Thinks
Insight & Strategy

Consumer Scotland
Luchd-Cleachdaidh Alba

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Understanding the lived experiences of consumers in water debt

Full Report

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1.1 Research background and methodology

1.1.1 Research background

In Scotland, water and sewerage charges are administered through the Council Tax system. Previous research has found that 1 in 5 consumers in Scotland were in debt for water and sewerage services.[1] This debt is particularly high amongst low-income households who are exempt from Council Tax.

Consumer Scotland wants to improve outcomes for consumers that find themselves in or at risk of debt for water and sewerage charges. As part of this, Consumer Scotland commissioned Thinks Insight & Strategy to undertake research to better understand the lived experiences of consumers in water debt.

The overall objectives of this research were to:

1. Understand how consumers **experience water debt** and the **impact** that it has on them.
2. Explore **awareness and understanding**, amongst advisers and consumers, of water debt as distinct from Council Tax debt.
3. Explore the **underlying causes and impacts** of water debt from the perspective of **frontline advisers** supporting consumers.
4. Explore how **practices may vary** in relation to the recovery of water debt in different local authority areas.
5. Identify **opportunities to improve consumer outcomes** in relation to water debt in Scotland including ways to prevent debt occurring in the first place, minimising debt escalating to unmanageable levels, and enhancing support for those struggling to pay.

1.1.2 Methodology

In order to explore this topic, we used a 3-stage, qualitative approach:

- Focus groups with debt advisers working with those experiencing water debt.
- Depth interviews with consumers who had recently or were currently experiencing water debt.
- A co-creation session with advisers and consumers.

Our methodology is outlined in the diagram below. Further detail is available in section 2.3.

Figure 1. Overview of project methodology

[1] Citizens Advice Scotland, *Sink or Swim,* 2015

1.	Set up + Scoping	**1a: Project set up, research design and recruitment + Scoping interviews**
		1b: 3 x Adviser focus groups 90-minute online focus groups
2.	Exploration	**12 x Consumer interviews** 60-minute online / teledepth interviews (all completed an online pre-task beforehand)
3.	Co-design	**Co-design workshop with Advisers and Consumers** 2-hour online workshop

1.2 Key insights

1.2.1 Consumers' starting points for thinking about water debt

Affordability challenges are at the heart of water debt. Many consumers in the sample are experiencing water debt as part of a broader set of financial challenges. These financial challenges have become increasingly widespread in recent years due to the rising cost of living, with many experiencing water debt for the first time.

There is low awareness of how water and sewerage is billed in Scotland. Some consumers in the sample are unaware that water and sewerage charges are included alongside Council Tax. For those receiving Council Tax Reduction, a few experience further confusion due to an expectation that they will be exempt from water and sewerage charges. However, most are aware they need to pay their water services bill, but affordability challenges are the main reason they are unable to.

Water debt is rarely viewed as distinct from Council Tax debt. Billing for water supply and sewerage collection services alongside Council Tax reinforces this perception for both consumers and advisers. Advisory services are also often structurally set up to address water and council debt as 'one'.

Council Tax (and therefore water bills) is often deprioritised in favour of other household outgoings. Although the Council Tax notification includes water and sewerage charges, most consumers in the research feel unclear on what they 'get in return' for Council Tax, and perceive fewer negative consequences as a result of missing these payments. This contributes to a lower 'value' placed on Council Tax and water supply and sewerage charges, disengagement with billing, and prioritisation of other 'essentials' such as rent, energy and food.

1.2.2 Overview of water debt journeys

The consumers in our research experiencing water debt follow one of two pathways; either they are offered the opportunity to settle the debt directly with the council, or their debt is escalated (either to an external debt collection agency or to Sheriff Officers). For those experiencing external escalation, there are various methods that can be employed to recover the debt – from repayment plans to summary warrants to be enforced by Sheriff Officers (to take action such as arrest wages or visits to the debtor's home and potentially take possessions). Whilst a minority resolve their debt directly with the council, many cases are escalated and end up in the hands of debt recovery agents.

1.2.3 Experiences of escalation of water debt

Communications from the council are often very unclear, making it difficult for consumers in the sample to understand what they are liable to pay. Letters from the council use formal, legal language, which is difficult to understand. As a result, engagement by consumers with water bills and communications on water debt is very low.

As found in wider research,[1] the stress and embarrassment of experiencing debt act as barriers to seeking support. Many consumers who took part in the research describe actively disengaging with their water debt due to feeling overwhelmed – 'burying their head in the sand' - rather than addressing the issue. Embarrassment or shame about falling into their situation also prevent many from seeking support.

Those who do seek support report varied and inconsistent experiences. Most consumers in the sample report rude and unempathetic customer service staff at either local councils or debt collection agencies, whereas only a minority have had helpful experiences.

Debt repayment plans, whether they are offered by the council, a debt collection agency, or a Sheriff Officer, can often feel unaffordable for these consumers, as their overall financial situation often remains unchanged from when they initially fall into water debt.

Consumers who took part in the research feel the current debt recovery process is 'aggressive', making it harder for them to get out of debt. In particular, this relates to the amount consumers feel pressured into paying as well as the timelines set for repayment. Once the debt is escalated to Sheriff Officers, the additional charges added (e.g. a 10% interest charge), and the speed at which this is done, make it more difficult for consumers to manage and afford repayments.

[1] Citizens Advice Scotland, *Sink or Swim,* 2015

However, escalation by debt collection agencies or Sheriff Officers is often what prompts action. Consumers in the sample typically reach out to debt recovery agencies to work out a feasible repayment plan once they have received notice that their case has been escalated to Sheriff Officers – in particular, when additional charges are highlighted. Further escalation, such as home visits from the Sheriff Officers, often prompt fast action to resolve the debt. That being said, a few consumers in the research noted that pressure from Sheriff Officers meant they agreed to plans that felt unaffordable, in order to avoid wage arrestment.

2. Background and methodology

2.1 Project background

In Scotland, domestic water and sewerage charges are administered through the Council Tax notification and collection system. Scottish Water provides water and sewerage services to most households across Scotland. However, they do not issue bills to consumers. Instead, water and sewerage charges are billed alongside Council Tax within the same notification and paid to the local council. The local council then makes payments to Scottish Water.[3] Water and sewerage charges are based on the Council Tax band, rather than on how much water is used or waste water removed.

Previous research has found that 1 in 5 consumers in Scotland were in debt for water and sewerage services, with this being particularly high amongst low-income households who receive Council Tax Reduction.[1]

This has typically been attributed to affordability issues, as well as the lack of clarity about how water and sewerage charges are billed and paid for.[1] For example, low-income consumers who are exempt from Council Tax (i.e. receive a 100% Council Tax Reduction) are only entitled to a partial discount (35%) on their water and sewerage charges. Those who receive less than 100% Council Tax Reduction receive a proportionate discount on their water and sewerage charges. For example, those who receive a 50% reduction in Council Tax are entitled to a 17.5% reduction on their water and sewerage charges.

Many do not understand that they have an ongoing liability to pay water and sewerage charges, ignore Council Tax notifications and reminders, and fall into debt. Furthermore, debt recovery practices can be punitive, with several drawbacks having been identified (for example, no affordability checks being undertaken by local authorities before statutory powers are applied. In addition, water debt recovery practices are similar to Council Tax recovery, even if the consumer is receiving 100% Council Tax Reduction). This can cause real detriment to consumers.

Consumer Scotland wants to improve outcomes for consumers that find themselves in or at risk of debt for domestic water and sewerage charges. As part of this, Consumer Scotland commissioned research to better understand lived experiences of water debt and debt recovery processes and practices.

[3] The Water and Sewerage Services to Dwellings (Collection of Unmetered Charges by Local Authority) (Scotland) Order 2020
[1] Citizens Advice Scotland, *Sink or Swim,* 2015

2.2 Project objectives

The overall objectives of this research were to:

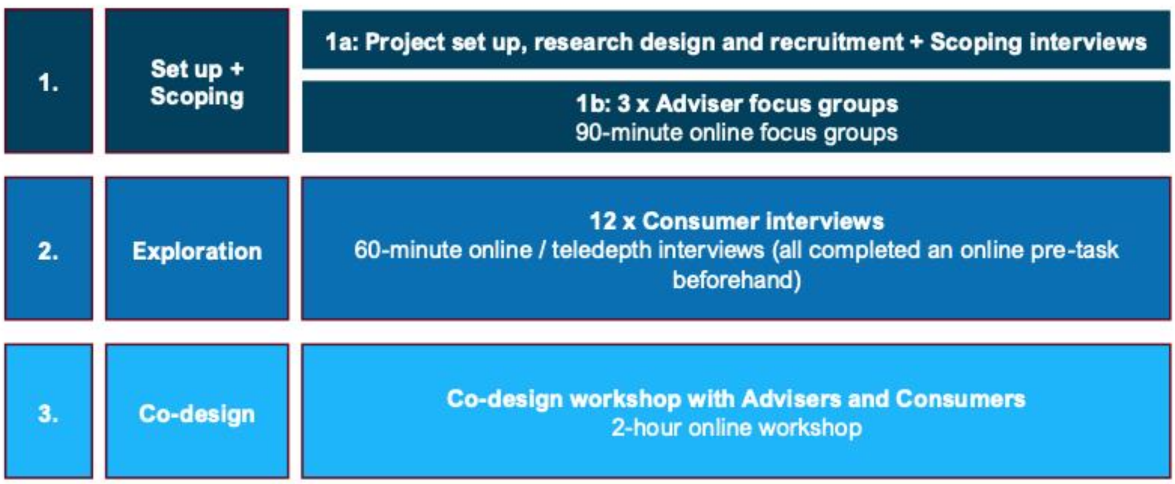
1. Understand how consumers **experience water debt** and the **impact** that it has on them.
2. Explore **awareness and understanding**, amongst advisers and consumers, of water debt as distinct from Council Tax debt.
3. Explore the **underlying causes and impacts** of water debt from the perspective of **frontline advisers** supporting consumers.
4. Explore how **practices may vary** in relation to the recovery of water debt in different local authority areas.
5. Identify **opportunities to improve consumer outcomes** in relation to water debt in Scotland including ways to prevent debt occurring in the first place, minimising debt escalating to unmanageable levels, and enhancing support for those struggling to pay.

2.3 Methodology

Using qualitative research methods, we took a 3-stage approach to explore both lived experiences of water debt and expert knowledge of debt advisers working with those experiencing water debt.

Thinks Insight & Strategy conducted research with consumers who had recently or were currently experiencing water debt, and debt or money advisers working with those experiencing water debt, between 14th October 2025 and 9th January 2026.

Figure 2. Overview of project methodology



Stage 1a: Project set up

Working closely with Consumer Scotland, Thinks established the key research objectives and specific audiences to engage.

To inform this, Thinks conducted scoping interviews with 5 experts working within water debt and water policy. Each of our experts has experience working in policy development, and a few had direct experience working as debt advisors themselves. These experts held roles in public bodies and charities in Scotland.

Stage 1b: Focus groups with advisers

Prior to engaging consumers experiencing water debt, we conducted 3 x 90-minute focus groups with a total of 12 people working within advisory organisations to discuss any key considerations for the research sample or topic discussion guides.

The advisers had extensive experience supporting consumers with debt (and water debt specifically) and had in-depth knowledge of the different debt recovery pathways. This stage provided a 'big picture' view of the context in which water debt commonly sits, and how adjacent issues might interact, as well as insight on consumers' experiences and needs.

The insights gathered from these focus groups informed our sampling, recruitment and design methods for the stage 2 consumer interviews, and the groups provided useful confirmation of the value of the proposed research approach as well as insightful additional considerations.

Discussions during focus groups included:

- The typical context in which consumers experience water debt.
- Understanding and awareness consumers have of how Council Tax and water and sewerage charges are billed.
- Typical debt recovery processes and the impact this has on consumers.
- Experiences of support services, and any barriers consumers face to accessing them.
- Key factors exacerbating the impact of water debt.

Advisers were recruited through online desk research and outreach to organisations, as well as referred contacts from Consumer Scotland. The focus groups were attended by advisers working in the following organisations:

- Citizens Advice Bureau
- The Human Rights Consortium
- City of Edinburgh Council Advice Shop
- Dumfries and Galloway Council
- Falkirk Council
- Health and Social Care Alliance Scotland
- Scope
- Citizens Advice & Rights Fife
- Link Group

These focus groups were conducted between 14th and 21st October 2025.

Stage 2: Depth interviews with consumers

The key stage of this research comprised of 1-1 interviews with consumers who had experienced water debt (or are currently experiencing this), across Scotland. For this stage, we conducted 12 x 60-minute interviews with consumers, either over the phone or via Zoom call. All consumers were recruited for this research through our recruitment partner Taylor Mackenzie.

Before their interviews, consumers were asked to complete a digital form pre-task, which involved giving a short overview of their experience with water debt. The full pre-task can be found in the appendix.

- The purpose of this stage was both to aid the moderator in exploring key stages of the consumer's experiencing during the interview, as well as prompting the consumer to think about the details of the experience ahead of the interview.

The interviews explored their experience of water debt, including:

- The wider context of what was happening in their lives when they fell into water debt.
- Their understanding of how Council Tax and water and sewerage charges are billed, with a focus on awareness of these as distinct charges.
- How they fell into water debt and how they became aware of this.
- What steps they took to address this, including any support they sought at the time.
- Experiences with escalation processes.
- Emotional and financial impact of both the water debt and any escalation

These depth interviews were conducted between 10th November 2025 and 9th January 2026.

Stage 3: Co-creation with advisers and consumers

Once advisers and consumers had been engaged separately, we held a co-creation workshop to explore recommendations for improving the debt recovery process.

The co-creation workshop was attended by Consumer Scotland, Thinks Insight & Strategy, and 7 participants who had taken part in Stages 1b and 2 (4 specialists working within advisory organisations and 3 consumers experiencing water debt). In selecting which consumers to invite to the co-creation workshop, we ensured a spread of experiences and local authorities were represented, including at least one consumer on Council Tax Reduction.

After covering the key findings emerging from the research so far, attendees were split into 2 breakout groups to explore 3 stages of the water debt experience:

- Preventing water debt from occurring.
- Minimising escalation.
- Supporting those who are struggling to pay.

For each stage, consumers and advisers worked together to discuss the key challenges, their priorities for what should change, and what the best version of the experience would look like. Through this, the group arrived at a set of recommendations for improving the experience of water debt.

This co-creation workshop took place on 9th December 2025.

2.4 Sample overview

We conducted 12 online interviews with participants who have experiences of water debt. Participants were compensated for their time in line with MRS and Scottish Government guidelines.[2]

Previous research identified that consumers receiving full Council Tax Reduction may be unaware that they were still liable for water charges.[3] We therefore sought to recruit consumers who had experienced water debt and were on full Council Tax Reduction. These specific consumers represent a relatively small audience, raising some challenges for recruitment. However 6 of the 12 consumers included in this research were receiving Council Tax Reduction to varying extents:

- 3 consumers were receiving 100% Council Tax Reduction
- 2 consumers were receiving 75% Council Tax Reduction
- 1 consumer was receiving 50% Council Tax Reduction

2 additional consumers did not claim to receive a Council Tax Reduction, but the other benefits they are in receipt of (such as Universal Credit and Scottish Child Payment) suggest they should be on 100% Council Tax Reduction (and that this has not been set up by them or the council).

Beyond this, the sample is reflective of low-income consumers in financial difficulty who have experience of water debt. Below is an overview of the water debt and escalation experience of consumers in the sample. Local councils have been anonymised given the small overall sample size and are referred to as Local Authority A, B, C or D.

Figure 3. Sample breakdown

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[2] Scottish Government (2024) Research - paying participant expenses and compensating for time: guidance

[3] Citizens Advice Scotland, *Sink or Swim,* 2015

Category		Number of participants (n=12)
Water debt experience within the last 2 years	Summary Warrant, which led to court proceedings and/or an additional 10% charge	1
	Applied to the DWP for Water Direct, resulting in direct deductions from my benefits	2
	Placed on a payment plan by the council / water authority.	5
	I received direct deductions from my wages to cover my water debt	2
	Referred to a debt collector	5
	My bank, with a court order, froze my bank account to recover debt	1
	I received a late payment notice or reminder to pay	3
	I received a warning of further action or penalties	1
Extent of escalation[4]	I paid off the bill after the first reminder with little to no impact	1
	I received 3+ warnings or notices from the council / water authority, but I was able to pay it within the next month / set up a payment plan with little to no impact	2
	I was referred to a debt collector and /or placed on a payment plan which caused some mental or financial stress	8
	I received a Summary Warrant / had money deducted through Water direct (DWP deductions) which caused significant financial and /or mental stress	1
	I ended up in court proceedings, and it has had a long-term effect my mental health, financial and/or living situation.	3
Local council	Local Authority A	4
	Local Authority B	4
	Local Authority C	3
	Local Authority D	1

Our sample also included a spread of demographics and personal circumstances. This includes a range of locations across Scotland, levels of financial vulnerability, and types of benefits consumers are receiving. A full breakdown of these criteria within our sample is found in the Appendix.

2.5 Note on analysis

Thinks Insight moderators took notes and audio recordings during the adviser focus groups, consumer interviews and the co-creation workshop. These allowed for an initial summary of key themes and verbatim quotes.

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[4] The number of participants within the extent of escalation category does not total 12, as participants may have experienced more than of these options (for example, both being referred to a debt collector and experiencing court proceedings).

Once focus groups and interviews were completed, these notes were sorted into a thematic grid, and analysis of key themes continued through brainstorming sessions.

This manual analysis process was complemented by the use of CoLoop, a specialist AI tool designed to support with analysis of qualitative research. All participants provided the appropriate consent for transferring a recording of their interview to CoLoop. For this research, CoLoop was used for the following purposes:

- Delivering automatic transcriptions of recorded interviews and workshops. These transcriptions were quality checked by a member of the Thinks research team.
- Support with the organisation of raw data into a qualitative analysis framework, e.g. providing an initial summary of key themes, linked back to source data to allow for quality assurance. This was used as a complementary tool to sense check key findings and themes, and was not used as a replacement for manual, researcher-led analysis.

Verbatim quotes have been used throughout this report to bring the research findings to life. We have also included case studies (see 'Spotlight' pages), which reflect real participant experiences with some minor details changed to protect anonymity.

2.6 Reading this report

In this report, we refer to 'advisers' and 'consumers' when detailing the research findings.

- Where we refer to **'advisers'**, we are referring to those working within advisory organisations who took part in Stage 1b of this research.
- Where we refer to **'consumers'**, we are referring to the participants with experiences of water debt who completed interviews with us in Stage 2 of this research.

We have indicated where findings have been taken from research with either advisers or consumers who took part in this research, and where views have been expressed by specific sub-groups of participants.

3. Consumers' starting point for thinking about water debt

Summary

For the consumers who took part in the research, the likelihood of getting into water debt is shaped by several factors, which include:

- Facing general affordability challenges and experiencing difficulties in being able to pay for all household costs and essential bills.
- Low awareness of how water and sewerage charges are calculated and billed alongside Council Tax, leading to confusion about what is owed. This is particularly true for the three consumers receiving full Council Tax Reduction who would only be entitled to a 35% reduction through the Water Charges Reduction Scheme.
- Low engagement with water bills, due to a combination of consumers not feeling they receive much in return for their Council Tax, unclear communication from the Council about consumers' payment obligations and a perception that there are fewer (or no) negative consequences of not paying the bill.

For those receiving Council Tax Reduction, these issues are exacerbated, because they are more likely to be facing affordability challenges. Within our sample, this group were more likely to have reduced capacity to engage with water bills (and debt), due to competing stressors that often coincide with financial vulnerability, such as job insecurity, coping with long term health issues or managing as a single parent family.

3.1 The wider context of affordability

Affordability challenges are at the heart of water debt.

Advisers highlight that, for many householders, their income simply does not cover their bills and basic living costs each month. Consumers in the sample echo this, saying that they often cannot afford the essential for themselves and for some, their families. Consumers perceive this affordability challenge to be the key reason for why they fall behind on water bills.

Many consumers in the sample are experiencing significant changes in personal circumstances, such as bereavement, unemployment or health issues. This can lead to sudden drops in income, making it more difficult to keep up with bills. For example, one consumer was made redundant unexpectedly, but it took several weeks for her Universal Credit application to be processed and for her to start receiving benefits. During this interim period with no income, she struggled to keep up with her bills, despite having never been in debt before.

As water debt is closely linked to low income and financial hardship, it disproportionately impacts consumers in vulnerable circumstances such as single parents, disabled people and those with insecure work.

"I'm expected to pay my rent, Council Tax, gas, car insurance, car finance, phone bills, sky bills, food bills, it goes on and on. But I'm losing money each week with this new job that I'm in and I genuinely don't know how I'm going to get by and pay all these bills that I need to pay." - Male, 35, Local Authority B, referred to debt collector

As a result, many consumers who took part in this research are experiencing water debt as part of a broader set of financial challenges.

Difficulties paying for water bills rarely occur in isolation. Many consumers say they are experiencing other types of debt alongside their water bills, such as debt for other utilities or credit card debt.

It is often these other types of debt (rather than the water arrears) that prompt consumers to seek help; advisers report that consumers rarely come to see them with just Council Tax (and therefore water) debt. The Council Tax debt is often a relatively small part of consumers' overall problems.

Advisers also report that that most consumers they help have multiple years of Council Tax (and water) debt. This suggests consumers rarely seek help for Council Tax and water debt where is has accumulated just for one year and often deprioritise dealing with this particular debt.

These financial challenges have become increasingly widespread in recent years due to the rising cost of living.

The rising cost of living has pushed more people into financial difficulty, or further exacerbated existing financial or circumstantial challenges. Many consumers in this research say they are not experiencing debt for the first time and have previous experience of debt escalation, with advisers echoing they often see people with multiple types of debt. However, others are falling into debt for the first time, which typically feels highly stressful.

Advisers also mention seeing more working families falling into debt in recent years due to the rising cost of living.

Whereas in the past, advisers predominantly saw water debt amongst very low income individuals, mainly those receiving Universal Credit or other benefits. They now report seeing more two-income families struggling to make ends meet. A few consumers in this research describe working several jobs and still being unable to cover all their essential costs.

3.2 Water billing alongside Council Tax

Most consumers in the research (including a few who receive Council Tax Reduction) *are aware* that water and sewerage charges are billed alongside Council Tax.

Many demonstrate clear awareness of their responsibility to pay water charges. They remember seeing a breakdown on the bill, which itemised water and sewerage charges separately from Council Tax. This research therefore suggests that low awareness of responsibility to pay water charges was **not** the key, or only, reason for these consumers falling into water debt.

"Our Council Taxes include my water bill. There's always a breakdown, so like Council Tax, what band you're in, then it'll say water etc." – Male, 35, Local Authority B, referred to debt collector

"On the actual bill, it's very clear. It explains exactly what you should be paying, what band you're in, and how much you're paying for water as well. There is a page that tells you how much your Council Tax is and how much is your water." – Female, 33, Local Authority A, CTR, received 3+ warning letters

"When you get your Council Tax bill, it is broken down, you've got your Council Tax at the top and then it will say water and sewerage charges in a separate box at the bottom." - Female, 36, Local Authority B, referred to debt collector

That being said, in line with previous research by Consumer Futures[5] and Citizens Advice Scotland,[6] a few consumers in this research are unaware that water charges are included alongside Council Tax and feel this is not made clear on the bills or general communications. This leads to confusion about liability and payment responsibilities.

"Honestly, at the time I never even knew about the water sewage, I'd seen it on the bill, but I just took it all as one. I just assumed that it was all for the council and the Council Tax." – Female, 36, Local Authority D, CTR, referred to debt collector

These consumers only realise they are liable for a water payment when formal debt recovery action begins. However others, particularly those who receive some level of Council Tax Reduction, admit to not reading the bill fully and acknowledge that their low awareness is at least partly due to lack of engagement with the bill.

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[5] Consumer Futures (2014) *Keeping your head above water*
[6] Citizens Advice Scotland (2020) *Citizens Advice Scotland Response to CCW call for evidence*

A few consumers who receive Council Tax Reduction are unaware that they are still liable to pay a portion of their water bill, and instead assume that Council Tax Reduction covers both costs (or at least are unclear what water charges they are liable for). This leads to unintentional accrual of water debt.

"I was doing agency work but I was also on Universal Credit. When I was doing agency work and I was maybe only getting one or two shifts a week, the debt was starting to mount up because I didn't know you were expected to still pay the full rate [when on benefits]." – Male, 48, Local Authority C, CTR, referred to debt collector

Advisers agree, saying that consumers often come to see them with a low understanding of what they are being billed for. Advisers feel the bills don't break down the different charges clearly enough and are buried too far down the letter, meaning most consumers don't read this information.

"The letters do state what proportion is Council Tax and what is water. But again, how far down the letter do people read? Do they read them? Can they read them? Probably not. The customers we deal with, half the time they don't know the difference. They haven't read the letter that far and they don't understand it." – Adviser, Dumfries and Galloway Council

Water debt is rarely viewed as distinct from Council Tax debt.

The billing for water and sewerage services alongside Council Tax reinforces this perception for both consumers and advisers.

Advisers at local councils and within advisory organisations (e.g. CABs) do not view water bills and council tax payments separately, saying these debts are logged as one on their system. Billing, recovery and case-recording systems log these together, making separation of the two rare in routine advice work. Advisers in this research say splitting these out would have no practical benefit because the advice and recovery process would be the same.

"We don't split it out as Council Tax debt and water debt, it's all recorded as Council Tax arrears." – Adviser, Falkirk Council

"It's just one figure that we're looking to recover. Likewise when money is paid, it just comes off the total amount. It's not split out. We do explain it if we need to that there's a difference, but overall, it's just one amount." – Adviser, City of Edinburgh Council advice shop

Spotlight: Louise's* change in benefits

Local Authority C

"[The letter] says they can either take you to court if you don't set up a payment plan or they would start taking off your wages, or you could lose your house as well, ultimately. So I just phoned and made a payment plan which was quite easy. It took not even half an hour to set it up."

Louise lives with her partner and her two teenage sons, and works part time in a local hotel.

Louise fell into Council Tax and water debt when she was moved from income support onto Universal Credit. She was unaware that this change in benefit structure meant she would now need to pay her Council Tax and water charges directly.

Louise had also been struggling with depression during this time, which had resulted in her ignoring warning letters from the Council and allowing her debt to accumulate. She only became aware that she had fallen into debt once she received a letter from a debt collection agency, at which point she owed a full year's worth of water charges and Council Tax.

Louise feels the letter 'shocked' her into taking action; she called up the debt collection agency and was able to quickly set up a repayment plan.

Although panicked and anxious when she initially received the letter, once the payment plan had been set up, Louise felt like 'a weight had been lifted'. She felt the debt collection agency had asked for a reasonable amount from her, and she is currently paying off her debt monthly.

Louise feels that had her change in benefits been explained to her properly, she wouldn't have gotten into Council Tax and water debt. She also feels it is important that staff working at the council have awareness of mental health issues, and the impact these can have on consumers' ability to engage with their communications and processes.

Stages of Louise's journey

- Moves from income support to Universal Credit
- Unaware she now needs to pay for Council Tax and water charges directly
- Struggles to engage with letters from the council due to mental health struggles
- Accumulates a year's worth of Council Tax and water debt
- Receives a letter from a debt collection agency
- Calls debt collection agency and sets up repayment plan
- Debt unresolved

"It kind of snaps you out of that zone, like, 'oh wow, they've been letting this go'. … it was kind of a relief as well, like a weight had been lifted … I've already been down this route, so I knew that I have to just make a payment plan. As long as you stick to it, it gets the debt down."

*Names have been changed to protect participant anonymity.

Spotlight: April’s* confusion around liability to pay

Local Authority D

> *“I wasn’t worried about my water getting cut off or anything like that … I wouldn’t say they were particularly threatening. I don’t think I was particularly worried about it. I was worried about how I was going to pay it, but I didn’t think there would be any repercussions for not paying it.”*

April lives with her son. Having spent a few years working as a carer, April decided to return to education and train to become a nurse.

April initially fell into water debt due to a misunderstanding over whether she was liable to pay her council tax and water charge. April had been studying at college, and was due to start a university course for the next academic year, leaving a three-month gap where she was not technically a student. As she had not been liable to pay whilst she was a college student (and would not be liable once she began university), she had assumed she would not need to pay in the time in between.

It was only after her third missed bill that April became aware she needed to pay council tax and water charges during this period, having not received reminders or warning letters for the first couple of missed payments.

When April did become aware she needed pay council tax and water, she felt she was unable to afford it; she was being asked to pay £400 worth of debts that had built up, and was given 28 days to pay. She had no additional income during this gap in studying, and she felt she needed to prioritise other expenses.

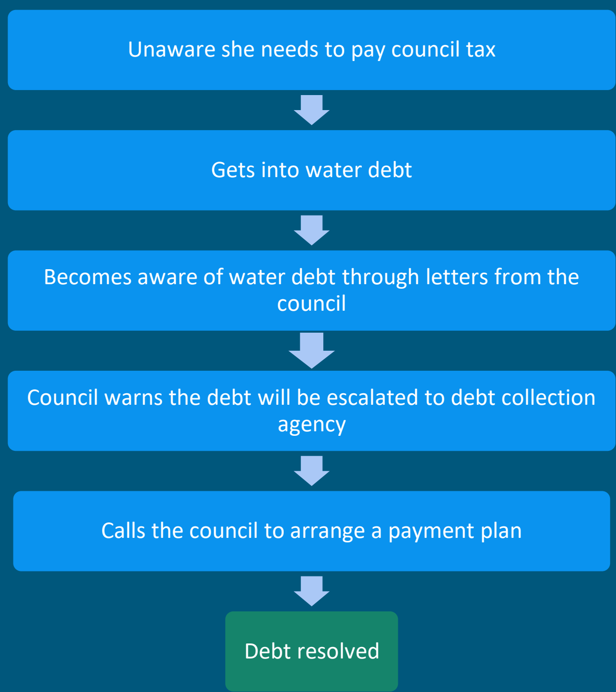
April received a further letter from the council warning that the debt was going to be passed onto a debt collection agency. She was very keen to avoid this, so called up the Council to arrange a payment plan. Initially they wanted April to pay back £100 each month but this felt unfeasible, and April was able to come to an agreement that she would repay £50 each month instead.

April felt that had she been notified of the arrears sooner, the debt would have been much more manageable.

She also felt that the council could have helped her avoid falling into the water debt in the first place had they warned her that her temporary change in status made her liable to pay council tax and water charges.

April found being in debt for her council tax and water charges stressful, as she was also experiencing other debt at this time. However, the flexibility of the council allowed her to reach a repayment plan that worked for her, which had a significant positive impact on her situation.

Stages of April’s journey



*Names have been changed to protect participant anonymity.

3.3 Low engagement with water bills

Council Tax (and therefore water bills) is amongst the least salient bill for consumers, leading to low levels of engagement. There are three key reasons for this:

1. **Council Tax is not highly valued.**

In the context of financial challenges, many consumers in this research say they are reluctant to pay Council Tax because they don't feel they see an immediate personal benefit as a direct result of paying the bill. There is a sense that Council Tax is poor 'value for money' (i.e. an expensive bill that consumers don't feel they see the benefit of). Consumers place a lower value on the perceived benefits they get from Council Tax, compared to other services, and therefore payment of Council Tax (and therefore water bills) is deprioritised. Advisers agree that this is the case, feeling that if consumers are going to miss a bill, it is likely to be the Council Tax (and therefore water) bill, as it is difficult to see a tangible benefit from paying it.

"I should probably try and manage my money a bit better, but it's stuck in my throat about having to pay out so much money when you don't really get anything for it. If I pay my gas and electricity, I can heat my house and watch my telly. But Council Tax is absolutely the biggest rip off in this country." - Male, 35, Local Authority B, referred to debt collector

"[Water bills] are probably one of the first things to go if you're on your own or on a really low income. If you can't top up your meter, you've got no gas, no electric, you can't buy food and if something's got to go, it's going to be Council Tax because you don't really get anything tangible for it. So that's one thing that I think makes [Council Tax debt] so prevalent." – Adviser, CAB West Lothian

"People don't see that they get anything for Council Tax. If someone's not paying it, somebody else is going to pay it and their bins will still get emptied. There's a dislike of Council Tax in general." – Adviser, Citizens Advice and Rights Fife

2. **Billing letters do not clearly explain what consumers need to pay, and for what services.**

Consumers and advisers in this research report that the letters and bills from local authorities are not consumer-friendly, as they do not clearly state what they owe, leading to confusion about payment obligations. They feel letters can fail to provide a clear, prominent statement of the total amount owed, or specify which charges are covered by benefits or reductions, and which are not, resulting in misunderstandings about liabilities. Additionally, a lack of cumulative or up-to-date arrears statements can leave consumers unaware of their total outstanding debt, with communication often limited to annual statements or overdue notices.

"I think the letters that go out to people, I think the information is too complex. It's almost too informative […] the correspondence that's going out maybe needs to be scaled back or different." – Adviser, Falkirk Council

"I can say I never read the full council tax bill. I never seen [the water charges] on the second page." – Consumer, female, 36, Local authority D, CTR, referred to debt collector

Consumers and advisers also say the letters use overly complex language, with jargon that is not accessible to most, particularly those who are neurodiverse or have lower literacy levels.

"The notices are difficult for people to engage with, whether they're neurodiverse or not. I see quite a high level of people with literacy and numeracy problems and quite often the only notification they get is a letter." – Adviser, CAB Perth

"I don't really understand, I need things to be explained to me. When I get letters, I have to read it quite a few times to try and understand. Sometimes I feel like I'm stupid because I don't understand – I've got a bit of dyslexia and I just don't understand what the letters are saying." – Consumer, female, 45, Local Authority C, CTR, referred to debt collector

The letter format and tone of the bills also makes them easy to ignore (for example, because consumers can throw the letter away rather than have to speak to someone at the local authority), which exacerbates these challenges. Consumers describe them as automated, 'impersonal' letters that fail to engage or motivate them to act. Consumers often report that a phone call would be harder to ignore compared to a letter, which they feel they can 'put to the side and forget about'.

3. **There are fewer perceived negative consequences of not paying Council Tax (compared to other bills / utilities).**

Consumers in this research frequently prioritise rent, utilities and food over Council Tax, viewing the latter as less immediately critical or less likely to result in loss of essential services. They know their water service (or other services associated with their Council Tax) won't be removed if they don't pay the bill. This reduces the perceived urgency to pay compared to other bills or debts.

Many are also unaware (prior to missing payments) that ignoring these bills leads to quick debt recovery escalation and severe enforcement consequences. This reinforces the tendency to deprioritise Council Tax until it becomes an unavoidable debt (e.g. when they get penalty notices or Sheriff Officers arrive – we have provided more detail on this in section 5.3).

"Consumers don't actually realise that Council Tax gets to the enforcement system - that is, Sheriff Officers – much quicker than any other creditor." – Adviser, CAB Scotland

Consumers therefore deprioritise Council Tax (and by extension water bills) in favour of other household outgoings.

All consumers in this research say they prioritise essential expenses like food, rent and childcare, as they have no choice but to make these payments. Advisers agree, saying that if any bill has to be ignored, it will likely be Council Tax (and water).

"If you can only pay two of three bills, any sane person is going to heat their property and feed themselves properly and not pay their water and sewerage." - Adviser, CAB Perth

"Choosing to feed your kids or pay your council tax. Like it's a no brainer." - Consumer, Female, 33, Local Authority A, CTR, received 3+ warning letters

This particularly occurs within the context of financial struggles or other significant life stressors that reduce capacity to engage with bills, increasing vulnerability to debt. Several consumers describe experiencing periods of transition in their lives (for example, moving house, changing benefits or relationship breakdown), which often results in missed payments or overlooked liabilities due to competing priorities and stress.

A few actively choose to miss bills until their situation stabilises, despite knowing that this puts them at risk of their debt escalating to unmanageable levels.

"I should have been putting money aside every month, but because I'd just moved [house] I needed to buy things for the house, like beds and furniture. Even if they'd told me 'here's what you need to do', I probably wouldn't have acknowledged it, to be fair. It was a moment in time where I was just moving out, and there was so much going on. And it was Christmas as well. It was just in the back of my mind when it should have been something that was a priority." – Female, 28, Local Authority A, CTR, referred to debt collector

"I was made redundant in February last year. When losing your job and having so many responsibilities, I simply forgot. To be honest, I wasn't aware that I need to notify the Council that I was made redundant so they could amend the bill." - Female, 33, Local Authority A, CTR, received 3+ warning letters

Spotlight: Mike's* prioritisation of other bills

Local Authority B

"I kind of knew myself I wasn't going to be able to keep up with it, to be honest, because there were other things I couldn't keep up with as well. The council tax are the ones that are really unforgiving … I just thought the ones that would give you a wee bit of leeway would be the council tax and the gas."

Mike lives with his wife and their two children.

Mike began to experience some financial issues when his employer cut his hours, meaning he moved from a 7-day working week to a 4-day working week. This led to a sudden significant decrease in his income, which was exacerbated when he needed to take a few months off from work due a bad leg injury.

Mike knew he would be unable to cover all of his bills and expenses, and decided to prioritise paying bills where he thought the consequences for not paying might be harsher; for example, he ensured he did not miss any rent payments.

Mike believed that out of the bills he needed to pay, his Council Tax (and therefore water charges) would be the most 'forgiving', and therefore didn't view them as a priority.

When he initially fell behind on his payments, Mike contacted the council to arrange a payment plan. The plan offered to him was still unaffordable, and he was unable to keep up with the payments. At this point, Mike's debt was passed on to a debt collection agency. Mike found their escalation extreme; they added a 10-15% charge onto his (already unaffordable) debt, asked him to pay his full years' worth of Council Tax and threatened him with wage arrestment.

Mike was surprised and disappointed that the agency were so inflexible in their repayment options. He looked to the council for support, who in turn referred him to StepChange - they were unable to support him, however, as his debt was not high enough.

Through borrowing money from his wife's parents and working additional hours, Mike was able to keep up with a payment plan agreed with the debt collection agency.

Mike's debt has now mostly been cleared, and his account is billed directly through the council.

Mike found the experience highly stressful, and he had hoped for some more understanding and flexibility from his council. Instead, he felt that debt collection agencies 'prey on people's vulnerabilities'.

Stages of Mike's journey

1. Employer reduces his hours at work
2. Falls into water debt due to reduced income
3. Calls the council to arrange a repayment plan
4. Repayments unaffordable, Mike is unable to pay
5. Debt escalated to debt collection agency
6. Borrows money from family to pay off the debt
7. Debt resolved

*Names have been changed to protect participant anonymity.

3.4 Insights from those experiencing the greatest financial hardship

Note on our sample: The majority of consumers taking part in this research were on low incomes. As mentioned, this meant that their experiences of water debt were underpinned and exacerbated by affordability challenges. However, there were some within the sample, such as those receiving Council Tax Reduction (or other benefits), who were particularly financially vulnerable. Our sample also included consumers who were temporarily experiencing financial vulnerability – but were not receiving any financial support as this had not been picked up by the council or benefits system.

Those experiencing the most financial vulnerability, tend to be even less engaged with water bills.

As mentioned, those struggling to keep up with bills overall will often deprioritise water bills. This group is also more likely to be experiencing difficult life circumstances, such as being single parents, working several jobs or coping with health issues. This means they are even less likely than other consumers to have the time or bandwidth to engage with their bills.

As a result, this group are more likely to ignore bills or warnings until the situation escalates.

However, these consumers are likely to be impacted to a greater extent if their water debt escalates.

As water debt escalates rapidly, the additional charges added (e.g. interest and surcharges) quickly become unmanageable for those who are financially vulnerable. This pushes these consumers quickly into a vicious cycle of debt (i.e. they are less able to pay the debt off, so more and more charges are added). This makes the debt recovery process particularly financially and emotionally stressful to manage for this group.

These consumers therefore find themselves in a system that they feel is not designed to meet their needs. Both these consumers and advisers in the research feel that the current system treats everyone as if they have elected to not pay their bills, rather than being unable to. This therefore impacts those on the lowest incomes the most.

Spotlight: Fiona's* struggles to cover the basics

Local Authority C

"The only thing that I pay at the moment is really my rent because that's my most important one … and I'm only getting sometimes a £600 wage, maybe less than that. So its like hard to try and pay everything with like food, gas, electricity, and you just get yourself into debt."

Fiona lives alone. She is employed on a zero-hours contract, meaning her income is unreliable. Her income is also often insufficient to cover basic outgoings, such as her rent, bills and groceries.

Struggles with insufficient income and the rising cost of living has led to Fiona falling into debt, not just with council tax and water charges, but with other payments such as her rent. Other expenses, such as rent payments (and rent arrears repayments), feel more 'important' and so Fiona has prioritised these.

After a period of not paying her council tax and water charges, her debt was escalated to a debt collection agency.

Fiona initially attempted to set up a repayment plan with the agency, but they wanted her to pay more than she could afford and offered no flexibility. The debt collection agency began taking repayments directly from Fiona's wages.

Prior to falling into Council Tax and water debt, Fiona was already in contact with a council debt adviser, who was supporting her with the various repayments she was juggling. Although payments are still being taken from Fiona's wages each month, her outstanding debt appears to be unchanged; neither Fiona nor her debt adviser can work out where her payments are going. Her debt adviser recommended Fiona speak to her employer to figure out where the payments were going, but Fiona is reluctant to tell her employer about her debt, feeling embarrassed about the situation and worried about how this reflects on her.

She would like to be able to have someone at the council to talk her through her bills, what she is required to pay and when. She finds some of the language confusing, and prefers to have things explained to her face-to-face, or over the phone.

Stages of Fiona's journey

- Unreliable and insufficient income leaves her unable to cover the basics
- Falls into multiple forms of debt, including Council Tax water debt
- Unable to keep up with all payments and repayments
- Water debt is escalated to a debt collection agency
- Unable to keep up with repayment plan
- Debt collection agency arrest wages
- Debt unresolved

*Names have been changed to protect participant anonymity.

4. Experiences of getting into water debt

Summary

In this research consumers' experiences of water debt can be split into three areas:

- Getting into water debt.
- Support available for those who are struggling to pay.
- Experiences of debt escalation.

Consumers in this research typically get into water debt through a combination of low awareness of and low engagement with their water bills and choosing to prioritise other essential bills. Once debt begins to accrue, many consumers disengage with their debt due to feeling overwhelmed, and this is not helped by the complex and confusing communication they receive from local authorities.

A key barrier to seeking support for their debt is embarrassment or shame about their situation. For those who do seek support, experiences are varied. While a few in the sample have had helpful experiences, with empathetic and helpful customer service staff, the majority report rude and unsympathetic staff, both at local councils and debt collection agencies. An under-resourced and patchy debt support system makes it challenging for consumers to access high quality, free support.

4.1. Getting into water debt

4.1.1 Awareness of water charges

Initial bills from the council are often very unclear, making it difficult for people to understand what they're liable to pay.

As outlined in section 3.3, many feel that the layout and order of information in Council Tax bills are not consumer-friendly, with key details about what they owe buried or unclear, making it hard for consumers to understand their obligations.

A few also note that the letters contain multiple contact numbers and unclear instructions that lead consumers to call the wrong department, or not be sure where to seek help.

As mentioned, a few consumers receiving Council Tax Reduction fall into water debt due to a lack of understanding around what they are liable to pay. This is also reported by advisers, who themselves work with consumers who are not aware that they are liable to pay for water.

"Nobody reads these bills, you just look at the end result. Because there's no real definition other than, if you look closely, it breaks down the council tax and water. People see it just as council tax. So for those who are in full receipt of Council Tax

Reduction, they just ignore those bills." – Adviser, Citizens Advice and Rights Fife

4.1.2 Engagement with their water debt

Engagement with water bills is typically very low.

Consumers in this research are not reading their bill in detail, if at all, and bills are often put to the side and forgotten about. For example, some consumers report not seeing anything about water or sewerage charges on their Council Tax bill, even though the charges are split out. Others do acknowledge that the charges are split out, but still admit that they do not read their bills in detail.

Complex and lengthy letters further discourage consumers from engaging.

Many consumers actively disengage with their water debt due to feeling overwhelmed.

Even when consumers are aware that they are getting into debt, they often describe 'burying their head in the sand' and ignoring any communications about their water debt, rather than addressing the issue at an earlier stage. This is typically for two reasons:

- Although they are aware of their debt, they simply do not have the money to pay it, so they feel it is pointless to engage with the communications. This occurs both for consumers who receive Council Tax Reduction and those who do not.
- They are overwhelmed with competing priorities (such as other bills, family commitments, work commitments) and do not have the capacity to engage with the communications.

"I'm one of those people who will bury their head in the sand and not think about it until something happens. I never spoke to anyone about it." – Female, 40, Local Authority A, CTR, experienced wage arrestment

"I buried my head in the sand hoping it would go away, and you get the letters in every few days about Council Tax. I just kept ignoring it, because I didn't have enough money. I'm paying the car, my rent, my gas and electricity, my food, loads of things." - Male, 35, Local Authority B, referred to debt collector

Echoing this, many advisers in this sample report that consumers only reach out to them after enforcement action has already begun, as this makes the debt feel more real (and therefore a higher priority amongst their competing demands), triggering consumers to take steps to resolve it. Alternatively, some consumers approach advisers because they have other debt that has become unavoidable, rather than because they feel they need to resolve their Council Tax / water debt.

> *"If someone is approaching us in relation to Council Tax or the water element of that, it's because they've either received the charge for payment, or they've had the earnings arrestment or the bank has attempted that. They're probably the only reasons we see people in relation to Council Tax." – Adviser, Citizens Advice & Rights, Fife*

> *"People often contact us because of a bank arrestment or a wage arrestment. And the people that aren't making contact with us about water or Council Tax debt, they are making contact about a different debt. But then when we do research, they also owe council or water debt, but that's not the main reason they've got in touch." – Adviser, City of Edinburgh Council Advice Shop*

4.1.3 Action taken by local councils

Advisers feel that local councils are not proactive enough in responding to changes in consumers' life circumstances, such as moving onto Universal Credit.

For those who have been made redundant or enter into a period of insecure work, the slow move to Universal Credit means they are vulnerable to getting into debt as they have a period of time with no (or significantly reduced) income. Once this debt builds up, it can be hard to clear over the future months due to receiving a reduced income (compared to when they were working). This context means they cannot afford their monthly bills plus the debt.

> *"When I got made redundant, my main focus was finding another job, but I've just not managed to. I got made redundant the beginning of August, and the bills are due end of the month. As soon as I missed direct debit payments, I started calling – initially I was on the phone to get benefits, I've got a mortgage to pay. But it takes 8 weeks to sort out anything to do with benefits, so they're just not interested in you getting your bills paid." – Female, 51, Local Authority C, CTR, referred to debt collector*

Furthermore, it is not always clear to consumers in the sample that they need to contact the local council to explain their changes in circumstance.

For example, one consumer was not aware that she needed to contact the local council to tell them that she had lost her job and was now in receipt of Universal Credit (which would entitle her to Council Tax Reduction and a reduction in her water bills). She assumed that the council would be aware that she had begun receiving Universal Credit payments. She was therefore billed as if she only received a single person discount for her Council Tax.

Consumers in the sample are not contacted about their water debt until they have missed two payments, resulting in arrears building up before they even initiate engaging with the process.

Consumers do not receive early reminders as soon as they miss a payment, meaning arrears build up before they even initiate engaging with the process. After two or three missed payments, debt may have already accrued to levels that make repayment very challenging.

> *"I had about three months in between college and going to University, where I knew I would have to pay, but I had no extra income, so I just didn't pay it. I never really received any letters until a few months later. I didn't get a reminder for the first or second month I missed. It was the third I missed that I started getting letters." – Female, 36, Local Authority D, CTR, referred to debt collector*

Advisers agree that in their experience councils generally do not contact people after the first missed installment. Not only does this mean consumers are not notified early of debt, it also doesn't give them much time to rectify the situation before the debt is escalated.

> *"I think if people miss their initial payment, I don't think they would get a letter at that point. If they miss a second, I think they send a letter asking for the default to be made upfront, but they wouldn't pass it over to summary warrant at the point. But if a third payment is missed they will." – Adviser, City of Edinburgh Council Advice Shop*

When local councils do contact consumers, they have to use formal, legal language because they must follow an official process from the first time they notify consumers of their debt.

This formal language has two negative impacts on consumers in this sample:

- The complex language is very difficult for consumers to understand.
- The formal legal tone is experienced as intimidating and shaming for consumers. They describe 'big red letters' that escalates to more forceful language.

This formality can trigger stress for consumers, and prompts avoidance rather than engagement.

4.2 Support for those struggling to pay

As found more generally when people experience debt,[2] a key barrier to seeking support for water debt is embarrassment or shame.

Consumers who took part in this research often describe feeling like they have failed, or that they should not have ended up in debt. This sense of personal failure strongly contributes to the emotional distress that people feel when they're in debt.

> *"You feel quite embarrassed and quite vulnerable and stressed. My stress levels are already through the roof, with the family bereavement, trying to navigate that with two children who are also grieving and this added to my stress. It was so overwhelming." – Female, 36, Local Authority B, referred to debt collector*

> *"It was just horrible to see debt letters coming through. I didn't want to open my mail coming through because I was so worried what it was going to be. I was embarrassed and maybe a bit ashamed that I had got into that situation." – Female, 36, Local Authority D, CTR, referred to debt collector*

They also worry that others will judge them for being 'irresponsible' with their money management or look down on them for not being able to cope with their costs.

As a result of these feelings, consumers are often reluctant to reach out for help and support. Instead, they describe wanting to fix the debt themselves, as they believe it to be a personal problem, and see asking for help as a last resort.

> *"I just dealt with it myself. I know it was my fault that I got myself in that position. So I'm not going to ask someone else for money when I can add this to a payment plan." – Female, 28, Local Authority A, CTR, referred to debt collector*

> *"I'm a private person, I don't want to talk about this, I just want to keep it to myself." – Male, 49, Local Authority A, CTR*

Inconsistent customer service for those seeking help

Those who do seek support report varied experiences, at both local councils and debt collection agencies or Sheriff Officers; some participants in the research reported rude and unempathetic customer service staff, whereas others have had helpful experiences.

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[2] Money Advice Scotland, *Key findings from our new research,*

Local councils

At the council, consumers in the research often report that repayment plans are unrealistic, with the council asking for monthly amounts that are not feasible. Councils are often inflexible in this, meaning consumers pay nothing back and the debt accumulates further, rather than paying back a smaller monthly amount that is affordable for them.

A few also feel that staff working at local councils are rude and judgmental when they try to explain their circumstances. For example, staff not taking notes on the consumer's situation or being unkind and dismissive when consumers try to explain why they're in difficulty.

> *"So I had phoned the council and asked them if I could split the two months I hadn't paid over a few months, so I wasn't in so much debt. They just weren't accommodating. They were just quite rude and it was almost like they were script reading and they were like, no, no, no, they just weren't willing to help, which then kind of puts a barrier up. So then I didn't want to speak to them because I was already feeling miserable in the house and I just wasn't feeling like myself and they were just making it worse." – Female, 36, Local Authority B, referred to debt collector*

> *"I spoke to a man at the council, he was really cheeky, just completely didn't understand. He just said 'well you need to pay it'. And I actually broke down in tears saying 'I genuinely don't have a penny to pay this debt' and he said 'well, you should have thought about that. Why did you leave your job before?' I was trying to explain things and it was just horrible." – Female, 51, Local Authority C, CTR, referred to debt collector*

However, two consumers based in different local authorities did mention that their local councils were particularly helpful and worked with them to decide on manageable monthly payments – in one case meaning the debt did not escalate to an agency.

> *"I was given several opportunities [to pay] with the local authority, they were always alright to deal with to be fair." – Male, 48, Local Authority C, CTR, referred to debt collector*

Debt collection agencies and Sheriff Officers

Note: Through the interviews with consumers, there was occasionally some confusion about whether they had interacted with a debt collection agency or a Sheriff Officer – or both. This ambiguity from a consumer perspective is further confused by the fact that some debt collection agencies in Scotland also employ Sheriff Officers. However, there were some distinctions that helped consumers *to identify who it was they were interacting with, and what their needs are in these interactions. These are outlined below.*

Depending on the escalation approach taken, consumers could interact with several different staff various points, including:

- Customer service staff at debt collection agencies.
- Sheriff Officers who come to their home with summary warrants.

While a minority of consumers who took part in the research have found debt collection agency staff and Sheriff Officers to be kind and helpful, most consumers describe negative experiences, finding them to be unsympathetic and judgmental. They also often find customer service staff hard to contact. This variation contributes to inconsistent outcomes for consumers. Advisers echo this, feeling that some agency staff and Sheriff Officers can be supportive and empathetic, whilst others are only motivated to collect as much of the debt as possible.

The factors that contribute to a positive experience are similar across both routes of debt recovery (i.e. councils using Sheriff Officers or outsourcing to debt collection agencies). For those who had positive experiences, consistent themes are that staff are understanding, listen to what the consumers have to say and are willing to negotiate to find a payment plan that feels feasible for consumers. This makes consumers feel supported and more positive about their ability to resolve their debt.

> *"My standing orders have been cancelled and re-established three or four times. It's five or six years I've been paying it monthly, but there have been times where it's not been feasible to pay, so the standing order doesn't go through. I always contact them [the Sheriff Officers] and explain – they always just say start paying again next month. Generally, as long as you phone them then they've been alright with me. They've been understanding 99% of the time. If you're honest, they're alright with me." – Male, 48, Local Authority C, CTR, referred to debt collector*

However, those who had negative experiences consistently report abrupt, inflexible and rude staff (both Sheriff Officers and customer service staff at debt collection agencies). The rigid 'one size fits all' approach and a lack of empathy intensifies feelings of shame, stress and being unsupported, making it more difficult for consumers to come to manageable arrangements.

> *"I don't know what kind of people training they get [at the debt collection agency], but it's certainly not a very positive experience. Phoning them, there was no flexibility. You were explaining your situation and it was 'one size fits all'. They didn't actually care. It wasn't person-centred. It was just, 'if you don't pay this then we'll arrest your wages'. No empathy, no nothing. That's probably the*

worst part because I felt ashamed and not supported in any way. I felt ashamed by almost like they were judging me on the phone." – Female, 36, Local Authority B, referred to debt collector

"The Sheriff Officers, they're responsible for the collection, but they're also taking instruction from the council. So maybe they need training on understanding – you can get someone who's lovely and the next day you could get someone trying to squeeze as much out of you as possible. And honestly, if you get someone like that they really don't care what your situation is because their job is to get as much money as possible." – Debt and Money Advice Officer

For those who can, asking for financial support from friends or family to clear the debt is perceived as the most straightforward and helpful option.

If available, this is most straightforward for two reasons:

- It avoids any further escalation or surcharges added to debt.
- The help comes from a trusted source.

However, this option is rarely taken up (even if available in theory) due to most wanting to resolve the debt themselves and shame or embarrassment associated with asking for help.

Whilst free debt advice does exist, advisers and consumers feel the support system is patchy and under-resourced.

Access to money advice and the quality of support appears to have reduced in Scotland. Some advisers in the sample mention that some consumers wait weeks for an appointment (either face to face or on the phone), or having no service provision at all. This means consumers in the sample often rely on 'luck' to get an appointment, leaving gaps in coverage for many.

"Around the country, it's just having access to free debt advice. Some areas do very well, but the funding across the country as a whole is incredibly patchy. I know the wait for free debt advice in some areas is weeks, so you can go from missing a payment to wage arrestment before you actually speak to a debt adviser." – Adviser, CAB Perth

"A lot of advice services have lost funding, there's way less than there were even two years ago." – Adviser, Health and Social Care Alliance, Scotland

Additionally, advisers feel that cuts to funding and staff shortages mean advice services don't have the necessary resource to cope with rising demand. They note that there is a very limited capacity for free advice services, excluding many consumers in vulnerable circumstances from accessing support.

This limited support, coupled with the fast escalation process, means that consumers can find themselves facing severe consequences of debt before they are able to access money advice.

4.3 Debt resolution with local councils

4.3.1 Debt resolution in the local council

In a minority of cases in our sample, consumers reach an agreement with their council to repay the debt.

Most follow the steps below:

1. **The Council sends a letter notifying the consumer they are in arrears on their water payment.** Most consumers say they are already aware they are in arrears before receiving the letter, but for some this is the first time they become aware.
2. **The consumer reaches out to the Council to discuss their options**; most report getting in contact via telephone.
3. **The consumer and the Council work together to agree how the debt will be repaid.** Most commonly this will be through a repayment plan, although a minority pay the debt owed in full. Some borrow money from family to repay this.

"For me this was a first time [experiencing debt]. As soon as I get a reminder I paid them full because I don't like debt." – Male, 49, Local Authority A, CTR

"After I received the second letter, I called up [the council] to ask what the process was now." – Female, 33, Local Authority A, CTR, received 3+ warning letters

One consumer we spoke to had simply forgotten to pay his water bill, and did so promptly once he received his reminder letter.

However, debt repayment plans from the council can often feel unaffordable for consumers who are experiencing water debt, as their financial situation often remains unchanged from when they initially fall into debt.

As affordability is the key reason consumers in this sample fall into water debt, repayment plans are often unhelpful as most do not have the financial resource to meet these payments (just as they didn't have the resource to pay the original water charge). This means, for most, resolution is not reached with the council, meaning cases escalate to debt collection agencies or Sheriff Officers.

"The council have got a minimum payment. You can't phone them and say, this is what I can afford to pay. They say 'we need this

amount and if you don't, we'll send it to Sheriff Officers and arrest your wages." – Female, 36, Local Authority B, referred to debt collector

In this research some regional variation is noted in how likely it is that the debt escalates to external agencies.

One consumer mentioned that their local authority was particularly helpful and worked with her to decide on manageable monthly payments. This greater flexibility and understanding meant the consumer was more likely to be able to make their payments, meaning the debt is not passed on. This is not seen in other participants' experiences located in other councils.

"I was able to work it out, originally they [Local Authority D] wanted £100 a month but I said that wasn't feasible. So they managed to sort out £50 a month, so I would say they were quite flexible." – Female, 36, Local Authority D, CTR, referred to debt collector

Spotlight: Kasia's* council repayment plan

Local Authority A

"Losing your job and having so many responsibilities, I simply forgot. To be honest, I wasn't aware that I need to notify the council that I was made redundant so they can amend the bill."

Kasia lives with her two young children.

At the beginning of last year, Kasia was made redundant. She knew that as she was unemployed (and due to other benefits she was receiving) she was entitled to full Council Tax Reduction, and had assumed that the Council would be automatically notified of her change in employment status.

She was surprised to receive a letter from the council notifying her of arrears. She initially took no action, thinking to herself that she would pay what was owed once she was back in employment, but was prompted to call up the Council when she received a second letter two weeks later.

The council explained that she was required to update them on her employment status, and put her account 'on hold' whilst they recalculated the amount she owed them.

This process took around 2 months, by which time Kasia owed £400 in unpaid Council Tax and water charges. At this point, Kasia was already back in employment, and she agreed a repayment plan with the council. Within 6 months she had paid off her unpaid Council Tax.

Kasia found receiving letters from the council regarding her water debt stressful, especially given the uncertainty she was facing due to being made redundant.

Kasia feels that the Council should be automatically notified of any change in employment status; they are already made aware of benefit payments she receives, so she feels they should have access to information regarding her income too.

"I was like, 'this is very scary'. Losing your job and then getting those types of letters, it just adds up. You're already struggling, you're stressed, you know."

Stages of Kasia's journey

Made redundant and therefore entitled to reduced Council Tax and water charges

↓

Council unaware of change in employment status, continues to bill her

↓

Recieves letter notifying her of arrears

↓

Calls council to understand her council tax charges

↓

Repayment plan agreed and debt paid over 6 months

↓

Debt resolved

*Names have been changed to protect participant anonymity.

5. Experiences of water debt escalation

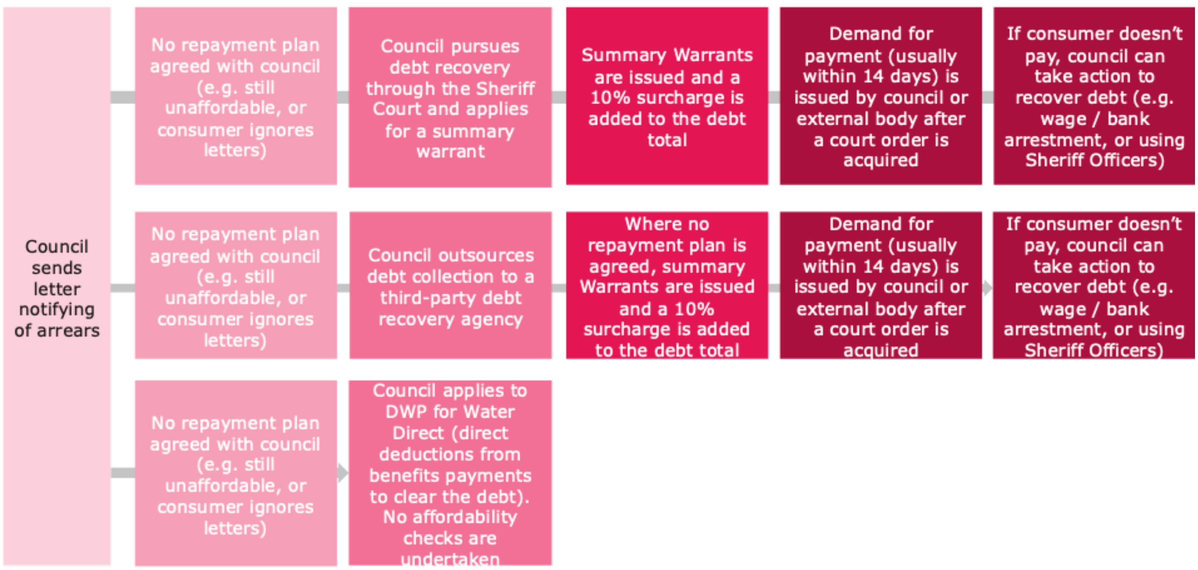
Summary

While a minority can resolve their debt directly with the council, most debt recovery action taken by councils escalates to either an debt collection agency, Sheriff Officers or Department for Work and Pensions (DWP). There are a number of challenges associated with debt escalation including the speed of the process and unmanageable and inflexible repayment plans. The impact of this escalation is felt strongly by consumers, both financially and emotionally.

5.1 Overview of escalation journeys

The majority of consumers in this sample experienced debt escalation. For these consumers, this process follows one of three approaches.

Figure 4. Overview of water debt escalation journeys



5.2 Experiences of external debt escalation

Council communications do not clearly explain the external escalation process.

Some consumers in this research are taken by surprise that their debt has been passed onto a debt collection agency, as they were unaware what the next steps would be if their debt was not resolved with the council. In particular, consumers are not aware of the timelines of the debt escalation.

Escalation of debt recovery to an external debt recovery agency can happen quickly within some local councils.

Once debt recovery is handed over to an agency, advisers note that the process escalates quickly. There is currently no staged process that includes regular letters to inform people of their accruing debt or affordability checks before initiating the debt recovery process.

The process is also the same for everyone, and is not reflective of the scale of their debt or their affordability context. This means that everyone, regardless of their ability to pay, may go through a fast and aggressive escalation procedure.

"Once somebody's missed a couple of months, the debt goes to Sheriff Officers and then it really escalates. That's a big difficulty because it's usually that someone can't afford to pay, but the first thing that happens is it goes to Sheriff Officers and it automatically increases by 10% and then whatever else is on top of that." – Adviser, CAB West Lothian

Therefore, consumers can move very quickly from being unaware of their debt through to escalated steps. These can include intimidation tactics and interest added to the debt.

The speed at which the debt is passed on sometimes means consumers do not have enough opportunity to act before the debt is escalated – for example, by accumulating additional fees or interest.

Debt collection agencies employ a variety of methods to recover the debt.

These methods include:

- **Applying to a Sheriff Court for a summary warrant to make wage or bank arrestment,** where money is taken directly for wage payments or the consumer's bank account to work towards paying off the debt.
- **Sheriff Officers,** who act on behalf of the council to recover the debt, often visiting the consumer at their home. They may take non-essential items / goods from inside the home that the individual owns (or shares ownership of) to cover the debt.
- **Asking the council to apply to DWP for water direct,** where money is taken directly from benefit payments to pay off the debt. However, there may be some confusion about the exact process through which this occurs, as the below quote suggests one consumer in this sample thought the wage arrestment had been initiated by Sheriff Officers.

"One day my daughter had a chap at the door and it was Sheriff Officers because I was in so much council tax [debt] and they were trying to get me to set up a payment plan […] they said they were

going to take 10 – 15% off my wages." - Female, 40, Local Authority A, CTR, experienced wage arrestment

Escalation by debt collection agencies or Sheriff Officers is often what prompts consumers to take action.

In particular, home visits by Sheriff Officers and additional charges change the debt from being perceived as an 'ignorable' problem to a more real, tangible problem that prompts rapid action. As home visits by Sheriff Officers can be intimidating, this often shocks consumers into taking meaningful steps to resolve their debt or seek further support.

"The letters from the debt agency say they can take you to court if you don't set up a payment plan, or start taking it off your wages. Or you could lose your house as well, ultimately. So I just phoned up then and set up a payment plan." – Consumer, Female, 44, Local Authority C, CTR, referred to debt collector

Even when debt is escalated, affordability issues mean some consumers in the sample are still unable to resolve their debt.

For example, a few consumers do not have a high enough income to allow for repayment plans or wage / benefit arrestment, as income must be over a certain threshold to allow for arrestment to be made.

Advisers feel that debt recovery via debt collection agencies is an ineffective use of – already stretched – local council funds.

This is primarily due to the high cost of employing the officers to recover debt compared to the amount of money they are able to recoup (for example, the cost of visiting consumers who don't earn sufficient money to take arrestments).

5.3. Impact of debt escalation

For those who experience significant escalation, the process can cause strong financial and emotional detriment.

5.3.1 Financial impact

Once escalated beyond the local council, consumers who took part in the research describe the debt collection process as 'aggressive'.

This is typically due to two factors:

- Statutory recovery fees and enforcement surcharges (e.g. interest, charges for call-outs by Sheriff Officers) that rapidly increase water debts.

- Unfeasible, inflexible repayment plans often offered by debt collection agencies and Sheriff Officers. This can make consumers agree to plans that aren't manageable for them. For example, one consumer in our sample agreed to high monthly charges to avoid wage arrestment, so he had to work long weeks as a contractor to keep up as these payments were unaffordable for him.

"I remember having to keep up with quite high payments, about £300 a month I had to keep up with. I started working from about 6am to 7 or 8pm most nights. Some weeks I was doing 50, 60 hours a week to pay it." – consumer, male, 35, Local Authority B, referred to debt collector

These factors make it even harder for consumers to pay off the debt, which pushes them further into difficulty as the charges mount.

Wage or benefit arrestment can exacerbate consumers' financial struggles, though a few find this helps lower the mental load of debt repayment.

In some cases, arrestment only covers the interest on the debt, rather than the debt itself. This leaves consumers paying back significant amounts each month – impacting their ability to pay current bills – whilst not bringing down their original debt. Advisers note that for some, wage arrestments impact their work life. This is because consumers sometimes leave their current job and find new work, hoping that the wage arrestment won't follow them.

"Some people get another job, hoping that the wage arrestments don't follow them. It will eventually, but I've seen people try and run away from the wage." – Money adviser

However, a few consumers preferred wage arrestment as a way of recouping the debt, finding it less damaging than agency-imposed repayment plans. This is because arrestments take some of the 'mental load' of paying back the debt. These consumers feel it is easier to never have the money in the first place and are happy for these payments to be handled without their involvement.

"I'd say [wage arrestments] have got me in a better position because I've not got the debt hanging over me. I don't need to worry about the Sheriff Officer coming to my door. I don't notice it because it doesn't come into my bank. Now I've had my boy and I'm on maternity leave, I'm on Universal Credit and they take unpaid water charges off my Universal Credit every month." – Female, 40, Local Authority A, CTR, experienced wage arrestment and water direct

Alongside causing immediate financial hardship, bank arrestments can leave consumers feeling out of control of their finances.

Having money taken directly from your bank account removes choice for consumers. They have more limited choice of which bills to pay or what they are able to buy, which might lead them to defaulting on debt elsewhere or falling into difficulty if they are not able to buy essential items.

Debt repayment plans, whether offered by debt collection agencies or a Sheriff Officer, often ask for 'unreasonable' repayment amounts, leading to many consumers in the research paying back nothing at all, rather than what they can afford.

These high repayment demands exacerbate financial challenges, often trapping consumers in this sample in persistent debt, as they cannot pay both arrears and their current liabilities. There is a sense that these payment plans set people up to fail. As a result, some consumers do not make any payments towards their debt, because they cannot afford the large monthly payments suggested by the debt collection agencies, rather than repaying back a smaller, more manageable amount per month and slowly reducing their debt.

> *"You do try to make a payment plan with them [debt collection agencies], but it's hard because they want more. More than what you can pay. So they end up taking off my wages." – Female, 45, Local Authority C, CTR, referred to debt collector*

5.3.2 Emotional impact

The lack of empathetic support from councils and debt collection agencies reported by many consumers in the research makes them feel worse about their situation.

Many consumers in this sample report feeling dismissed, unsupported and frustrated when they speak to debt collection agencies who are unhelpful or unkind when they explain their situation. Furthermore, impersonal communication and enforcement threats are described as anxiety-inducing, with some consumers experiencing symptoms from this such as disrupted sleep or panic. Feelings of shame, judgement and being unsupported are also common. However, for some, these experiences create a sense of urgency to resolve the debt.

These consumers often experience panic and shame induced by debt escalation actions.

Consumers can find the presence of Sheriff Officers intimidating and embarrassing, and worry about the visit alerting neighbours or relatives to the fact they are struggling with debt.

If Sheriff Officers implement wage arrestments, this causes embarrassment and distress, particularly if this is visible to employers.

> *"I said to my boss that my wages were going to get arrested. It's quite embarrassing. It's a big workplace and I just kept thinking that this is so embarrassing." – Female, 40, Local Authority A, CTR, experienced wage arrestment*

Debt recovery methods (e.g. wage arrestments) can worsen existing stress and mental health challenges.

Those with existing mental health issues are particularly vulnerable to the negative psychological effects of the debt recovery process. In some cases, the process can be so distressing that it impacts consumers' mental health, or worsens existing conditions, such as depression and anxiety.

> *"Sometimes I know I'm not going to be able to pay the debt, it hangs over me and affects my sleep because you're constantly thinking about it." – Male, 48, Local Authority C, CTR, referred to debt collector*

> *"Imagine getting your wages arrested. How shaming is that? On behalf of the public sector, I can't get my head around that. It's utterly disgraceful." – The Human Rights Consortium*

However, a minority of consumers in this sample report positive experiences with local council workers and Sheriff Officers, who show empathy and sympathise with their situation.

When this happens, consumers feel much more positive about asking for support and actively working to resolve their debt.

Despite the impacts of escalation, these steps are often what prompts consumers in this sample to take action to resolve their debt.

Therefore, any steps to minimise escalation must be balanced with an increase in empathetic support that still encourages engagement amongst consumers.

Spotlight: Lucy's* debt escalation journey

Local Authority B

"There was no option. It was just either pay us or we'll take it off your wages … You feel quite embarrassed and vulnerable … Like my stress levels are already through the roof with the family bereavement, trying to navigate that along with dealing with two children who were also grieving. Like everything was quite overwhelming."

Lucy lives with her husband and two children. Lucy works for the NHS, but supplements her income with another freelance job.

When Lucy lost a member of her family she took some time off work. This resulted in a temporary decrease in income, as her freelance job had no holiday or sick pay.

Knowing she would be unable to cover all her bills, Lucy made the decision to not pay her Council Tax and water bill, as she assumed the council would be flexible and more understanding than other organisations.

She initially received a letter from the Council notifying her that she was in arrears, and instructing her to call them.

When she did, she found the customer service agent unfriendly and unsympathetic, which put her off calling again to sort the situation out.

Shortly afterwards, Lucy's debt was escalated to a debt collection agency. Lucy was given no warning that this would happen, and was surprised at how extreme the escalation was and how rigid both the debt collection agency and the council were in terms of repayment options.

As her debt had been passed onto the debt collection agency, she was no longer given the option of paying in instalments; she was asked to pay for her Council Tax and water bill for the whole of the rest of the year, and an additional 20% charge was added to what she owed in 'collection fees'. This put Lucy in an even worse financial situation than before.

Lucy felt that none of the options given to her by the council or debt collection agency were realistic, and she was disappointed to find they were inflexible and unempathetic to her personal circumstances. Eventually, Lucy borrowed money from her parents to pay off the debt, planning to pay them back once she was back at work.

Lucy found the experience highly stressful, especially in the context of her recent bereavement, and embarrassing.

Stages of Lucy's journey

Falls into water debt due to temporarily reduced income

↓

Recieves a letter from the council notifying her of arrears

↓

Calls the council to arrange a repayment plan

↓

Unfriendly response from council puts her off engaging

↓

Debt escalated to debt collection agency

↓

Borrows money from family to pay off the debt

↓

Debt resolved

*Names have been changed to protect participant anonymity.

Spotlight: Amy's* debt escalation journey

Local Authority A

"[The debt] was all cleared, which was fine but then I obviously never paid it again because I was still back to the same position where my wage wasn't enough to cover [the council tax and water bill]."

Amy is a single mother living with her two children. She is currently not working.

When she was working, Amy's income was insufficient to cover all her bills and necessities, and she was entitled to 75% Council Tax Reduction. Initially she did not realise this reduction did not extend to her water bill, as she was unaware that these were billed separately.

Even with Council Tax Reduction, Amy still struggled to pay her council tax and water bill, and she fell into debt for both. This debt grew over time, and she received bi-annual letters from the council notifying her that she was in arrears. However, these letters did not provide a clear summary of what she owed or details on next steps.

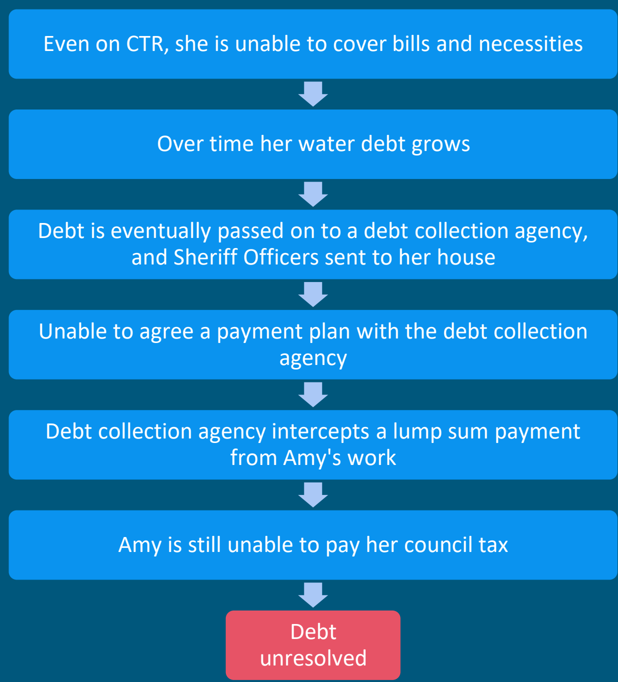
Eventually Amy's debt was escalated to a debt collection agency who sent Sheriff Officers to her house to arrange a repayment plan; she found this intimidating, and was anxious to learn that £300 was added to what she owed to cover the cost of the Sheriff Officers' visit.

Amy and the debt collection agency were unable to agree an affordable payment plan, and her income was deemed too low to opt for wage arrestment.

Eventually the majority of her debt was automatically recouped from a lump sum payment she received from her employer. Amy was not made aware that this would be taken beforehand. The remaining outstanding payments are taken directly from Amy's Universal Credit payments, which she prefers, as it removed the mental load of her arranging this herself.

Although most of her debt has now been cleared, Amy's position remains unchanged – she is still unable to cover all her bills and necessities each month, and anticipates falling into council tax and water debt again.

Stages of Amy's journey



*Names have been changed to protect participant anonymity.

Spotlight: Jenny’s* stressful redundancy

Local Authority C

“I had a previous job where I'd worked for 12 years and I wanted a change in direction, so I started a new job … I was only there for a couple of months and then we were all made redundant. It was completely out of the blue. It's just bad luck.”

Jenny lives with her teenage daughter. After a short period in a new job, Jenny was suddenly made redundant. Minimal redundancy pay left Jenny facing financial uncertainty, and she needed to use a foodbank to access some essentials for herself and her daughter.

In the weeks after being made redundant, Jenny began to fall behind on bills. She initially ignored the situation, until she began to receive reminder letters from the council.

Jenny was struggling to cover many household expenses and bills, not just Council Tax and water charges – she contacted her utility suppliers individually to explain her situation and understand any flexibility or support they could offer. When she reached out to the council, she found them particularly unhelpful and unsympathetic in comparison. organisations she

Jenny looked online for debt advice, and contacted a debt advice agency who recommended she request a repayment plan from the council. When Jenny got back in touch with the council, they were much more understanding and worked with her to arrange a suitable payment plan.

Although she feels relief that the repayment plan has now been set up, Jenny feels uncertain she will be able to meet the payments each month, and is feeling particularly squeezed after the Christmas period.

When figuring out what to do, Jenny looked to a close friend for advice. She felt too embarrassed to ‘admit defeat’ to her family and didn’t want to ask to borrow money.

The sudden change in Jenny’s circumstances has been a huge blow to her confidence; she regrets not being able to take her daughter out on the weekend anymore, and feels embarrassed to be relying on a food bank.

Stages of Jenny’s journey

- Made redundant suddenly with minimal pay
- Falls behind on bill payments, including council tax and water charges
- Calls the council after recieving a letter notifying her of arrears; they are unhelpful
- Contacts a debt advice organisation who recommend she requests a repayment plan
- Contacts council again and agrees to a repayment plan
- Makes monthly payments but feels unsure she will continue to be able to make them
- Debt unresolved

“I have a few interviews coming up so I’m feeling more positive. If you’d spoken to me in November I’d probably be in tears. It really does affect your confidence. I even had to get a food bank delivery as well. It’s not anything to be ashamed of, but I’m not used to it. It just feels embarrassing.”

*Names have been changed to protect participant anonymity.

6. Opportunities for improving the consumer outcomes

Summary

This chapter, and the opportunities identified, draws on key themes that emerged in the co-creation session, reflecting the key issues that participants (consumers and advisers) raised. The consumers who attended this session were in receipt of Council Tax Reduction. The opportunities raised by participants in this session were then further developed by Thinks Insight after discussion with Consumer Scotland. The opportunities set out below are suggestions for consideration and not endorsed by Consumer Scotland at this point, given the need for further research.

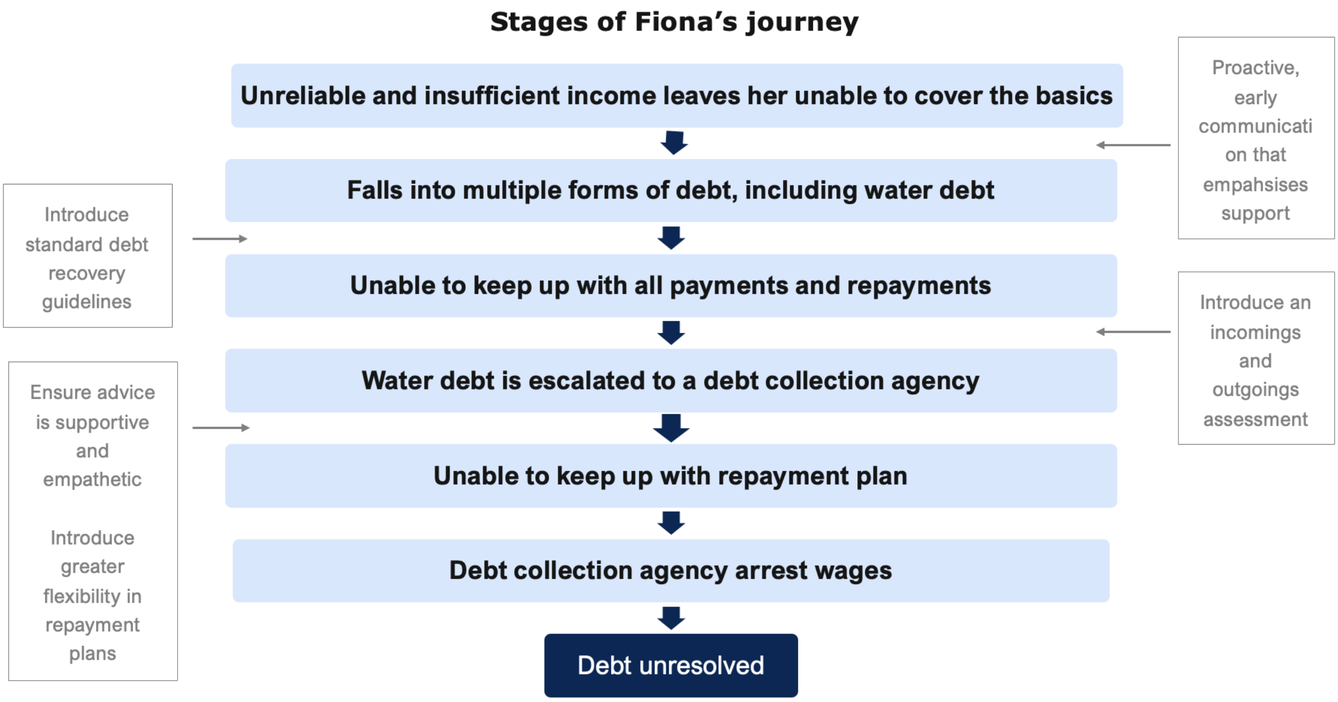
A key issue that consumers are facing is a wider affordability problem: their income does not cover all household essentials. Whilst the wider issue of affordability cannot be addressed here, there are some changes that could be made to the Council Tax and water debt collection system to better support those on the lowest incomes.

This chapter aims to identify a set of opportunities for improving outcomes for consumers experiencing water debt in Scotland. These relate to consumers':

- Experiences of getting into water debt.
- Experiences of seeking support for water debt.
- Experiences of debt escalation.

The chart below shows an example of a consumer journey when resolving (or trying to resolve) their water debt, highlighting where interventions could be made to improve this process.

Figure 5. Example of opportunities for critical interventions



6.1 Preventing consumers from getting into water debt

There are four broad opportunities to help prevent consumers from getting into water debt, and encourage preventative action sooner:

Figure 6. Overview of opportunities to prevent consumers getting into water debt

- **Guidance changes:** including an incomings and outgoings assessment to ascertain someone's ability to pay.
- **Resource changes:** increasing resource at the council to react faster to changes in life circumstances.
- **Legislation changes:** introducing an equivalent reduced water rate for those receiving Council Tax Reduction.
- **Communication changes:** proactive, early communication from the council that emphasises support.

6.1.1. Guidance changes

The debt recovery process should include an incomings and outgoings assessment to ascertain someone's ability to pay, before formal recovery processes are initiated.

Consumers (who are aware they are liable for their water bill) often deprioritise their Council Tax (and therefore water bills) when they are in the position of struggling to make ends meet. The system currently assumes that everyone who is in debt for their water is choosing not to pay the bill, rather than being unable to pay. Therefore, the escalation process begins without affordability being considered.

The debt recovery process should implement an incomings and outgoings assessment in order to check someone's ability to pay. This should occur before a formal debt escalation process begins or any additional charges are added to the debt. In the event that this assessment shows someone is unable to pay their water bill, the consumer should be signposted to money advice services to be given personalised advice.

6.1.2. Resource changes

Increasing resource at the council to react faster to changes in life circumstances would help to protect consumers during transition periods.

Consumers report that changes in life circumstances can often take several weeks to be administered by the council. Typically, this is in relation to transitioning onto Universal Credit, for example, after being made redundant or a reduction in work hours. As this can take some time to process, consumers can find themselves in a period of time without income, meaning they can miss payments and debt begins to accumulate. It is then difficult for them to pay back this missed payment over the coming months if they are on a reduced income.

Increasing resource at the council to facilitate a faster process of moving people onto benefits (for those who find themselves with no income at all, for example redundancy) would reduce the amount of time consumers are without steady income and help stop them getting into debt in the first place. System improvements at the local council could also help to ensure that changes to living circumstances are captured and processed quickly.

6.1.3 Legislation changes

Introducing an equivalent reduced water and sewerage rate for those receiving Council Tax Reduction will go a long way to address the primary issue of affordability.

Ongoing financial hardship and competing bills make keeping up with all payments a real challenge for many. This is particularly the case for those on Council Tax Reduction who have been identified as experiencing affordability challenges and may have a persistent inability to pay. The current water billing reductions process is not aligned with benefits and Council Tax Reduction (i.e. those who have been identified as needing Council Tax Reduction do not get an equivalent reduction on their water bill – those who receive 100% Council Tax Reduction only receive a 35% reduction in their water bill).

Introducing a further reduced water and sewerage rate for those who are on Council Tax Reduction would go a long way to addressing affordability challenges for this group and help stop debt mounting up that is not feasible for them to pay. A reduction in water charges would recognise that this group has been identified as having affordability challenges and that, for some, the key reason for accruing debt is an inability to pay, rather than choosing not to.

6.1.3 Communication changes

Proactive, early communication from the council that emphasises support, rather than 'punishment', could help support better consumer engagement.

To help manage debt escalation, the council could contact the consumer as soon as a payment is missed. This communication should empathetically offer support and signpost the consumer to relevant support services, to encourage consumers to seek support early before the debt mounts, rather than threaten with future action. This would provide the opportunity to find a solution, rather than for consumers to be rapidly subject to escalating debt and 'aggressive' recovery approaches.

Consumers typically only respond to their debt when escalated to more serious measures, such as additional charges or Sheriff Officer visits. Early stages of communication that explain the escalation process are often ignored and do not act as effective triggers for action, particularly as the debt recovery process allows debts to accumulate without immediate consequence, reducing the perceived urgency to act. Local authorities rarely engage proactively or offer early support, due to limited resources and inflexible processes.

Communication during this early outreach should be informal, using simple, clear language that consumers can understand. Rather than a letter format, which is easy to ignore, this communication should be a phone call or a text, to remind them they missed a payment, seek to understand the reasons for this, and offer support. This would allow the Council to speak constructively with the consumer and understand their individual circumstances. By engaging in a more personal way, the Council could offer support that is relevant to consumers' situation to try and resolve this before initiating a formal debt collection process.

Although earlier outreach would require a restructure of resource and investment to provide support at a much earlier stage (i.e. as soon as a payment is missed), this is felt to reduce costs in the long run, if support can be offered earlier and the recovery process doesn't need to be escalated or outsourced.

6.2 Improving support for those struggling with water debt

There are three broad opportunities to help improve support for those who are struggling with water debt:

Figure 7. Overview of opportunities to improve support

- **Communication changes:** ensuring advice at the council is supportive and empathetic.
- **Guidance changes:** introducing standardised debt recovery guidelines.
- **Guidance changes:** introducing greater flexibility in repayment plans.

6.2.1 Communication changes

Ensuring advice at the council is supportive and empathetic can help overcome psychological barriers to seeking support.

Consumers have varied experiences of customer service at local councils when seeking support for water debt. Whilst some report helpful and supportive experiences when seeking support (e.g. empathetic advisers who take the time to understand their individual circumstances), others have been discouraged from seeking support after encountering dismissive or unsupportive staff. As many consumers are already hesitant about seeking support due to feelings of embarrassment, shame and stigma around debt, any negative experience with advisers strengthens these perceptions and further discourages seeking support when they need it.

Implementing customer service training for debt collectors and those at the council would help ensure all consumers have a positive experience of seeking support. Training should cover two key aspects:

- Better helping consumers understand their financial situation and awareness of what options are available to them.
- Help advisers approach these conversations with empathy.

6.2.2. Guidance changes

Introducing standardised debt recovery guidelines would slow down the escalation process and provide more opportunities for intervention and support.

Advisers consistently express concerns about the rapid and automated nature of the escalation process, highlighting the detrimental effects this has on consumers and support efforts. The automated letters sent by councils are often described as impersonal, confusing and ineffective at engaging consumers, resulting in many ignoring the debt until severe enforcement actions occur. Additionally, the rapid escalation process can be overwhelming and intimidating for consumers, often leading to anxiety and a reluctance to seek help. This speed (for example, rigid 30-day holds before proceeding with enforcement) does not allow sufficient time for advisers to support with meaningful intervention and holistic support. Furthermore, consumers are rarely aware of this fast and automated approach to debt recovery until they are personally impacted by these measures.

Additionally, the current process for recovering water debt is simply the Council Tax debt recovery process, with water 'lumped into' this. Therefore, those in water debt who receive 100% Council Tax Reduction (and have therefore been identified as financially vulnerable) are pursued for this water debt in a manner that assumes they have just chosen to not pay their Council Tax (i.e. quickly and aggressively).

Therefore, advisers advocate for a slower escalation process that builds in more steps, such as telephone or face to face interventions, to allow for earlier, supportive conversations with consumers. Developing a set of debt recovery guidelines (for example, similar to the Housing (Scotland) Act[3]) that outlines all the steps that local councils must go through before they can escalate the debt would slow down the process and provide opportunities for a better outcome to be achieved. The guidelines should also specify the approach for those on 100% Council Tax Reduction, who are likely to be in a position where they are unable to pay, rather than choosing not to pay their bills. Advisers believe that keeping cases 'in-house' longer and delaying external enforcement (e.g. using Sheriff Officers) would provide more time for resolution and reduce negative impacts on consumers. Additionally, a more proactive approach is needed to make consumers aware of the consequences of not paying their bills, and the timescales they have to respond to communications about this.

[3] Scottish Government, *Housing (Scotland) Act, 2001 and 2010: Repossession guidance for social landlords,* 2010

Introducing greater flexibility in repayment plans would help consumers to find a feasible plan to clear their debt.

Current repayment plans offered by the Council are often inflexible and unmanageable for those in debt and struggling financially. Consumers report that some councils, debt collection agencies and Sheriff Officers often suggest unrealistic monthly payments that consumers know they won't be able to afford and are unable to offer smaller monthly payments. These unaffordable or rigid repayment arrangements can set consumers up to fail, as these plans sometimes result in consumers not paying anything towards their debt, rather than smaller, manageable amounts. This not only creates a sense of helplessness in consumers, but also further pushes them into debt as they cannot 'chip away' at what they owe.

Introducing greater flexibility in what local councils can offer when it comes to repayment plans would allow the council and consumers to work together to agree a plan that works for both parties. This would allow local councils to work with consumers to pay what they can afford each month, rather than offering repayment plans that require large monthly amounts. Allowing these payments to be spread over a longer time period if needed would also help consumers to better manage their incomings and outgoings and manage their water debt alongside other bills or debts they need to pay.

6.3 Challenges for implementing the opportunities

Advisers and consumers note that there are several challenges which may act as barriers to implementing the opportunities outlined. Consumer Scotland should consider these challenges when advocating for change:

Any changes in legislation will require input from multiple public bodies and therefore are likely to take some time.

The changes that are raised, particularly by advisers, will require different bodies or government departments to work together and co-ordinate. For example, changing the way resource is allocated at local councils, or amending the type of repayment plans councils can offer is likely to require various departments within central and local government to work together to change the current protocol. The resource this requires means any changes are likely to happen over the longer term.

Additionally, changes require continued co-ordination between bodies. For example, faster processing of changes to benefits claims will require a continuous coordinated effort between DWP and local councils. In the context of resourcing and funding constraints, particularly in local government, this poses a challenge.

Funding is a key issue – support, particularly increasing the amount of financial support for those struggling, is expensive.

Given current funding constraints, finding additional resource to help those struggling to pay poses a significant challenge. This could come from two sources:

- Reducing water charges for those with affordability challenges, which would require significant investment from Scottish Government and/or Scottish Water.
- Other financial support such as writing off debt or pausing debt recovery until the consumer is in a position to pay, which would involve input from local government or Scottish Water

Funding challenges also risk hindering other opportunities which would be time and resource-intensive. For example, introducing affordability assessments, proactive and individualised communication, and improved customer service training will require staff time and resource to deliver.

7. Appendix

7.1. Detailed consumer sample breakdown

Category		Number of participants (n=12)
Age	18-35	4
	36-45	5
	46-50	2
	51-60	1
	61+	0
Gender	Woman	8
	Man	4
Ethnicity	White	12
	Ethnic minority	0
Location Type	Urban	5
	Small town / suburban	6
	Village / Rural / Remote	1
Water debt experience within the last 2 years	Summary Warrant, which led to court proceedings and/or an additional 10% charge	1
	Applied to the DWP for Water Direct, resulting in direct deductions from my benefits	2
	Placed on a payment plan by the council / water authority.	5
	I received direct deductions from way wages to cover my water debt	2
	Referred to a debt collector	5
	My bank, with a court order, froze my bank account to recover debt	1
	I received a late payment notice or reminder to pay	3
	I received a warning of further action or penalties	1
	I was threatened with disconnection of my water service	0
	Other water debt related actions	/
Previous experiences with other types of bill or payment debt	No, this was/ is the first time I've ever fallen behind / been in debt	1
	Yes, I have had some experiences with keeping up with my bills / debt	11
	I have had ongoing struggles with keeping up with household bill and /or fallen behind on payments	0
Extent of escalation	I paid off the bill after the first reminder with little to no impact	1
	I received 3+ warnings or notices from the council / water authority, but I was able to pay it within the next month / set up a payment plan with little to no impact	3

	I was referred to a debt collector and /or placed on a payment plan which caused some mental or financial stress	7
	I received a Summary Warrant / had money deducted through Water direct (DWP deductions) which caused significant financial and /or mental stress	1
	I ended up in court proceedings, and it has had a long-term effect my mental health, financial and/or living situation.	3
Employment status	Working full time	4
	Working part time	1
	Not working, but seeking work or temporarily unemployed / sick	7
	Not working and not seeking work	0
	Retired	0
Socio-economic group	A	0
	B	0
	C1	2
	C2	3
	D	3
	E	4
Financial situation	I have used my bank account overdraft in the past year	5
	I don't always have enough money to pay my bills each month	7
	I was made redundant in the past 12 months	1
	My partner was made redundant in the past 12 months	3
	I am struggling to afford the essentials	8
	I struggle to afford anything more than the essentials	7
	I would struggle to pay an unexpected bill of £100 or more	9
	None of these apply to me	0
Benefits	Council Tax Reduction	9
	Universal credit	6
	Child benefit	3
	Scottish Child Payment	2
	Housing benefit	0
	Adult disability benefit	2
	Adult disability payment/ PIP	0
	I don't receive any benefits	2
Local council	Local Authority A	4
	Local Authority B	4

	Local Authority C	3
	Local Authority D	1

7.2. Adviser focus group discussion guide

<table>
<tr>
<td>Consumer circumstances</td>
<td>
To start I’d like to hear a bit about the consumers who seek help for water debt.
How would you define water debt?

How does water debt relate to other types of debt, such as Council Tax debt?
How clear are the differences between water debt and Council Tax debt? Why/why not?
How clear is this for advisors? For consumers? Why/why not?

How often do you come across water debt issues in your advisory work?
Based on your experience, what are the most common circumstances within which consumers get into water debt?

What is usually going on in their lives at that time?
What challenges are they experiencing?
Moderator to probe on circumstances such as low income, benefits delays, health issues, changes in family circumstances, money management).

How do different personal characteristics affect the likelihood of getting into water debt?

Moderator to probe on characteristics such as age, disability, language, household type, location

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<tr>
<td>Debt recovery processes</td>
<td>
How do consumers tend to become aware that they are in debt for their water / sewerage bills?

How, if at all, does this differ for different consumers / circumstances?
Probe on consumers eligible for Council Tax reduction, and any blurred lines/unclear circumstances

What debt recovery processes are typically initiated by local authorities?

How, if at all, does this vary across different authorities?

What does a typical consumer journey look like once these processes have been initiated?

What steps do they tend to take to resolve the debt issue?

What impact do debt recovery processes have on the consumer?

Financially? Emotionally?
How, if at all, does this impact differ based on the consumer’s personal circumstances?

</td>
</tr>
<tr>
<td>Seeking advice</td>
<td>
I’d like to talk a bit more about the support journey that consumers go through.
How would you describe the advice / support landscape for this type of issue?
</td>
</tr>
</table>

	• Why tends to advise/support consumers who are experiencing water debt? • Who do consumers tend to approach first for advice/support? • Who do consumers tend to have approached before seeking formal advice / approaching you/your organisation? **To what extent are consumers aware of the advice or support that is available to them?** • Where do they get signposted to support? **What usually triggers a consumer to seek advice?** • *For example: receiving a bill, bill reminder letters, court action (or letters threatening court action), health crisis* **Who do they tend to approach first for support?** • How do they seek out this support? i.e. through what channels **What advice are consumers usually seeking? What do they want help with?** **What typically motivates consumers to seek advice?** • What enables them to seek this support? **What typically holds consumers back from seeking support?** • What barriers stop them from accessing support? **Thinking about the role of the advisor, how do you typically approach advising on water debt specifically?** • What tools or approaches do you use? **Do you tend to refer clients to other services or organisations?** • If yes, who do you refer them to? • For what kinds of support?
What could be improved	I'd now like to hear about what you think could be improved about the support for consumers in water debt. **What could be done to address some of the underlying causes of consumers getting into water debt specifically?** • *Probe on areas mentioned earlier e.g. lack of clarity/awareness of differences between Council Tax debt, impact of Council Tax reductions* **How could consumers experiencing water debt be better supported once they get into debt?** • What changes could be made by: ○ Scottish Water / the regulator / Advice services / Local authorities • What changes could be made to debt recovery processes, specifically? • What changes could be made to after-care / support following the resolution of debt recovery processes? **What are the biggest challenges you face as an advisor when supporting consumers in water debt?** • How could advisors be better supported?
Wrap up	**Thanks so much, this has been really informative. As a final wrap up, I'd like to hear from each of you.**

	• **What one thing would make the biggest positive difference for consumers experiencing water debt? Why?** • **Our next stage of the research will involve conducting interviews with consumers with lived experience of water debt. Are there any specific types of consumers / circumstances that are particularly important to include in this stage?**

7.3. Consumer depth pre-task questions

As a reminder, water and sewerage charges are billed alongside Council Tax, but are technically not part of the Council Tax. Typically, the Council Tax bill shows 3 charges (Council Tax, water supply charge, sewerage charge). They appear on one bill, the council keeps the Council Tax and forwards the water and sewerage money to Scottish Water.

If you would like a reminder of what a bill looks like and an explainer of each part, you can see an example here.

Before the interview, we'd like to hear a bit about your experience. We'd like to tell us about your experience of getting into debt with your water bills.

You can share your thoughts in an online form [add link] that we have created, covering the stages of your experience (some helpful prompts are below that you may wish to cover). However, if you would like to share your journey visually (e.g. drawing out a timeline), you are welcome to do this (you could take a picture and upload it).

- Where did you live?
- Who did you live with?
- How long had you lived there?
- Was there anything happening in your life at that time that made it harder to keep up with bills?
- How did you find out you owed money for your water/sewerage charges?
- What steps, if any, did you take to address the situation?
- Was your debt escalated at any point? What happened?
- Is your water debt now resolved? If so, how did this happen, and when?
- If not yet resolved, what are the next steps (as far as you're aware)?

7.4. Consumer depth discussion guide

Understanding the consumer context and awareness of water billing	**The first questions I want to ask you are about the wider context of what was happening in your life at that time.** **So, thinking back to when you got into debt for your water bill, what was happening in your life at that time?** • Was there anything that made it harder to keep up with bills? **At this time, were you aware that you were getting into debt for your water/sewerage charges?** • Was there anything confusing or unclear about this? • *Probe on mention of long-term water/council tax debt and the reasons for this*

	What was your understanding of how water is billed alongside Council Tax? • How clear, if at all, was the distinction between water and council tax billing? • [if unclear] What is your understanding of this? Why? • *[For participants receiving CRT] Probe on awareness of Council Tax Reduction and relative reduction for water billing* *If needed, facilitator to provide reminder of how water / sewerage is billed: As a reminder, water and sewerage charges are billed alongside Council Tax, but are technically not part of the Council Tax. Typically, the Council Tax bill shows 3 charges (Council Tax, water supply charge, sewerage charge). They appear on one bill, the council keeps the Council Tax and forwards the water and sewerage money to Scottish Water.*
Exploring the debt experience and debt recovery process	**I'd now like to ask some questions around your experiences of being in debt for your water bill, and your experiences of the steps that were taken to recover the debt.** **How did you find out you were in debt for your water / sewerage charges?** • Were you told this, or was this something you feel you 'found out' yourself? • [If told] What did the communication say? *Moderator to probe on content, tone, action of the communication* • Who (which org) told you about this? *Probe on whether they had any communication directly from the Council.* • What happened after the debt was identified? Did you receive any further communication? • Did you understand what the charges were and why? Is there any further information you would have liked to have received. • Did you receive different options for repayment? How easy was it to understand the options available? • Did anyone help you manage the debt? **What did you do when you realised that you were getting into debt for your water bills / were in debt for your water bills?** • *Moderator to allow for spontaneous responses before probing on: contacting the Council or Scottish Water* **How (if at all) was your water/sewerage charge explained to you?** • Who explained this to you? How easy were they to contact? *If participant contacted the Council or Scottish Water, moderator to probe on how they found this experience.* • When did this happen? • What form did this take? How clear or helpful was this? **When you first realised you were getting into water debt / were in water debt, what impact did this have on you?** How did this make you feel / think? • Had you ever had experience with other kinds of debt? ○ *Probe on type of debt, how long for e.g. if recent/temporary or long-term/chronic*

	Did you speak to anyone about the debt for your water bill (friends, family or support orgs)? • (If no) Why not? • Did you know where you could go for advice or support? • (If yes) Who did you speak to? • Was this support / advice helpful? / Were they able to help with resolving your debt? • Was this support more practical (i.e. about how to resolve the debt itself) or emotional support (e.g. to help with the stress or worry)? • Is there any further support that would have been helpful to you during this time?
Debt escalation	**Some customers will have experienced steps taken by your council when the water debt is not repaid within certain timelines. I'd like to hear about any experiences you may have had of these steps.** **What type of action did you experience?** *If participant is struggling, moderator to suggest some steps that can be taken, e.g. issue of a summary warrant, court proceedings and a 10% charge on top of the debt; LA application to the DWP for Water Direct, contacted by Sherriff Officers, Wage / bank arrestments* • What happened, and when? • What were you told? • How did this make you think / feel? **What made it harder to deal with the debt at an earlier stage?** • Is there anything that would have made this easier? *[For participants who **did** experience significant escalation]:* **What happened once this action(s) was taken?** • Did anything change in how you were communicated with? • Did anything change in how you felt? • Did you take any different action? **What impact did this action have on you?** • Financially? Emotionally? *[For participants who **did <u>not</u>** experience significant escalation]**:*** **What led you to resolve the debt issue?** • What steps did you take? • What, if any, support did you have? • What, if anything, did you know about the steps that could have been taken to recover the debt? *Moderator to probe on knowledge of the steps that can be taken (e.g. 10% addition, water direct, contacted by Sherriff Officers, wage/bank arrestments.* Unaware of steps that could be taken. But debt advice company said if struggling to pay to call back for further advice. *[Ask all]:* **What, if any, support did you seek?** • Why / why not?

	• *Probe on whether sought support directly through the council or through a support organisation* • What kind of support would have made a difference? At which point(s) in the process?
What could be improved	**Thanks for all your answers so far, they have been helpful. I'd now like to understand how you feel this experience could be improved in the future.** **What could have been different to help avoid getting into debt for your water bill in the first place?** **[If consumers mention they have experienced multiple types of debt] How did this process compare to the other types of debt you have experienced?** **If you or someone you knew were in a similar situation again, what advice would you give them?** • What would you have done differently? **What would 'good' look like for people experiencing debt for their water bill?** ○ What would a 'good' process look like? (i.e. the debt notification / recovery process) ○ What would a 'good' outcome look like?

7.5. Co-creation discussion guide

Summary of emerging findings *To share back the findings across both audiences, so participants can see the value of their contribution and hear the perspective of both consumers and advisors*	**So far in the research we've had from advisors in several focus groups who support people with water debt and we've also run interviews with 12 consumers who have lived experience of being in debt for their water. To begin, I'm going to cover what we have been hearing from the research so far.** **What is your initial reaction to these findings?** • What stands out? • Are any of these findings surprising? • Do they reflect your personal experience? • Are there any you do / don't agree with? • Is there anything missing from these findings?
What could be improved *To understand gaps and opportunities across each*	**We're now going to split into 2 groups and focus on what could be improved about the experience. We're going to split the journey into 3 key stages, and discuss what needs to be improved at each stage.** *[Split into breakout groups, each to have 2x advisors, 1x consumer, 1 x Consumer Scotland attendee]* **Preventing water debt from occurring**

<table>
<tr><td>stage of debt repayment</td><td>

How do consumers find out they are falling into debt?
Probe on awareness of requirement to pay for those on CTR, and why, if at all, reminders are ignored
What are some of the key reasons consumers are falling into debt?
Probe on mention of Water Direct or affordability checks
What challenges make it harder to avoid falling into water debt?
What should be avoided to stop exacerbating these challenges?
What support would be useful to avoid falling into water debt?
Why is this important?
In an ideal world, how should consumers think / feel about water debt?

Minimising escalation

What makes escalation of the debt more likely?
What is particularly challenging about water debt being escalated? What changes when the debt is escalated?
Probe on awareness of how this varies across local councils / regions
What are the key things you would change about the escalation process? Prompt if needed: speed of escalation, addition of extra charges, unfriendly tone of council
Why is this important?
What are the practices or approaches that should be avoided?
In an ideal world, how should consumers think / feel about debt escalation?

Supporting those who are struggling to pay

What are the key barriers to accessing support for those struggling to pay?
What could be put in place to reduce or remove these barriers?
What would ‘good’ support look like in practice?
Why is this important?
What should be avoided when providing support to those struggling to pay?
In an ideal world, how should consumers think / feel about the support they can receive when struggling to pay?

We’re now going to go back into the main room to share what we’ve discussed.
</td></tr>
<tr><td><u>Playback to the group</u></td><td>We’re going to spend 5 minutes sharing what we discussed in our breakout groups.</td></tr>
<tr><td colspan="2">Break – 5 mins</td></tr>
<tr><td><u>Co-creating recommendations</u>

To work together to create solutions to the challenges or barriers identified, and</td><td>
We’re now going to go back into our breakout groups, and talk about what we think the key changes to the process should be.
As a group, we’re going to talk about ideas for how we could improve on some of the key challenges we discussed, in practice. We are going to come up with 3 recommendations for improving the experience for consumers in water debt at each stage of the journey.
We will use a template to help us write these recommendations
Moderator to facilitate a discussion of possible recommendations, helping the group to come to a consensus of which 3 recommendations to put forward.
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understand how these look in practice	*Moderator to use additional templated slides for any other priority areas that don't fit into the three stages outlined.*
	Note: we are interested in hearing a range of recommendations that participants feel are important – from practical quick wins through to policy change. However, moderators to steer conversations away from larger scale societal issues (e.g. addressing poverty more generally) so that the ideas can focus more on water debt specifically as far as possible
	For each of the 3 recommendations:
	• **What one thing will make the biggest positive difference in improving things at this stage?**
	• **What does this improvement look like in practice?**
	• **What are the opportunities of this change?**
	    • What are the benefits to:
	        • Consumers?
	        • Advisors?
	        • Local councils?
	• **What are the risks of this change?**
	    • What are the barriers to achieving this recommendation?
	    • How feasible does this feel?
	    • Are there any downsides (e.g. additional costs, additional time / resource for local councils)?
	Each breakout group to share their 3 recommendations to the room. Opportunity for the other group to ask questions.

Stretch and build
To build on recommendations as a group and develop the ideas further
	Now that you've heard the recommendations, we're going to add to them as a group.
	• **What do you think about these recommendations?**
	    ○ Are there any that stand out for you? Why?
	• **Do you have any questions about the recommendations?**
	• **Are there any that you disagree with, or think are less important?**
	    ○ Why?
	• **Are there any recommendations you would add to?**
	    ○ Why is this important to add?
	• **Are there any that you would like to change?**
	• **Do we feel confident that everything is covered here that should change about the process?**

Prioritisation *To understand where advisors and consumers think Consumer Scotland should focus their efforts*	Thank you for sharing your thoughts on those recommendations. We now have 6 built out recommendations. I'd now like us to work together as a group to prioritise these recommendations and think about where Consumer Scotland should focus their efforts. Here are our 6 recommendations. We're going to split these into 2 categories: quick wins and longer-term changes. *Moderator to help group come to a decision about where to place each recommendation, probing on why they've classified it that way.*

	Prompts if needed: • Which changes would help the most people the quickest? • Which recommendations would support longer-term change? • Which feel most realistic vs. harder to achieve? Why? ○ What would need to be in place to make this more realistic?
Wrap up and close	Thank you so much for your time today, and in your previous interview. As a final wrap up, I've got one last question. **What is one thing you would want to see prioritised going forward to better support those at risk of falling into water debt or struggling to pay back their water debt? Please put your answers in the chat.** *Moderator to probe on a couple of responses.* **Now that we have finished, does anyone have any questions?** *Moderator / Consumer Scotland to thank participants for their time and remind them of the incentive process.*