

Water firms urged to be more 'creative' in how they charge customers

Water firms have been encouraged to be more “creative” in how they charge customers to help them cut bills and save supplies.

Under new [Ofwat](#) rules, [Affinity Water](#), which supplies households across south-east [England](#), will charge around 1,500 pre-selected households a cheaper rate for using a lower amount – or “block” – of water, and progressively higher prices for using larger volumes.

The firm said it expects at least two out of three homes in the trial, which begins later this year, to pay less for their water than they do currently.

Ofwat’s announcement comes as households in England and [Wales](#) see the largest increase to their water bills in almost 20 years from April when they rise to an average £448 a year.

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Industry body Water UK said the 7.5% increase will mean customers paying around £1.23 per day on average – an increase of 8p per day or an average £31 more on last year’s charges.

Ofwat said trials could include seasonal charging to help lower water bills in the winter, reducing bills for homes with water butts and permeable driveways, and charges aimed at cutting water use at times when there is less of it.

Successful trials could be rolled out to all households in a given area.

Currently, customers' bills are set on a flat standard amount based on their type of property, or a flat rate based on how much water they use.

Ofwat chief executive David Black said: "We know that an increasing number of customers are struggling with cost-of-living pressures. At the same time, water resources are being impacted by climate change which poses significant long-term challenges to river water health and security of water supply.

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"While charging is only one approach, companies need to use every tool at their disposal to support affordability, encourage us all to use water wisely and reduce our impact on the environment.

"We are encouraged that Affinity Water is leading the way in developing ways to reduce bills for customers while protecting our precious water resources. We want to see more companies seeking out and implementing innovative solutions."

Consumer Council for Water chief executive Emma Clancy said: "It is great to see Affinity Water leading the way in exploring how more innovative ways of charging customers can not only make bills more affordable, but potentially also unlock environmental benefits by incentivising households to reduce their water use.

“There remains huge scope for more innovation and we want other companies to urgently consider alternative charging options to help alleviate the pressure on people’s finances and the water environment.”