SWW n = 856, BW n = 292) Excludes don't knows. Results are weighted to reflect customer numbers for SWW and BW.

Despite not being the primary concern for the future of the region, customers remain concerned about the availability of water. In a separate question, 76% of customers say they are very or quite worried about the availability of water. This is similar for both regions and has remained stable from 80% in Q2 to 76% in Q4 considering the potential for seasonal effects and the implementation of water use restrictions (the Temporary Use Ban in Cornwall) to impact responses throughout the year.

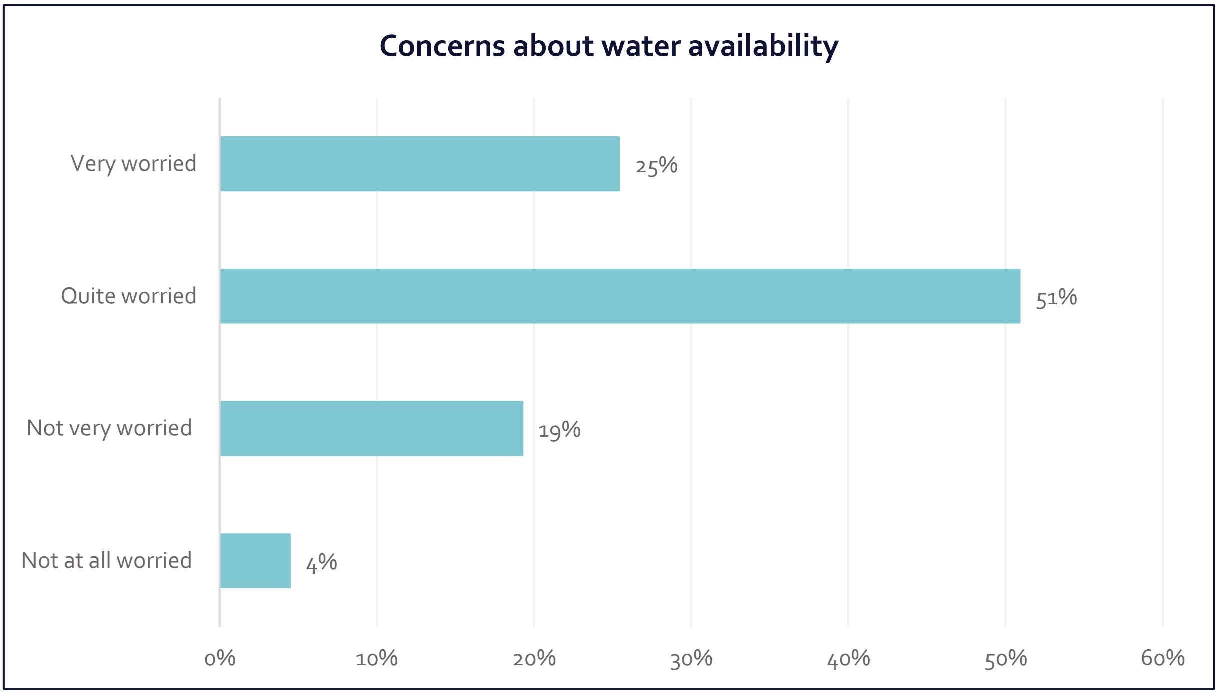


Figure 4.21: Concerns over water availability

(n=1,173, SWW n = 881, BW n = 292) Excludes don't knows. Results are weighted to reflect customer numbers for SWW and BW.

4.10 Future Planning – Water resource planning

WATER RESOURCE PLAN BALANCE

Customers prefer a balance between supply and demand options for water when it comes to ensuring a reliable supply for the future.

Customer views are very similar between the regions. Around 71% of South West Water and Bournemouth Water customers favour a mixed approach. The remainder are slightly more likely to favour accessing more water (19%) over reducing demand (10%).

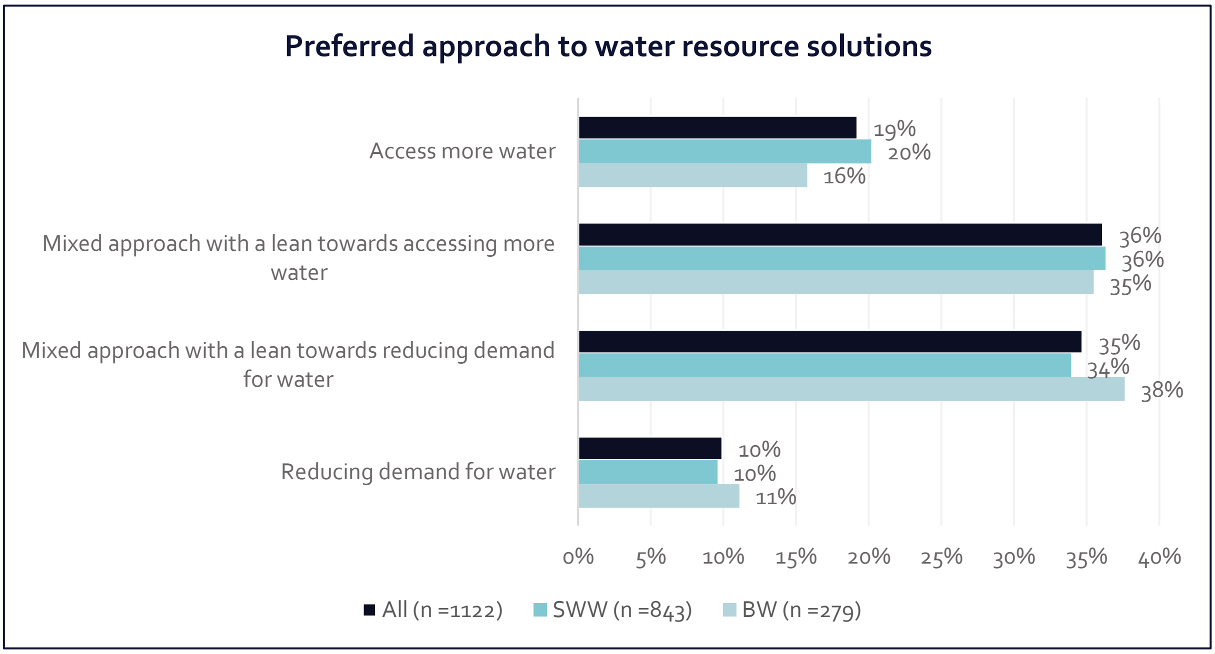


Figure 4.22: Water resources investment approaches

(n=1,122) Excludes don't knows. Results are weighted to reflect customer numbers for SWW and BW.

WILLINGNESS TO SAVE WATER

Consistent with customers favouring a mixed approach to meeting demand, customers are willing to try all water saving methods:

- 82% are likely to try to stop washing cars.
- 80% are likely to try to stop taking baths / showers.
- 80% likely to try to stop watering plants and lawns.
- Only 73% are likely to restrict washing machine/dishwasher use.

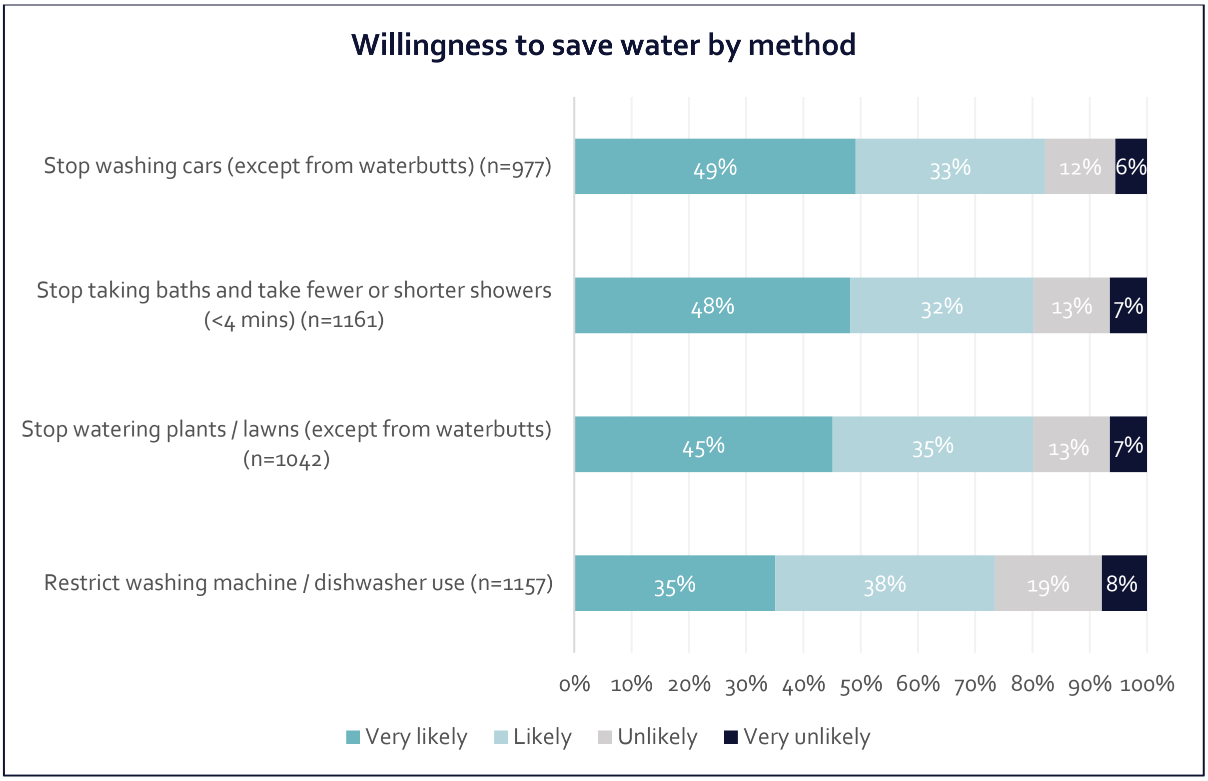


Figure 4.23: Willingness to save water by method

Excludes don't knows. Results are weighted to reflect customer numbers for SWW and BW.

5 Conclusions and future planning

Overall, the survey has been effective in providing customer views across a wide range of topics.

The survey was amended at the start of this year to include questions to track sentiment in preparation for PR24. This change has been effective in producing insight on issues such as water resource planning and customers views on the environment.

Key metrics are performing well:

- Value for money has exceeded the PC target for 2022/23 and the 2024/25 end of the AMP target.
- Satisfaction with service is higher than 2021/22.
- Trust is lower than 2021/22, though still remains high.
- Stated affordability of the bill payable to SWW is in line with 2021/22.

Whilst the overall annual results are positive, the results show a number of notable downward trends for the latter half of the year that will need monitoring in 2023/24. Key trends to monitor include:

- Value for money
- Satisfaction with openness and transparency which has declined compared to 2021/22.
- Satisfaction with help provided for those struggling to pay
- Satisfaction has with sewerage and environmental service elements
- Perception of the change in the quality of rivers and bathing waters over the last decade
- Customers' views of the seriousness of general environmental issues

Looking forward, South West Water has identified minor amendments to provide additional insight to the trends identified and to develop the questions on future priorities to reflect wider research and SWW themes developed for PR24.

Our recommendations for the 2023/24 survey are:

- We recommend continuing the rotation of the CATI surveys, so that versions are conducted on alternative quarters.
- We recommend that South West Water continue to use a mix of online and CATI responses. We do not see the need to change the survey sample sizes.
- To review the section on future priorities to align with the themes for PR24.
- To include minor amendments to align with the updated SWW segmentation strategy.

Effecting these changes will ensure the survey remains relevant and continues to provide useful insights to South West Water around delivery and preparations for PR24.

Assurance

Document Assurance

Version	Author	Approval	Proof Read
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