

ESAN and Sustainability First response to Defra consultation on reforming the WaterSure Scheme September 2025

Introduction

The Essential Services Access Network (ESAN) is a collaborative cross-sector network of voluntary organisations, consumer bodies, regulators, and ombudsman services with a shared interest in improving services and products for consumers. We want to ensure that services which are essential to life, health, and well-being (currently energy, water, financial services, and communications) meet the needs of consumers, particularly those on low incomes or in vulnerable circumstances. Our aim is to achieve inclusive service – in other words to ensure that all consumers have affordable access to services which meet their needs.

We facilitate the exchange of information and opinions between organisations and others concerned with these issues, including the relevant regulators. We work with regulators to improve outcomes for consumers and contribute to the development of policy and highlight issues of common interest across the sectors we focus on. We pay particular regard to the interests of consumers in vulnerable circumstances as the effects of lack of affordable access to essential services, or of things going wrong, are likely to be especially serious.

ESAN members include Age UK, Barrow Cadbury Trust/Fair By Design, Centre for Sustainable Energy, Christians Against Poverty, Consumer Council for Water, Consumer Council for Northern Ireland, Different Petal, Independent Age, Money Advice Trust, National Energy Action, Ofwat, Ombudsman Services, StepChange, Utility Regulator for Northern Ireland, Vulnerability Registration Service, as well as individual consultants.

Sustainability First is an independent charity and politically neutral think tank. We promote change by undertaking research, convening policy discussions, making complex issues accessible to engage the public, promote unheard and under-represented voices, and develop solutions to influence government policies, legislation, regulation, and business practices. We will always act as critical friends, holding companies, government bodies, and regulators accountable, in the public and planet's interests.

For more information about ESAN see: <https://esan.org.uk>

For more information about Sustainability First see: <https://sustainabilityfirst.org.uk>

General Comments

We support the expert comments and recommendations of individual ESAN members in their responses to this consultation and their earlier input on the proposed reforms. This joint response was written with the collective contributions from a number of ESAN members, in addition to their own separate responses.

The close working between CCW and Defra is a very positive framework for ensuring progress in identifying and engaging harder to reach groups.

Reforming the WaterSure scheme – Response to Consultation Questions.

Extend the list of qualifying benefits to include non-means tested disability benefits for those claiming through a qualifying medical condition.

Question 9: To what extent do you agree or disagree with the proposal that the list of qualifying benefits for WaterSure should be extended to include specified non-means tested disability benefits (for those claiming through a qualified medical condition), subject to a household income threshold?

- Strongly agree

Question 10: If you want to expand on your answer, please explain your rationale here.

It is well-established that life costs more if you are disabled. The latest research by [Scope \(2025\)](#) found that disabled households need an extra £1,095 per month just to have the same standard of living as non-disabled households ('The Disability Price Tag').

Adding non-means tested benefits such as Personal Independence Payments (PIP), Disability Living Allowance (DLA) and Attendance Allowance (AA) as eligibility criteria alongside traditional income-related benefits would better recognise the additional costs that households where a disability is present face. This is forecast to increase over the next few years with rising inflation, so this figure is conservative.

Question 11: Do you agree that the household income threshold for WaterSure eligibility (which would apply where households apply on the basis of receiving non-means tested disability benefits) should be set at 60% of the median income?

- Disagree

Question 12: If you want to expand on your answer, please explain your rationale here.

We agree that an upper threshold should be considered to ensure the scheme is delivered fairly and does not add an extra burden to billpayers.

We welcome the expansion of eligibility to include non-means tested health-related benefits. We also welcome the intention to review income after housing costs, as opposed to before, to take into account the high and increasing cost of housing. However, in our opinion, using a relative measure of poverty is not a progressive indicator of a household's ability to uphold a decent standard of living. We are

concerned that too many households would currently be excluded from using the proposed eligibility.

There are other indicators of income more likely to represent the real cost of living a fulfilled life e.g. The Minimum Income Standard (MIS) is a methodology used to determine what incomes different households need to ensure they attain a 'socially acceptable living standard.'^[1] MIS is a well-recognised and well-established methodology that is also used in other countries. It is funded by the Joseph Roundtree Foundation and undertaken in partnership with the Centre for Research on Social Policy (CRSP) and Loughborough University.^[2]

^[1] Joseph Roundtree Foundation, 'A Minimum Income Standard for the UK in 2022', 2022 <<https://www.jrf.org.uk/report/minimum-income-standard-uk-2022>> [accessed 12 May 2023].

^[2] Loughborough University, 'Minimum Income Standard', *The Minimum Income Standard for the United Kingdom*, n.d. <<https://www.lboro.ac.uk/research/crsp/minimum-income-standard/>> [accessed 16 May 2023].

JRF's most recent analysis shows that in 2024, a single person needed to earn £28,000 a year to reach a minimum acceptable standard of living and a couple with 2 children needed a joint income of £69,400 a year: [A Minimum Income Standard for the United Kingdom in 2024 | Joseph Rowntree Foundation](#)

The MIS has been adopted by a range of organisations, e.g. The CAP research and report: [Pushed under, pushed out](#), explores how debt type, repayment rates, life events and debt to income ratios all impact someone's likelihood of falling below the Minimum Income Standard (MIS).

Other options include:

- Adding the value of the 'disability price tag' to the 60% of median income threshold.
- Adopting one of the income criteria already used by water companies in assessing eligibility for WaterSure.
- Further modelling and analysis may help to ensure the best level for WaterSure to reach the right people.

Question 13: To what extent do you agree or disagree with the proposal to include non-means tested disability benefits when calculating household income for the purpose of the household income threshold?

- Strongly disagree

Question 14: If you want to expand on your answer, please explain your rationale here.

When it comes to non-means-tested benefits, it is generally accepted in debt advice and by creditors that this kind of income is meant to cover the extra costs of disability or illness. So, it is not included when working out disposable income for repaying debts. In other words, this money should not be touched or counted in those calculations. Consequently, we do not think it should be included when looking at income thresholds.

Update the WaterSure bill cap to be the amount of the average metered bill or the average bill, whichever is lower.

Question 15: To what extent do you agree or disagree with the proposal to cap eligible households' bills at either the average metered bill or the average bill, whichever is lower?

- Strongly agree

Question 16: If you want to expand on your answer, please explain your rationale here.

The fairest solution would be to set the cap at whichever average is lower.

In future, given the significant rise in water bills, encouragement by water companies for customers to install a meter, and increased emphasis on reducing water use, the difference between metered and non-metered water bills may increase. Setting the cap at whichever is lowest would help to future-proof the cap.

Cap bills for single occupiers to the average bill for a single occupier.

Question 17: To what extent do you agree or disagree with the proposal that the cap for an eligible single occupier recipient should be based on the average bill or average metered bill for a single occupier, whichever is lower, rather than on the average household bill?

- Strongly agree

Question 18: If you want to expand on your answer, please explain your rationale here.

Single-person households face spending a far higher proportion of their income on essential living costs (see references below). They have been cited in Joseph Rowntree's most recent guide to understanding poverty as one of the groups with the highest levels of poverty (particularly single parent households). Single-person households are eligible for the Council tax single-person discount, which recognises the additional burden of affordability of essential bills and services for single occupants.

<https://www.jrf.org.uk/uk-poverty-2025-the-essential-guide-to-understanding-poverty-in-the-uk#-groups-with-unacceptably-high-rates-of-poverty>

Gingerbread (single parent advocacy) facts on single parent households:

- 1 in 4 families are single parent families (3.3m children)
- 33% of single parents are disabled, compared to 15% of couple parents.
- 43% of children in single-parent families are in poverty compared to 26% in couple families.

[Single parents facts and figures | Gingerbread](#)

ONS: analysis of the least financially resilient groups found lone parents with dependent children (at 55%) were the least financially resilient of all key groups.

[Impact of increased cost of living on adults across Great Britain - Office for National Statistics](#)

Remove the option for water companies to require a medical practitioner's note in respect of health conditions not specifically listed in the WaterSure Regulations

Question 19: To what extent do you agree or disagree with the proposal to remove the option for companies to require a medical practitioner's note from claimants with conditions not specifically listed in the WaterSure Regulations?

- Strongly agree

Question 20: If you want to expand on your answer, please explain your rationale here.

Obtaining a medical note from a GP can be a significant barrier to enrolment on the WaterSure scheme due to the cost and the difficulty for some people in arranging an appointment.

Water companies are already following CCW's recommendation to accept a wider range of evidence or self-declaration.

If the requirement for evidence is kept, we recommend that a broader scope of evidence be considered as standard. such as prescriptions, appointment letters and that a broader range of health professionals be included as qualified to provide evidence of a condition.

Specifically listing more potentially qualifying medical conditions

Question 21: To what extent do you agree or disagree with the proposal to specifically list more potentially qualifying medical conditions, such as dementia, in the WaterSure Regulations?

- Strongly agree.

Question 22: If you want to expand on your answer, please explain your rationale here. Answers may include suggestions of additional medical conditions that should be specifically listed in the regulations.

More general headings for medical conditions/treatment would encourage applications and avoid people self-eliminating.

If a list of conditions is retained, there should be a very clear caveat that the list is not exhaustive and acknowledge that very many people have a condition/impairment/disability that requires high water use.

An expanded list should include more conditions and treatments that necessitate high water use or that make someone more susceptible to infections and therefore require high water use to keep their living environment particularly clean, to include:

Cancer; Child illness/prematurity/allergies; Cystic Fibrosis; Asthma; Immunocompromise; Diabetes; HIV; People on steroids; People with catheters.

OCD/ Autism/ Respiratory diseases requiring equipment that uses water.

Also, any temporary, serious conditions e.g., recovery from major illness/surgery.

Sources: 24% of the UK population (1 in 4 people) have a disability: [Disability, accessibility and blue badge statistics, England, 2023 to 2024 - GOV.UK](#)

Data-sharing

Question 23: What are your views on the barriers to existing data-sharing between water companies and government?

ESAN members have identified the issue of current data sharing agreements in place between water companies and the DWP being inefficient and time consuming.

ESAN recommends that Defra take the opportunity of the amendments being made to the digital economy act (to enable data-sharing with Ofgem on fuel poverty) and ask for similar arrangements with regards to water poverty.

Given the success of data-sharing for administration of the Warm Home Discount scheme support for energy bills, there is a precedent now set for utility companies to explore auto-enrollment for financial support schemes where take up is known to be low compared to need.

Independent Age conducted research which considered the current barriers to data-sharing between water companies and the government.

ESAN would support the implementation of one data sharing agreement between DWP and all water companies to overcome current barriers and ensure they are informed of all households in receipt of means tested benefits. Other potential partners for data sharing agreements include local authorities and HMRC.

Charting a course: Opportunities and practicalities when implementing a single social tariff for water bills, Independent Age, April 2025: independentage.org/policy-and-research/charting-a-course-report

There needs to be a close linkage with other closely related schemes targeting the same consumer cohorts, which is likely to include low financial resilience and those with non-financial vulnerabilities. Many will qualify for relief schemes with local authorities, energy providers, and water providers. This extends beyond means-tested benefits (MTBs).

Improving data sharing should be informed by the substantial amount of work undertaken by stakeholders and subject matter experts in the sector over the last 7 years. Vulnerability data sharing should also follow the 10 principles set out below from May 2024, reflecting the challenges in multiple sectors dealing with the same consumer cohorts: [A once in 25 years opportunity: ten principles for designing vulnerable consumer data-sharing programmes](#)

There may be opportunities for data-sharing with local councils, including for single households in receipt of single person Council Tax reduction and for vulnerable or disabled residents. ESAN also recommends that Defra explore opportunities for sharing of data between the NHS or Department of Health and Social Care and water companies.

Question 24: What are your views on how government could increase awareness of WaterSure amongst those who are digitally excluded?

Delivery of WaterSure should be as simple as possible and eligibility must be future-proofed.

The Government's Digital Inclusion Action Plan says 1.6m people in UK are completely offline and a quarter of the population have the lowest level of digital capability): [Digital Inclusion Action Plan: First Steps - GOV.UK](#)

Consequently, information and delivery of WaterSure must be easy to understand and apply for to reach digitally excluded households, with user-friendly websites systems and options to apply offline.

There is detailed existing research on digitally excluded groups:

- Age UK research: impact of digital exclusion on older people: [offline-and-overlooked-report.pdf](#)
- Lloyds annual consumer digital skills index, in 2024 found that 16.8m people are in the low and very low digital capability groups. The report includes analysis of people in these groups and several case studies: [Consumer digital index | Lloyds Bank](#)
- Good Things Foundation research and recommendations: [What We Know About Digital Inclusion | Good Things Foundation](#)

Additional comments

ESAN welcomes the emphasis on consumer protection in the proposals.

We recognise the trade-offs between affordability for disabled and vulnerable households and wider affordability for all customers.

Trade-offs also exist where bills are capped since there are concerns that bill capping could encourage wasteful water use. Water efficiency is important. There will be a need to encourage behaviour change alongside the WaterSure scheme to ensure efficient water practices.

Ofwat research in May 2025 with working age adults found that 50% of water bill payers reported having cut down on water usage at some point because they were worried about the cost of their bill: https://www.ofwat.gov.uk/wp-content/uploads/2025/05/Cost_of_living_wave_seven.pdf

The overall context has changed significantly since WaterSure was introduced in 2000. In terms of changes in the population's health and treatment, this includes:

- More people are now being treated at home rather than in hospital.
- More people living with/surviving previously terminal conditions.
- An ageing population.
- Long waiting lists for hospital treatment.

Entrenched and often worsening levels of debt, poverty and poor housing ([UK Poverty 2025: The essential guide to understanding poverty in the UK | Joseph Rowntree Foundation](#))

Rising water bills alongside rises in other utilities/council tax:

- Energy debt rose by 25% in the last year to £4.15bn: [Debt and arrears indicators | Ofgem](#)
- Council Tax arrears rose 10% in the last year to £6.6bn: [National Debtline responds to council tax arrears reaching £6.6 billion in England | Money Advice Trust](#)
- Household water bill debt has risen to £2.1bn: [Analysis-of-household-customer-debt.pdf](#)

At present, the water bills of people in financial hardship vary considerably across the country. ESAN supports a national single social tariff for water, to ensure fair, effective support to all households that need this.