

## Money and Mental Health's submission to Ofwat's consultation on priority services registers standards for water companies in England and Wales

### Introduction

The Money and Mental Health Policy Institute is a research charity established by Martin Lewis to break the vicious cycle of money and mental health problems. We aim to be a world-class centre of expertise developing practical policy solutions, working in partnership with those providing services, those who shape them, and those using them, to find out what really works. Everything we do is rooted in the lived experience of our Research Community, a group of thousands of people with personal experience of mental health problems.

This written submission has been informed by the experiences of our Research Community, as well as our wider body of research.<sup>1</sup> Unless otherwise specified, all quotes in this response are drawn directly from the Research Community.

### Background

- In any given year, one in four people will experience a mental health problem which affects their cognitive and psychological functioning.<sup>2</sup> Over a lifetime, this proportion rises to nearly half the population.<sup>3</sup> However, we do not always know when we are unwell, or receive treatment. Over a third (36%) of people with a common mental disorder have never received a diagnosis, and 62% are not currently receiving treatment.<sup>4</sup>
- Common symptoms of mental health problems, like low motivation, unreliable memory, limited concentration and reduced planning and problem-solving abilities, can make managing money and interacting with essential service providers significantly harder.<sup>5</sup> As a result, it is estimated that people with mental health problems pay up to £1,550 more per year for essential services than people without mental health problems.<sup>6</sup>
- Customers can often be unaware of the support that essential service providers, like energy companies can offer. For example, fewer than three in ten people with mental health problems have been told what additional support their essential services provider can offer to customers with mental health problems.<sup>7</sup>

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<sup>1</sup> For example, Holkar M, Evans K and Langston K. [Access Essentials](#). Money and Mental Health Policy Institute. 2018; Holkar M. [Time to act](#). Money and Mental Health Policy Institute. 2022.

<sup>2</sup> McManus S et al. [Adult psychiatric morbidity in England, 2007. Results of a household survey](#). NHS Information Centre for Health and Social Care. 2009.

<sup>3</sup> Mental Health Foundation. [Fundamental facts about mental health](#). 2016.

<sup>4</sup> McManus S et al. [Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014](#). NHS Digital. 2016.

<sup>5</sup> Holkar M. [Seeing through the fog: how mental health problems affect financial capability](#). Money and Mental Health Policy Institute. 2017.

<sup>6</sup> Rogers C, Poll H and Isaksen M. [The mental health premium](#). Citizens Advice. 2019.

<sup>7</sup> Holkar M. [Time to act](#). Money and Mental Health Policy Institute. 2022.

- People with mental health problems are three and a half times more likely to be in problem debt than those without, and half (46%) of adults in problem debt also have a mental health problem.<sup>8</sup>

### **Question 1: Are there any other relevant sources of insight or feedback we should look to as we finalise our standards?**

We believe that it is essential that Ofwat engages with customers of water companies, in particular those with lived experience of vulnerable circumstances and need support from the priority services registers (PSRs). This should be split between those who have been signed up to the PSRs and those who have not. This insight would help Ofwat understand how well the PSRs are currently meeting the needs of customers, but also why others have not been able to access the PSRs. Ofwat could then use this feedback to ascertain what support should also be offered through the PSRs and how they could be made easier to access. Ofwat could also get feedback from these customers on the standards and whether they will achieve the outcomes they aim to.

More widely we think Ofwat should look at the range of reports and best practice guides created by different consumer organisations and charities. For example, we have created a set of guides on how essential service firms could design better disclosure environments.<sup>9</sup>

### **Question 2: Are there any additional areas that you believe should be covered by our PSR standards?**

We think Ofwat should also add in experience and outcomes. While it is very important to increase the reach of the PSRs and also to consider how customers are registered, there is still an essential outcome of the PSRs which is that the customers who most need support receive it. Research commissioned by Ofwat and CCW has highlighted that even though customers have been registered on PSRs, they did not receive the right support during an incident.<sup>10</sup> Ofwat should be considering how firms could record the outcomes and experience of those who have been added to PSRs. This could be straightforward in some cases, for example where communications are sent to a third party, the company should be able to check that this was the case. In cases of support during incidents, firms should be assessing whether those on PSRs received the support they had been signed up to and report this back to Ofwat.

### **Question 3: Do you agree with our proposal to require all water and wastewater companies to have a PSR?**

We support the proposal to ensure that this support continues to be offered and that it applies to new entrants. Given it is part of the current offering from water companies, this requirement

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<sup>8</sup> Holkar M. [Debt and mental health: a statistical update](#). Money and Mental Health Policy Institute. 2019.

<sup>9</sup> Fitch C, Holloway D and D'Arcy C. [Making it easier for consumers to disclose a mental health problem](#). Money and Mental Health Policy Institute. 2022.

<sup>10</sup> Blue Marble. [Research into incident response: Overview of findings from customer research](#). 2024.

is not an additional burden on them. However, it is important that Ofwat continues to think about whether the PSRs are the best way of supporting customers in vulnerable circumstances and adapting regulation to allow for any changes.

#### **Question 4: Do you agree with our proposal to require all water and wastewater companies to refer to their PSR as a 'priority services register' or 'PSR'?**

There are advantages and downsides of this proposal. We think that keeping the name 'priority services register' makes sense in terms of allowing uniformity in the sector and alignment with the energy sector. This will help customers to understand the type of support they can get from their water company, as well as support data sharing efforts. However, the PSR name is not perfect and it is not immediately apparent what it actually offers. Our research has highlighted that there is confusion about the PSR in energy and water. There is a risk that with the current name, customers with mental health problems might not believe the service is for people like them.

*"There should be awareness of the customers who have mental health issues. I thought the Priority Services Register was for people with medical needs i.e. sleep apnea."*

Expert by experience

*"I have heard of this [the PSR] but thought it was for elderly people or people whose essential health equipment runs on electricity and are therefore more vulnerable"*

Expert by experience

While keeping the name allows for consistency, Ofwat should consider alternative names that could be used in the future. Additionally water companies should carefully consider how they communicate about the PSR to increase understanding and take up.

#### **Question 5: Do you agree with our overall approach to setting our expectations in this area, through non-exhaustive lists of needs and services we expect PSRs to cover?**

We agree that the approach of non-exhaustive lists allows for both a minimum and flexibility in the needs met and services offered. We believe that Ofwat should ensure it monitors where firms are being flexible and communicate this with other companies who could offer similar support. Equally, Ofwat should use new reports and best practice guides from charities and consumer groups to consider if the list needs updating or if firms could offer new support. Additionally, Ofwat should ensure that its understanding of vulnerability keeps pace with changes in society, the wider economic context and innovation in how support can be provided. This will help Ofwat keep the standards under review and make updates when necessary.

However, there are risks with taking this approach. Research has highlighted that there can be inconsistency in the support offered by firms' PSRs.<sup>11</sup> This can lead to an effective postcode lottery that means some customers might be missing out on the support they need. While we

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<sup>11</sup> Savanta. [Priority Services: Customer Journey Pilot](#). 2024.



agree that companies might be able to provide support outside of their PSRs, this again risks customers not knowing about this support or if they move to a different area, not accessing the same support they received previously. Ofwat should help firms collaborate on what support they offer to create more consistency where possible.

We agree with Ofwat's recommendation that water companies consider the list of needs and what support could match up to them. However, Ofwat could do more to provide guidance or examples of where this is the case and explain why, so firms can better understand how it could work in practice.

### **Question 6: Do you agree with the list of needs we have set out? Are there other needs we should include**

It is welcome to see that 'a mental health condition' is included in the list. Additionally 'a cognitive impairment' and 'are disabled' would overlap with the experiences of people with mental health problems. However, we would welcome Ofwat changing this slightly to say 'mental health problem'. The use of condition could infer that someone needs to have a formal diagnosis to receive this support. However, we know that it can take a long time to receive the right diagnosis and often people might not be comfortable with the official diagnosis they have. We know that being put on the PSR does not require proof of a condition but this will not always be apparent to customers.

Additionally, as we know that not everyone who experiences a mental health problem will have received a diagnosis,<sup>12</sup> it would be beneficial to also include a list that is focused more on the needs rather than the drivers. The current list takes this approach to a limited extent, for example "require additional showering or bathing due to a health condition". For mental health problems, this could include, for example, "struggles to understand communications", "has anxiety about opening the door to unknown people", or "cannot speak on the phone". This would also be beneficial for other conditions and experiences, and would also better match the experiences of people who have multiple conditions which often combine into similar needs. This approach would also have benefits for both the individual and the company as it would allow both to better understand what support is most appropriate for which needs. We still think it would be beneficial to include 'mental health problems' on the list but, by combining it with the needs, would help prevent people slipping through the cracks.

### **Question 7: Do you agree with the list of services we have set out? Are there other services we should include**

The current list includes support that would be beneficial for customers with mental health problems, such as third party billing and password facilities. However, we think that the list could be expanded to better support customers with mental health problems and beyond. As part of our project on the Equality Act and essential services, we set out a list of reasonable

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<sup>12</sup> McManus S et al. [Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014](#). NHS Digital. 2016.

adjustments that providers could adopt to best meet the needs of customers covered under the Act for their mental health problems.<sup>13</sup> These were:

- The option to opt out of certain communications channels
- Simplified versions of written communications
- Reminders
- Money management tools
- Adjustments to help customers to feel in control when staff visit their home
- Extra help with decision making
- Flexible third party access options.

While some of these are covered by the current list, water companies should consider how they could include these within their PSR offering. If some of these needs aren't met, there is a risk that customers will be exposed to unnecessary harm. For example, three quarters of people with mental health problems find using at least one common communication channel very difficult.<sup>14</sup> Not being able to opt-out of a channel they cannot use risks them missing out on key information, such as in an incident.

However, the list we set out in our Equality Act project was a minimum and we believe that firms can be even more flexible and consider what support best works for a customer's circumstances. For example, What We Need has built up a list of support needs based on the insights of those with lived experience and what can be practically possible at essential services.<sup>15</sup> While these support needs can't always be captured in a list from Ofwat, and could risk diluting the key support, it's really important that Ofwat does encourage firms to continue to innovate and go further.

**Question 9: Do you agree with our proposed requirement that all companies should strive towards having as comprehensive a picture as possible of PSR service requirements of individual customers in their area?**

We agree with the proposal and believe that it complements requirements for water companies as set out in the *Service for all* guidance. Water companies are in a unique position among essential service providers as they know the geographic range of their customers. It is important that water companies understand the needs of customers in their area so they can provide the best service and support. Needs will vary for each company based on the population of the area they cover. For example, some areas might have more customers above pensionable age, while others might have higher levels of deprivation and therefore related extra needs such as mental health problems.

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<sup>13</sup> [The Equality Act and mental health: A practical guide for essential services firms](#). Money and Mental Health Policy Institute. 2022.

<sup>14</sup> Holkar M, Evans K and Langston K. [Access Essentials](#). Money and Mental Health Policy Institute. 2018.

<sup>15</sup> What We Need. [Support Needs Lists](#).

### **Question 9: Do you agree with our proposal to set an eligibility estimate, and require incumbent companies to grow their PSRs towards this each year?**

We agree that not having a specific set target means that companies wouldn't just go for low-hanging fruit and instead try to engage with customers previously deemed 'hard to reach'. However, as Ofwat acknowledges the current percentage of customers on the PSR is too low and having an estimate to aim towards would put more pressure on water companies to increase the number of customers on the PSRs. Beyond the estimate that Ofwat has calculated, it could include well established figures on prevalence of certain conditions and experiences, for example specific mental health conditions.<sup>16</sup> While these would still vary from area to area, they can also give a rough guide for what percentage companies should expect to see on the PSR for the different needs set out by Ofwat, such as mental health problems. However, as set out in our answer to question two, the number of customers on the PSR is not the only metric that companies should aim towards. It's also important to consider the outcomes and experiences of those added to it.

### **Question 10: Do you agree with our proposed eligibility estimate, and the method we have used to calculate it?**

We think that Ofwat's method is a sensible approach given the complexity of trying to calculate such a figure. As Ofwat acknowledges it is not perfect. While the question asked by the ONS follows the definition of disability under the Equality Act and does not outright ask if the person has a disability, it is still a higher bar than the support that people with mental health problems could get from the PSR. However, the figure does include all who have someone of pensionable age. As Ofwat states, the needs of this group vary and so the figure likely overestimates this group. While the FCA takes a different approach to calculating the prevalence of vulnerability, it estimates that around half of UK adults had characteristics of vulnerability. Given that this is not too dissimilar to Ofwat's figure, it is a suitable target to aim for.

### **Question 12: Do you agree with our proposal to retain our expectations on data checking from our 2020-25 common performance commitment?**

We believe that it is good to continue to have expectations around data checking to ensure that customers' data remains up to date and relevant. We are less familiar with the reasoning behind the 90% and 35% commitments, so it would be good to understand how these expectations match the performance of firms over the 2020-25 period. If they are closely aligned, Ofwat should consider if they could be increased. Beyond this target, it is welcome to see Ofwat acknowledge that companies should not be overwhelming the customer whose data has been shared between different essential service providers. However, while it is important to not overwhelm a customer, customers would likely appreciate a communication from their water company letting them know that they were now on the PSR and what support they would receive, following that data being shared from a different source. Having the contact attempt

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<sup>16</sup> The Adult Psychiatric Morbidity Survey has nationally representative figures for a range of mental health conditions. The results of the 2014 survey can be found [here](#). The results of the 2023/24 survey are expected to be published next year.

made by a third party should include information that any changes the customer requests from that company would be replicated by their water company. Additionally, the two year update will provide some control to customers about what data has been shared and with which organisations.

### **Question 13: Do you agree with our proposed standards on PSR registration?**

We support the proposed standards as we think it's essential that companies get disclosure right and help customers feel that disclosing their needs was the right thing to do. We have highlighted how disclosing and asking for support can be a very difficult and stressful experience, and people can be wary about disclosing as they don't know what support they will receive.<sup>17</sup> Initial research commissioned by Ofwat has highlighted some of the issues around aftercare for when someone is added to the PSR.<sup>18</sup> These standards will hopefully address some of this. We think it's really important that firms are clear about the specific support that the customer will receive and should not just let the customer know about all the support available from the PSR. However, as set out earlier in this response, we think Ofwat should also consider standards around the outcomes and experiences of those added to the PSR. Getting it right initially is important but customers then need to see that disclosing will have a longer lasting impact, in both their everyday interactions with their water company but also in an incident.

### **Question 14: Do you agree with our proposals for implementation, monitoring, and reviewing our PSR standards?**

We support the proposals for monitoring; however, we also believe that Ofwat should be monitoring the outcomes and experiences of those added to the PSR where possible. We also believe that the proposal to keep the standards under review and make updates when necessary is sensible.

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<sup>17</sup> Fitch C, Holloway D and D'Arcy C. [Mental health disclosure guide one: Disclosure environments](#). Money and Mental Health Policy Institute. 2022.

<sup>18</sup> Savanta. [Priority Services: Customer Journey Pilot](#). 2024.