

**NEWS RELEASE****January 19, 2010****United approach needed to halt worsening water debt**

*WWS calls on Scottish Water, local authorities and Scottish Government to work with them to help low-income households struggling to pay bills*

Waterwatch Scotland is calling on Scottish Water and the country's local authorities to work with them to ensure customers receiving Council Tax benefit know that they still need to pay their water and sewerage charges.

The water watchdog says that better information might go a long way towards addressing the worsening water debt problem.

Figures contained in *Scottish Household Water and Sewerage Debt* report, which the water watchdog has published today, show that the amount outstanding for the period 1996/7 to 2008/9 stood at just over £335.1 million. The corresponding figure at 31st March 2008 for the period 1996/7 to 2007/8 was £306.2 million.

Gary Womersley, Chief Executive of Waterwatch Scotland, said: "The Water Industry Commission for Scotland (WICS) and Scottish Water have done a remarkable job developing the country's water infrastructure while attempting to keep prices down. But a freeze in water charges does not necessarily mean affordable water charges and we are concerned that those in receipt of social security benefits are finding it ever more difficult to pay their bills, if indeed they realise that they are responsible for paying them at all."

There is no dedicated social security benefit for those unable to meet their water and sewerage charges. Instead the personal allowance element of the income support payment is judged to be adequate to cover living needs and expenses, and this includes weekly water charges.

"In recent years increases in the level of social security benefit have failed to keep pace with rising water and sewerage charges. Although an element of financial relief is available, it is still only a quarter of the total bill leaving the householder struggling to make up the shortfall.

"While we realise that the benefits system is a reserved issue, we would urge the Scottish Government to work with Westminster and the other devolved administrations to address the current failure of social security benefits to make available adequate support to those who are struggling on low incomes," said Mr Womersley.

“We all have a role in dealing with debt. Waterwatch Scotland would also be happy to work with Scottish Water and all 32 local authorities to ensure improved communication with customers in receipt of Council Tax benefit and help look at the way bills and information are provided to customers so they can fully understand their bills and what they should pay.”

### **Notes for editors:**

Waterwatch Scotland’s report can be found at:

<http://www.waterwatchscotland.org/category/publications/research-reports/>

### **Report recommendations :**

- That Local Authorities, Scottish Water and Waterwatch Scotland should work in collaboration to improve communication with customers in receipt of Council Tax benefit to explain their continuing liability for water and sewerage charges. Attention should be given to the format and content of bills and any supporting documentation supplied to households.
- That Local Authorities and Scottish Water should continue to collaborate in developing further an approach to arrears management and debt recovery that takes into account the circumstances of individual debtors.
- That the Scottish Government should work in conjunction with industry stakeholders (including Local Authorities, Scottish Water, WICS, WWS, CAS, the ‘third sector’ etc.) in undertaking a review of the effectiveness of the range of financial supports available to those unable to pay their water and sewerage charges. This report repeats the call, previously made in the 2008 WWS Affordability Report (Waterwatch Scotland 2008) that the review should address the following issues:
  - the ineffectiveness of the current permanent Water Charges Reduction Scheme in targeting and providing financial relief to households unable to pay for water and sewerage charges;
  - the shortfall between social security benefit and Water Charges Reduction Scheme support available to low income households, and actual water and sewerage charges, and the effect of this on levels of household water and sewerage debt;

- the question of whether, in principle, financial support for low income households to meet charges should come through the tax and benefits system or from other customers;
- that, in light of the review, the Scottish Government should work with the UK Government and the devolved administrations in Northern Ireland and Wales to address the failure of current social security benefit arrangements to make available adequate financial support to qualifying households unable to meet their water and sewerage charge liabilities.

To seek an interview with Waterwatch Scotland, please contact Andrew Ritchie on 0131 556 0050 (including out of hours)

**Waterwatch Scotland (WWS)** is the national complaints handling authority for all domestic and non-domestic water customers and customer representative body for the water industry in Scotland.

WWS is independent of Scottish Water, government and other water/sewerage service providers. Its role is to:

- Investigate Complaints
- Represent Customers' Views & Interests
- Influence Policy
- Inform & Advise

WWS' responsibility for second-tier complaints handling means that WWS can take forward individual customer grievances against Scottish Water or other providers.

WWS can also make statutory recommendations to Scottish Ministers, Scottish Water and other service providers, and industry regulators: Scottish Environment Protection Agency (SEPA), Drinking Water Quality Regulator (DWQR) and the Water Industry Commission for Scotland (WICS).

From time to time, WWS receives complaints which are of such importance or have a public-interest impact beyond the specific complaint itself, that WWS will issue a formal report on the complaint and greater issues raised.

In addition to the making of such formal reports and the findings and recommendations made, a key role of WWS is to continue to work to ensure that such recommendations are adopted in the interest of customers to mitigate and prevent future occurrences.

Issued on behalf of Waterwatch Scotland, Corporate Office, Forrester Lodge, Inglewood, Alloa, FK10 2HU