

The art of the possible

How data can improve access to social tariffs in the short and medium term

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Actions policymakers and utility companies can take today

With utility bills continuing to rise in the midst of an ongoing cost of living crisis, it is unconscionable that eight million households are missing out on three billion pounds of energy, water and broadband social tariffs.

*Policy in Practice has written in our 'Missing Out' series of reports about the barriers to take-up, primarily low awareness, administrative complexity and stigma. But pioneering companies including South West Water, Anglian Water, Thames Water and the British Gas Energy Trust are showing how to use data and technology to tackle these barriers to drive take-up **today**.*

*The vision for April 2026 is an integrated approach, one where most eligible people are **automatically enrolled** onto social tariffs, and people who are missing out can access the full suite of social tariffs through benefits calculators in a streamlined **Apply Once** process. **Targeted communication** can be used to help people missing out on nationally administered benefits like Universal Credit or Pension Credit to claim.*

But with water bills rising by 26% (and up to 47%) in April 2025, people need support now. Utility companies can build on the examples in this report to pilot auto-enrolment and targeted take-up campaigns for customers in arrears, and those already struggling to pay their bills. They can also implement Apply Once with GOV.UK endorsed benefit calculators so people have one place they can go to apply.

*Policymakers can complete the vision, aiming for an ambitious timeline to implement a **national automatically enrollable water social tariff by April 2026**, and build on the success of the Warm Home discount when it is renewed, also in April 2026.*

Finally, we know that for some people, access to social tariffs alone will not be enough. People on the lowest incomes will still opt out of accessing broadband, and still fall into energy and water arrears. We call on utility companies and government to work together, to take a transformational approach to supporting people who continue to struggle, by identifying new ways to reach people who continue to struggle, and offer support that helps people toward independence.

Deven Ghelani

Table of contents

Actions policymakers and utility companies can take today	1
1. Introduction: Meeting essential bills in a cost of living crisis	3
Context	
Approaches to increasing take up	
Opportunities in different markets	
2. Utilities using data to improve access today	7
Water companies	
Energy companies - the Warm Home Discount	
Water and energy companies - debt support	
Broadband social tariffs	
3. The vision: A national automatically enrolled water tariff and a gap-free system	15
4. Immediate actions to address April 2025 price rises	16
Recommendations	
1. All water and energy and broadband companies implement Apply Once with the GOV.UK endorsed benefits calculators	
2. Water companies pilot Auto Enrol for customers in arrears	
3. Targeted uptake campaigns for water and broadband social tariffs and passporting benefits	
5. Challenges and recommendations for the April 2026 vision	19
Challenges	
Data governance - obstacle or not?	
Data availability for automation	
Setting up the partnerships	
Recommendations	
4. A national, automatically enrollable water social tariff	
5. Plug the gaps in the system	
6. Conclusion	22

1. Introduction: Meeting essential bills in a cost of living crisis

“The future is already here, it's just not evenly distributed”

William Gibson, American author

In this cost of living crisis, people have been cutting back on medical costs, skipping meals and going into debt to afford essentials like water and heating. At a time where every penny counts, it is unacceptable to us that 8 million households are missing out on £3 billion of support which is meant to be there to help low income households to manage their essential costs. New approaches are required. We believe data is key to unlocking uptake through targeted communication and simplifying and automating applications.

This isn't a pipe dream. It's already here with the Warm Home Discount and by pioneering utilities in water, as we profile in this paper. There is no practical reason these approaches could not be scaled.

This is the third paper in a series of reports on social tariffs commissioned by Citizens Advice and funded by abrdn Financial Fairness Trust. It follows Citizens Advice's [Securing Life's Essentials](#) report which sets out the moral case for action. It is being released alongside the [“Barriers to Access”](#) report by Citizens Advice which examines the barriers in the consumer journey that block many people from accessing vital social tariff support.

This paper covers water, energy and broadband social tariffs but will focus on water social tariffs as the area where we see the most innovation and immediate potential. It is divided into three sections:

1. What innovations are already in the field and can be scaled today
2. How we could scale these innovations today
3. What lessons we can draw for a national, automatically enrolled water social tariff

This paper has been written by Policy in Practice in partnership with Citizens Advice and IPPR, with the generous support of abrdn Financial Fairness Trust. With gratitude to the utility suppliers who contributed their stories.



Context

As set out in Citizens Advice's [Securing Life's Essentials](#) report, the cost of living crisis has been incredibly difficult for millions of families. Citizens Advice found that half of all households in the UK cut back on two or more essential services in the past year, with the impact falling disproportionately on households with the lowest incomes.

Yet in the midst of this crisis, our [research](#) finds that over 8 million households are missing out on £3 billion of water, energy and broadband social tariffs plus related support like debt relief.

As we consider proposals for improving access to social tariffs, we must also face a difficult truth. We estimate the funding envelope at £1.3bn, well short of the £3bn of support required if all eligible people were to claim, particularly for broadband social tariffs. If access issues are to be solved, it will also require consideration of how schemes will be funded.

	Missing Out million households	£ billion	Funding Envelope £ billion, estimated ¹
Water	6.1	1.0	0.5
Energy (Warm Home Discount)	2.6	0.4	0.4
Broadband	8.4	1.7	0.3

Approaches to increasing take up

The traditional customer journey for someone struggling with their bills is that they become aware of social tariffs through mass marketing, word of mouth or advice sector support. Whether online or over the phone, they check if they meet the criteria, step through an application process, submit supporting documents, and then find out a few months later if their claim is awarded. This complicated journey leaves many people missing out.



¹ Water available funding estimate is based on Consumer Council for Water's estimates of consumer willingness to pay. Energy available funding estimate is based on DESNZ's consultation to expand the Warm Home Discount scheme. Broadband available funding estimate is based on the annual cost of the lowest broadband social tariff for the estimated [1.7mn households without broadband](#). Available funding estimates do not include additional funding from Treasury.

Citizens Advice's research, published alongside this report, identifies 11 distinct points along the consumer journey (awareness → availability → eligibility → sign-up) where struggling households may face difficulties accessing water and broadband social tariffs. Summarising here, there are three barriers that we are focusing on in this report:

- 1. Awareness**, e.g., Ofcom estimates fewer than half of households are aware of broadband social tariffs. Even when people are aware, they often do not think they qualify.
- 2. Eligibility & qualifying benefits**, most social tariffs' eligibility criteria include receipt of a means-tested benefit like Universal Credit or Pension Credit². This is a problem for the estimated 1.4 million households who are missing out on Universal Credit and 700,000 on Pension Credit³.
- 3. Complex sign-up processes**, with each provider having a separate application with different eligibility criteria which can be complex and require extensive evidence of identity and income.

Innovative utilities are using data to replace mass marketing and tackle these barriers through:

- **Targeted and personalised communication.** Letters, text messages, emails or calls are used to let people know that they are eligible for a social tariff and show them where to apply. Personalising the message with an estimate of what they would save can further increase response rates.
- **Apply Once.** This service streamlines access to social tariffs by assessing eligibility at the same time as other benefits, through a benefits calculator. With a simple click, users can access a prefilled application, reducing complexity and effort. When people face financial distress, government agencies, banks, debt collectors and third sector organisations direct them to [benefits calculators on GOV.UK](#), like Policy in Practice's Better Off Calculator, where Apply Once is embedded. It ensures support reaches people at their moment of need without requiring prior awareness of social tariffs, making the application process seamless and stress free.
- **Auto Enrol.** This entails putting people onto a tariff automatically if government data says they qualify, skipping the need for an application altogether.



These data-led approaches increase impact while lowering costs in line with the government's efforts to put [digital at the heart of public sector reform](#) and to reduce the cost of the welfare system.

² This practice is known as "passporting". For readability, throughout this document we have used Pension Credit as shorthand for the Guarantee Element of Pension Credit, which is the main form of Pension Credit

³ [Missing Out 2024](#), Policy in Practice and [Income related estimates of take-up](#), DWP

Opportunities in different markets

The opportunity in each market is a result of different social tariff designs and market structures (see table below).

We see **water social tariffs** as the area with greatest immediate potential because DEFRA mandates that water companies have affordability schemes e.g., social tariff schemes but enrolment in social tariffs is not automated leaving 6.1 million customers missing out on £500 million to £1 billion of social tariffs.⁴ The government has just passed enabling legislation in The Water (Special Measures) Act to allow a pooled fund, and the political environment is favourable with moves to reform industry conduct.

In contrast, **the Warm Home Discount** is automated for nearly all eligible recipients, and so efforts to increase uptake should tackle the underclaiming of Pension Credit and Universal Credit. As the scheme is updated to better target support, it is vital to retain Auto Enrolment to keep uptake high.

On **broadband**, the sector has no government or regulator mandate to standardise support across providers or boost take-up. As with other utilities, providers have to support fixed infrastructure costs, meaning these tariffs can be loss-making and providers will be reluctant to lose revenue. The eligibility criteria for broadband social tariffs is so broad that the sector is unlikely to support full uptake. They argue that lower costs alone won't bring on board people who opt out of broadband today, suggesting a need for better targeting of support.

Table 1. Different social tariff designs existing in different markets

Scheme		Social tariff design			Barriers		
		Mandated	National tariff	Automatic today	Low awareness	Complex application	Missing other benefits
Water	Social tariff	✓ ⁵	✗	✗	●	●	◐
	WaterSure	✓	✓		●	●	◐
Energy: Warm Home Discount		✓	✓	✓	○	○	●
Broadband: Social tariff		✗	✗	✗	●	◐	◐

In the “Barriers” column, a filled red circle indicates separate and complex applications, amber half circle means separate but simpler applications and green unfilled circle means automatic enrolment.

⁴ The £500 million figure is an estimate of how much more consumers would be willing to cross-subsidise social tariffs (the water sector relies on cross-subsidies). The £1 billion figure is an estimate of how much, under today's eligibility conditions, people are missing out on. Ofwat, the regulator, expects social tariff funding to rise from £235 million to £640 million a year in 2025-30.

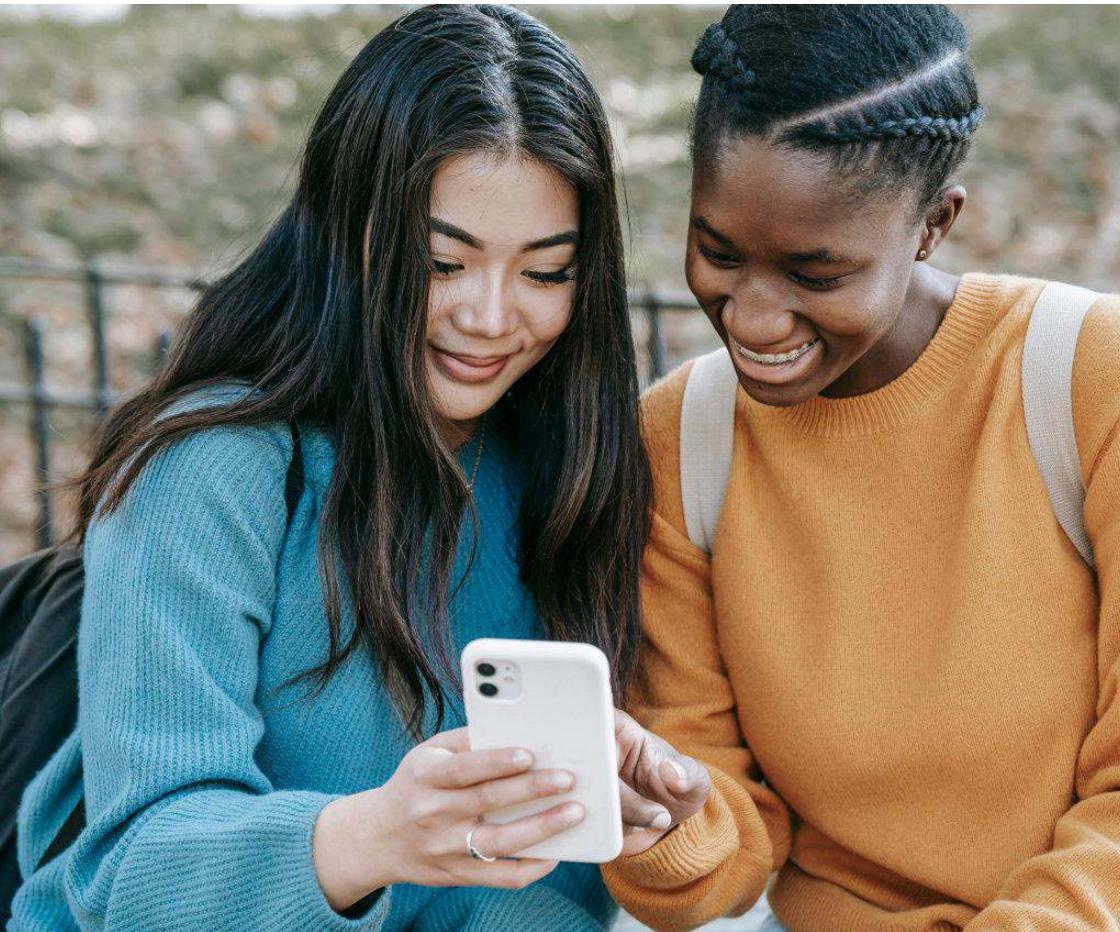
⁵ Though social tariffs are not mandated themselves, all water providers are required to address affordability concerns

2. Utilities using data to improve access today

Water companies

Traditional awareness campaigns have not proven very effective. Awareness of social tariffs and other financial support for billpayers remains low at just 34% ([OFWAT, December 2024](#)), despite [websites](#), high-profile coverage in the [BBC](#) and [Money Saving Expert](#), [calls from Ofwat](#) and one utility even attending [35 community events a month](#).

Innovative water companies are moving beyond these traditional mass advertising techniques and adopting targeted / personalised communication techniques, alongside Apply Once and Auto Enrol. These approaches are in use today by one or several water companies, demonstrating their feasibility and impact.



Targeted / personalised communication campaigns are typically run by local authorities. For example, in 2023 the Greater London Authority (GLA) wrote to pensioners missing out on Pension Credit with 34% of households targeted going on to successfully claim Pension Credit. GLA's 2024 and 2025 campaigns show their early impact exceeding past campaigns. These campaigns can be targeted to the highest priority groups, with many local authorities following up their mailouts with phone calls to those most in need.

Utilities are similarly using data to understand their customer base and target support where it's needed most, as South West Water has demonstrated:

Case study

South West Water and its Water Poverty Tool



The problem: South West Water (SWW) aims to eradicate water poverty in the South West. SWW has to be efficient given the already high costs of serving a sparse coastal population. Its offer includes efficiency measures, smart meters, debt support and a 15-85% off WaterCare tariff. Like all water companies, awareness of support was low. Brett Conibere, Head of Customer Insight, Support Services and Metering said: "we cannot wait for people to come to us".

What they did: SWW partnered with CACI, an analytics company, to build a high resolution view of estimated water affordability down to groups as small as 12 households. SWW segmented customers, offering efficiency measures and smart meters where that was enough to bring them out of water poverty, and providing additional support like their WaterCare tariff where it was needed.

Behind the scenes: Technically, SWW and CACI combined several data sets, including matching SWW's billing data and CACI's Ocean data set (which draws on Electoral Roll, research surveys, open data, government data and other sources) at postcode level, along with other data sets like OBR's income forecasts, to estimate water poverty at household level. To enrol customers onto social tariffs, benefit receipt was checked with DWP through an API. Legally, CACI's data is aggregated facing fewer data governance hurdles. DWP's API relies on the Digital Economy Act Section 38 for the purposes of assisting people in water poverty.

Impact on customers: By the end of 2024, SWW has helped over 1,000 customers with water efficiency measures, over 2,000 with smart meters, on top of the 26,000 customers enrolled onto WaterCare. And this is only the beginning: by 2030, SWW plans to have supported 1 in 10 customers with water efficiency measures.

Impact on the utility: SWW found customers more willing to engage in other support when coupled with financial support. Despite the cost of living crisis, SWW's commitment to aiding and supporting customers struggling with debt has decreased its doubtful debt charge by 45% from £16 million in 2012-13 to £8 million in 2023-24.



Apply Once (benefits calculators) is where customers using benefits calculators are assessed for eligibility for social tariffs at the same time. If eligible, they are alerted and can click to submit an application pre-filled with their data, meaning they do not need to re-enter their details.

Anglian Water has shown how this approach can reach people in their moment of need:

Case study

Anglian Water and Apply Once



The problem: Anglian Water introduced LITE and Extra LITE tariffs to support customers with low disposable incomes who were struggling to pay their water bills, but many eligible customers were not accessing the tariff.

What they did: Anglian Water integrated its processes with the GOV.UK endorsed Better Off Calculator allowing their customers to sign up to the right social tariff with a couple of clicks, rather than having to start all over again on the Anglian Water website and complete the additional paperwork required for the old process.

Behind the scenes: Technically, the Better Off Calculator calculated the customers' eligibility and identified the correct social tariff, displaying it only to eligible customers. Anglian Water has adopted the calculator as its primary application form for social tariffs, meaning the customer's data could seamlessly be ported through. Anglian Water verifies the customer's benefit claim with DWP through an API. Legally the data sharing was straightforward as users consented to the use of their data for the application.

Impact on customers: Over the last 12 months, over 60,000 customers have used the calculator to assess eligibility as part of Anglian's sign-up journey online, over the phone or via support services. Many first learn about Anglian's social tariff through the Calculator and go on to apply, with over 2,800 doing so immediately through 'Apply Once' - already 5-10% and potentially 15-30% of applications⁶. Others will apply later after claiming more valuable benefits like Universal Credit. This shows the benefit of having the social tariff in a benefits calculator used by over 2 million people annually. The Calculator has also helped people access other benefits, with nearly 12,000 customers helped to access £9.4 million of additional support.

Impact on the utility: Anglian Water saved money, reducing manual processing costs and improving customer satisfaction.

The Apply Once approach is particularly valuable for two reasons.

1. Apply Once reaches people in their hour of need as benefits calculators are used by organisations supporting people who are often in financial distress, including Citizens Advice, StepChange, a debt support charity, and FearFree, a charity supporting survivors of intimate partner violence. This means the tariff reaches people in need who are not aware of water social tariffs. It also saves advisor's time, making such frontline organisations more efficient and productive.
2. People facing financial difficulties often encounter barriers when applying for support. Currently, they must complete many assessments from multiple organisations such as DWP, local authorities, utility providers, each with its own schemes and rules. Simplifying this process with the 'tell me once' approach of Apply Once substantially reduces complexity, making it easier for people to access the support they need.

A related innovation to Apply Once is the introduction of joint social tariff applications for water and sewerage services, simplifying the process for customers in areas served by separate providers. This streamlined approach allows customers to complete a single application covering both utilities, reducing duplication and effort. For example, Anglian Water and Northumbrian Water offer a joint application form, ensuring a smoother experience for their customers.

⁶ If extended to the three GOV.UK listed benefit calculators

Auto Enrol is where all customers in an area are assessed using benefits data against scheme eligibility criteria and qualifying residents are automatically enrolled.

Thames Water has shown the value of this approach in reaching customers in need:

Case study

Thames Water and Auto Enrol



The problem: Thames Water (TW) has enhanced its WaterHelp tariff to better support customers in need through the cost of living crisis. TW is keen to exceed the regulator's targets for social tariff take-up and to reach the customers most in need, yet faces low customer awareness despite extensive outreach, with many customers experiencing digital, disability and language barriers. Previous attempts to automate using DWP's matching service were not fine-grained enough, providing only yes/no responses for benefits receipt.

What they are doing: Thames Water is piloting with two London boroughs and Policy in Practice to automatically assess low-income customers in water arrears for WaterHelp eligibility. TW expects to automatically enrol over 1,200 eligible customers onto WaterHelp, increasing to 2,500 in April as tariff increases take effect. This replaces traditional mass marketing efforts and a manual application journey which places the onus on the customer to be aware of the tariff, and to then complete an application.

Behind the scenes: Technically, multiple benefits and administrative datasets from DWP and local authorities (LAs) were matched by Policy in Practice at household level. The data is then analysed to calculate water poverty and assess eligibility against Thames Water's criteria. To maintain data privacy, Policy in Practice acted as a trusted third party, matching LA data to TW's customer records and flagging eligible customers, meaning TW never received customer data. Legally, the data sharing was possible under the Digital Economy Act §38 and §38 provisions for Water Poverty, with GDPR's minimisation and proportionality achieved by adopting the trusted third-party model.

Impact on customers: Over 1,200 customers are expected to be enrolled from April 2025, doubling enrolment and distributing an estimated £500,000 over a year without having to go through a 30 minute income and expenditure assessment. 600 customers were found to be in both water arrears and council tax arrears and will receive additional support by the council. The approach is planned to scale to other local authorities across the Thames Water region.

Impact on the utility: Thames Water expects to reach customers in financial hardship while saving administration costs as it scales this programme across London.

The Thames Water example shows that even complex criteria can be automated using existing government datasets. The potential is not limited to Thames Water. Policy in Practice has run similar efforts for other utilities, including [Southern Water](#), and models social tariffs for water companies across the UK today. It processes data monthly for over 80 local authorities across the UK and has the capacity to scale nationwide.

Water companies today need the ability to Auto Enrol a subset of customers, as they believe there is consumer willingness to cross-subsidise only about £300 million more in social tariffs. We estimate that total eligibility for today's schemes is currently 3x larger at £1 billion. This would change if a single national social water tariff were introduced with funding.

Automatic enrolment has the extra benefit that because it is using government-provided data, verification can be skipped by the utility. This lowers barriers to the customer claiming the tariff and administration costs for the utility. In addition, it addresses equality issues by removing language as a potential barrier and cuts administrative barriers for claimants.

Energy companies – The Warm Home Discount

The Warm Home Discount (WHD) is a £150 a year discount on the electricity bill to all customers on Pension Credit (PC) and those customers on Universal Credit (UC) and other benefits in high-cost to heat homes.⁷ The Warm Home Discount is automated meaning it is automated for 92% of eligible recipients. This is clearly a win for customers and demonstrates the value of automating uptake.

This automation requires data sharing between energy companies, DWP, DESNZ, HMRC and the Valuation Office Agency (VOA). Each year, DESNZ uses VOA data on housing (type, size, and age) to identify high cost-to-heat homes. This automation may change as DESNZ has recently consulted on changes to the WHD, but we will start by setting out the current process.

To minimise data sharing, DWP only asks for records of postcodes with at least one eligible claimant. DWP uses fuzzy matching, an approach that can handle common mismatches like Joe and Joseph, to compare the customer list from the energy companies with their eligible claimant list. They then share back the list of accounts that qualify for the Warm Home Discount with energy companies.

To minimise the amount of data shared with energy companies they don't share any other details. The government also writes to benefits recipients who qualify but for whom they couldn't find a matching account.

The history of WHD offers some instructive lessons:

- The initial automation of enrolling Pension Credit recipients was simple and worked.
- The automation of WHD for working-age recipients was not available when the scheme was first launched because the scheme designed by policymakers could not be automated. It was only automated after 12 years, when policymakers and data colleagues collaborated to design a scheme that could be automated, progress was rapid.
- Finally, it has taken 2-3 years for the automation to reach its current high level of performance, reflecting a need to test and refine data quality and data matching algorithms.

We applaud the automation of WHD uptake. It shows that progress is possible. Looking forward beyond the end of the current WHD scheme in April 2026, we call on policymakers both to maintain this automation. Without this, millions of households in need are likely to miss out, just as many do with water social tariffs.

The government has recently consulted on removing the high-cost-to-heat home requirement, which makes the scheme more generous. It also means VOA data matching could become obsolete. While we are supportive of the expansion of support to address fuel poverty, in the long-term we think the government needs to move towards a more generous tiered system, tiering which should reflect household energy requirements along the lines of today's use of VOA data.

Scotland does not have an equivalent agency to the VOA, so WHD for UC recipients has not been automated there, underscoring the need to consider regional data availability in scheme design. Currently, each supplier has their own scheme. We call on Scottish policymakers to adopt an approach that can be automated.

Automation is not the end of the story, however. While 92% of households eligible today receive the Warm Home Discount through automation, 2.6 million households that could qualify still miss out, mostly⁸ the 1.4 million households who are missing out on UC and 800,000 who are missing out on Pension Credit. Hence for Warm Home Discount we are calling for a focus on UC and PC uptake:

⁷ This applies to England and Wales. In Scotland, there are supplier-specific criteria.

⁸ There are also people the automated process misses. A 92% success rate leaves 8% needing support to access social tariffs. One way to improve access is to have energy suppliers integrate with benefits calculators to support "Apply Once" journeys. There will also be people not named on the energy account or who are in certain situations, e.g., on a sub-meter.

Targeted and personalised uptake campaigns for Pension Credit and Universal Credit by local authorities can have a significant impact. Calling back to the previous example, the Greater London Authority sent over 46,000 personalised messages to residents as part of its Pension Credit campaigns. Its success rate amongst the 18,000 households targeted in the 2022 and 2023 campaigns was 34% taking up Pension Credit across the campaigns. Pension Credit campaigns have an impact far beyond the Warm Home Discount, with the WHD just £150 of a typical [£9,665 package of passported benefits](#) from Pension Credit.

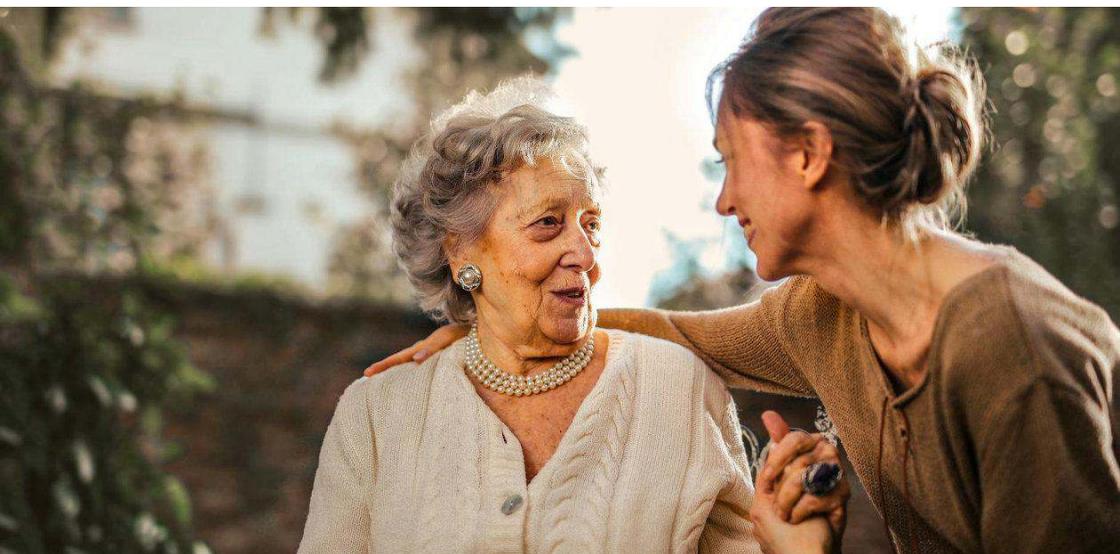
We praise the government's Pension Credit uptake campaign in light of the Winter Fuel Payment (WFP) changes and hope it continues once the immediate political pressure has passed. That said, DWP wrote to only 120,000 households, a fraction of the c. 800,000 that are missing out.

Notably, as part of the Pension Credit uptake effort following the changes to the Winter Fuel Payment, in November 2024 DWP endorsed local authorities' use of benefits data for PC and UC uptake purposes, only 17 years after the legal gateway was created in 2007.

Legally, local authorities could use, and many did use, the data for this purpose prior to DWP endorsement, but making this endorsement earlier would have saved a lot of scarce legal and policy expert time, and would no doubt have led to more PC uptake efforts in more conservative local authorities. Now, one of local authorities' biggest complaints is that DWP shares data on just over a third of UC recipients with local authorities. We return to this issue in recommendation 3.

There is a larger point about the positioning and potential of Universal Credit. Universal Credit is a benefit designed to support both the unemployed and the employed on low incomes and to support people into greater earnings. However there is stigma associated with a belief that Universal Credit is for the unemployed.

At Policy in Practice, we ask political, official, and media commentators to avoid the characterisation that you are either in work or on benefits, as the stigma can prevent people accessing the support they need to stay in work and to provide for their families.



Water and energy companies – debt support

Energy and water companies have debt relief programmes. While not a social tariff, they are relevant to the same low-income households and uptake is similarly delayed by low awareness.

As such, the Apply Once approach of identifying people eligible for support as part of a benefits calculation is very helpful to direct customers towards debt support at the moment of need, as BGET have demonstrated:

Case study

British Gas Energy Trust and Debt Relief



The problem: British Gas Energy Trust (the Trust) provides grants to customers with energy debt. The Trust relied on self-referrals and referrals from frontline services, services which struggled to stay abreast of various schemes' eligibility requirements. This meant that despite the cost of living crisis, funds were often underspent. For self-referred customers, the process was disjointed as they had to use another website and re-enter their details.

What they did: The Trust integrated its eligibility assessment with the Better Off Calculator, endorsed by GOV.UK and used by advisors and the public nationwide, meaning customers are assessed for the grant as part of their advice journey. The Trust also integrated the Better Off Calculator on their website to allow customers to apply for debt relief online and to check for unclaimed benefits as part of the one process.

Behind the scenes: Technically, Policy In Practice implemented the Trust's different eligibility requirements and assessed customers while they used the calculator. The Trust could then turn schemes on and off depending on funding availability. The Trust integrated the calculator with their website, using a 'white labelled' version of the calculator which transferred the applicant's details via API to prefill their application form. Legally, the data is processed with the customer's consent.

Impact on customers: Of over 2 million customers a year who use the Better Off Calculator, more than 80,000 customers between April and September 2024 were assessed as eligible for the Trust's support scheme, many of whom went on to apply, of which over 5,000 applied immediately using "Apply Once". Others will have applied over the phone or after they have claimed more valuable benefits like Universal Credit. Customers' journeys were streamlined and they didn't have to re-enter their details.

Impact on the fund: The Trust has been able to reliably disburse its funding with confidence its support is reaching the most in need. By integrating with the Better Off Calculator, the Trust has simplified the client journey by combining advice and application into one step, ensuring customers in debt have been supported to access unclaimed benefits to prevent debt build-up in the future. The integrated journey has also reduced administration costs.



Broadband social tariffs

Broadband social tariffs are the most underclaimed benefit with around 8 million households missing out. This is for three main reasons.

1. With a profusion of plans with different combinations of data, speed, contract length and included perks, moving to a social tariff may downgrade a customer's service (solvable if broadband providers used a discount instead of a different tariff).
2. Broadband providers [argue](#) many customers cannot afford even discounted tariffs and many others use someone else's broadband.
3. With up to £1.7 billion profit at stake for providers, they face a strong disincentive to increasing uptake in the absence of compensation or a mandate from government.

As with water and energy social tariffs, DWP has [made available a checking service](#) for utilities to verify a customer's receipt of benefits. This is helpful because it tackles the:

- Burden on customers to provide proof of benefits and utilities to check that proof.
- Fraud in the system, which is important for maintaining popular support.

While these services represent progress, they still place the responsibility on customers to initiate the process, meaning barriers related to awareness and application remain. Additionally, they have limitations, which we explore in the next section.

Nevertheless, we would highlight the following options to increase uptake:

- Promoting or mandating Apply Once functionality from benefits calculators. As the data sharing is based on legal consent, no data sharing / information governance concerns apply.
- Running a targeted engagement campaign, e.g., text messages to eligible customers. This would require combining benefits data and customer data, probably possible today under existing legal gateways⁹. This could be run nationally or by local authorities. It would require knowing which customers use which provider.

Though technically Auto Enrol is possible for some customers, with the challenges mentioned above, it seems improbable without a mandate or compensation.



⁹ Approaches could include an intermediary / trusted third party model, similar to DWP's arrangement with the Energy Saving Trust, where the intermediary processes data from both DWP and the broadband provider.

3. The vision: A national automatically enrolled water tariff and a gap-free system

To reach customers in need, we call for:

- A **national water social tariff with automatic enrolment** for people known to be eligible and in need
- A **single application process for water, broadband and energy social tariffs for those not automatically enrolled**, integrated with the benefits calculators used by advisors like Citizens Advice and debt agencies
- **Targeted awareness campaigns** to drive take up of social tariffs, passported benefits like Pension Credit and Universal Credit, and wraparound support like energy efficiency measures

The case studies in the previous section **show this is all possible**.

These three approaches **work best in parallel**.

- Auto Enrol maximises uptake but requires the data is present and that the tariff is simple (particularly relevant in the broadband market)
- Apply Once and Targeted Communications are valuable when Auto Enrol isn't applicable, when it has missed someone or when the person is missing passported benefits
- Targeted Communication allows local authorities to offer wraparound support, identifying customers who could benefit from energy or water efficiency measures or vulnerable customers who may need additional support

If these approaches were linked to local provision, support could shift from being **purely transactional** to **truly transformational**, going beyond just reducing bills and administration costs to holistically improving a family's financial stability. Simply providing social tariffs won't guarantee that someone can pay their water bill; if their household budget remains in deficit, debts will continue to grow, and utility bills will remain a lower priority.

Support shouldn't just be about social tariffs; utilities can provide water and energy saving measures and debt support, while councils, third sector and utilities can provide advice and support for people to manage their financial situation and get the support they need to get their finances under control and their household budget into a surplus.



4. Immediate actions to address April 2025 price rises

We recognise that achieving this vision will take time, but the case studies in this report show that rapid progress toward a national automatically enrolled social tariff system is possible.

Although questions over scheme design and funding remain, we believe that if these can be quickly resolved then automatic enrolment for a water social tariff is possible by April 2026, and can be expanded in 2027 to include people not on means-tested benefits. Progress in water can be replicated in energy as the Warm Home Discount scheme is renewed in April 2026, and people missing out on support will still be able to apply through improved application routes.

However, for some people, access to social tariffs alone will not be enough to stop them from falling into arrears, just as people today opt out of broadband, and fall into energy and water arrears. With bills rising by 26% and in some cases up to 47% action is needed now, not later. We call on utility companies to work with each other and with government by building on the examples in this paper to take a transformational approach to supporting people who continue to struggle. Identifying new ways to reach people who continue to struggle, and offer support that helps people toward independence.

We therefore call for:

1. All water and energy and broadband companies implement Apply Once with the GOV.UK endorsed [benefits calculators](#)

There is a lot of value from individual water companies adopting Apply Once with one or all of the benefits calculators. But getting all utility companies to use it would allow everyone across the country, alongside central and local government and the advice sector, including work coaches, charities and debt services to have the single, simple message to low income households to “go to GOV.UK and use a [benefits calculator](#) to find out if you’re eligible and apply for a water social tariff”.

We know this is feasible as our [Better Off Calculator](#) already implements schemes from utilities from across the UK, and can integrate into their assessment systems.

To do this, we note the following necessary or recommended steps:

- **Calculators would need to ask about additional criteria, e.g., medical conditions** that would qualify a customer for WaterSure. This is not difficult.
- **Utilities will need to streamline their income verification** - this can either be through customers uploading pictures or relying on benefits receipt as proof enough. Over time, we hope approaches such as OpenBanking or even an HMRC API become widely adopted.
- **Utilities should adopt single joint applications** in areas where water and sewerage utilities are separate. Going further, broadband, water and energy providers could use one form.

While not a challenge, we note that utilities would require technical integration between the calculators and their systems, and a commercial agreement between utilities and calculator providers for upkeep and maintenance. Companies like Anglian Water, Northumbrian Water and the British Gas Energy Trust have demonstrated that this is entirely possible.

For transparency, Policy in Practice provides one of the calculators, the Better Off Calculator, listed on GOV.UK. It is and will always be free to the public. Benefits calculators are promoted by DWP and the NHS to make the benefit system easy to navigate.

Though beyond the scope of this paper, approaches like Apply Once are highly relevant to the **priority services register** and should be integrated with an “Apply Once” journey for social tariffs, given the overlap in vulnerable customers.

2. Water companies pilot Auto Enrol for customers in arrears

Piloting Auto Enrolment now ahead of a national scheme is a good idea for three reasons.

1. With price rises this April, we need to get as much support to those in need as soon as possible. We could deliver hundreds of thousands of social tariffs to those who need it most.
2. It has taken years to get the Warm Home Discount working well. The earlier auto-enrolment is piloted in the water sector, the earlier it will be solid, dependable technology. Government programmes can often run late, and piloting auto-enrolment reduces the chances of last minute issues and provides a backup should they arise.
3. Perhaps most importantly, we know that many people are juggling between paying their latest late payment notice and putting food on their table. Healthy local partnerships could lead to joined up and flexible approaches to collections, and supporting people in need.

As Thames Water and its local authority partners, as well as South West Water, Southern Water and DWP have shown, it is possible to auto-enrol customers even with complex criteria. Given that the financial provision for social tariffs is insufficient to cover all recipients, utilities would need to prioritise who is automatically enrolled, likely focusing on households in water arrears.

The utilities will also need to adjust their criteria to reflect the data available. For example, HMRC does not permit the use of income data for water poverty, despite legal gateways allowing it to do so. Utilities will need to estimate income based on benefit awards. Data held by local authorities does not include non-dependent income nor housing costs for owner-occupiers, so utilities will either need to ignore these criteria or take an estimation / assumption.

Given central government development times, we expect a 2025 pilot programme will have to be run in partnership with local authorities. DWP can still support LAs in 2025 by:

- **Endorsing data sharing for this purpose** as DWP did with Pension Credit uptake in November 2024. Data sharing for this purpose is both legal and possible, but convincing risk-averse legal teams in both local authorities and utilities of this can be a challenge. An endorsement from DWP would slash the time, cost and uncertainty of agreeing data shares. Failing this, working with companies experienced with local authority data sharing to accelerate the process.
- **Sharing data on all UC recipients with local authorities:** DWP shares data on only 20-45% of Universal Credit recipients with local authorities, limiting the reach of Auto Enrol to about one-third of the eligible population. Existing legal gateways would support sharing of data on all residents, and DWP should do this through an expanded feed. This would be substantially faster (and cheaper) than an entirely new feed, which will take several years.

None of these challenges are insurmountable, nor should utilities wait to solve them before getting started.

3. Targeted uptake campaigns for water and broadband social tariffs and passporting benefits

There are several reasons to implement targeted uptake campaigns.

For water, Auto Enrol and Apply Once won't be available nationally from 1st April, so we recommend that the government launches an awareness campaign to reach those in need.

For broadband, providers are not incentivised to increase uptake of social tariffs.

Across all social tariffs, there are concerns that 1-1.5 million people are living in fuel and water poverty but are not on means-tested benefits. We believe most of these will be in the 2.2 million low-income households that are missing out on benefits - 1.4 million Universal Credit and 700,000 Pension Credit. Unless they sign up for PC or UC, they will be missed by automatic enrolment. Targeted communication can drive uptake of these benefits.

Finally, the same infrastructure for targeted communication also allows local authorities with their advice sector partners to have a transformative impact rather than just to transactionally enrol people on social tariffs. High quality early intervention by local authorities can change a household's trajectory and prevent greater financial distress down the line.

For example, local authorities may reach out to residents with escalating water debts to offer financial advice, council tax support and potentially employment support. They can refer people who need additional help, e.g., with substantial debt, to their advice sector partners.

Water and energy companies have integrated benefits calculators into their debt processes to ensure customers receive all the benefits they're eligible for, improving the customers' financial situation overall thereby reducing the risk of them falling into unmanageable debt.

The supporting steps are similar to those for Auto Enrol above, namely that DWP should:

- Share data on all UC recipients with local authorities
- Offer central endorsement for data sharing for this purpose



5. Challenges and recommendations for the April 2026 vision

In this section, we will look at the three main challenges to a national, automatically enrollable water social tariff, and how these might be overcome. They are:

- Data governance and culture
- Data availability for automation
- Setting up the partnerships

Data governance – obstacle or not?

It is often confusing to ministers and policymakers whether data governance is an obstacle or not. They hear it is an obstacle, but it is well known that the Digital Economy Act (DEA) provided multiple legal gateways (statutory legal powers) to share data for alleviating water and fuel poverty.

The obstacle is not a lack of legal power, but a bureaucratic blockage. Covid-19 put this into sharp relief, with a Secretary of State exclaiming: “It took three weeks to get data that I couldn’t get for three years”, within existing legislation. There are several underlying issues:

- **Complex intersecting laws** - Information governance legislation is quite complex, with data shares having to meet all of the hoops in the enabling legislation, GDPR, confidentiality obligations (notably for us, HMRC’s) and the Information Commissioner’s Office’s guidance
- **Conservative culture** - As liability is created if data is shared but no liability if data is withheld, the incentive for information controllers is against sharing data. There are multiple data controllers in any share (e.g., DWP, HMRC, utilities) and each has to go through their own process and be comfortable with the share, increasing the risk and cost of reaching an agreement
- **No / limited reuse** - The GDPR principles of minimisation and proportionality in a conservative culture encourages departments to create a new data share each time, rather than reuse existing data shares - adding time, cost, maintenance effort and risk
- **Burden is split from value** - The minimisation principle means that if you want data, that data will often need processing (to minimise it), but you are not allowed to process it yourself. Instead, you need to convince the sending department to do the processing and hold the liability for you. And you must hope they know and care enough to do a good job!

All the data shares presented today are legal using gateways created in the DEA today. Technically, they are often simple, requiring just weeks of effort. But the process means they take multiple years, and departments are overwhelmed with a backlog over a decade long.

This process needs to be simplified, otherwise fuel and poverty alleviation will be scrambling to be prioritised over other missions like crime, employment, health and Net Zero. Instead, it is vital to share the data once and allow it to be used for all legal purposes, rather than go through this cumbersome process each and every time. While such reforms won’t generate headlines, the results they unlock will.

Data availability for automation

As one civil servant said: “The reason why Warm Home Discount automation worked was the policy team worked with the data team from the outset to design the policy with a clear eye on what is possible to automate.”

It may seem obvious, but automated schemes must rely on data that is available and reliable. The richest source of data is the DWP benefits data, as much data is collected and maintained to assess eligibility. Second richest might be the HMRC's datasets on income.

However, the data contained in these systems have limitations. Looking at approaches in use across the 18 water companies today, much is possible (as Thames Water shows) but there are limitations:

- Schemes that are limited to benefits recipients can be more sophisticated, including savings, household composition, housing costs (rented sector) and benefits receipt. There are small limitations though, e.g., Universal Credit data will not include non-dependent income.
- Schemes that want to look beyond means-tested benefits recipients will be limited. They will need to look at individual income as household income is not possible today. Further, income data is typically less reliable for people on the lowest incomes. These schemes also cannot consider household composition, savings or housing costs. Proxies such as property council tax bands can be used but are frequently very poor indicators of need.

Setting up the partnerships

Any integration will require partnerships to be set up. With 18 water companies, this may require 18 agreements with DWP and HMRC for sharing data. For Apply Once, integrating with the three DWP-listed benefits calculators may require 54 agreements (18 x 3). The partnership can be direct with central government departments, or through an intermediary / trusted third party such as the Energy Savings Trust Datamatch service for the ECO (Energy Company Obligation) programme.

If dealing with local authorities, it may mean more than 300 partnerships for each sector. There are several ways to make it easier for utilities and local authorities to partner and share data with confidence.

DWP endorsement of particular uses of data and endorsement of model contracts offers significant reassurance to local authorities and avoids them having to 'reinvent the wheel'. County councils and strategic authorities can also play an important role in harmonising data sharing approaches between constituent councils.

And finally, utilities and local authorities can work with technical partners experienced with local authority data, partners who can use existing framework data processing contracts and who have a track record of acting as a trusted third party.

4. A national, automatically enrollable water social tariff

This paper has made the case for automatic enrolment as the best way to drive uptake, acknowledging its limitations especially around data availability. To get there, we believe the following steps are required:

- **An affordable and funded scheme:** Current schemes would cost utilities c. £700 million more than other consumers would be willing to fund if actually granted to all eligible customers. This would also fall unevenly between utilities, so the powers of redistribution in the draft Water Special Measures Bill to create a pooled fund will be valuable and necessary

- **An automatable set of scheme criteria:** As set out in the previous section, sophisticated criteria can be automated for benefits recipients, as long as certain inputs, such as housing costs, income and non-dependent income are avoided or estimated
- **Permission from HMRC to use income data:** In most schemes, household income is a critical input and HMRC, under its duty of confidentiality obligations, would need to grant permission to use this data for this purpose. The legal gateway exists and HMRC is a specified organisation in the relevant sections of the Digital Economy Act
- **A national data matching service:** This could be a DWP-run matching service, like for the Warm Home Discount or it could be through a trusted third party model like for Thames Water. Each approach offers different pros and cons on flexibility, availability and privacy

5. Plug the gaps in the system

It is unacceptable that 23% of UK households are expected to be in water poverty by 2029/2030. These recommendations are designed to avoid people missing out and that social tariffs have their intended effects. While we are calling for increases in social tariffs, we remain committed to the original vision of Universal Credit, that Universal Credit eradicates severe poverty in the UK, replacing a patchwork system of support. Social tariffs play an important role, ensuring that essentials remain affordable to these households, but should not be a replacement for an adequate Universal Credit award.

We therefore recommend that the government:

1. Improves WaterSure medical eligibility: For WaterSure, reliable automation for health conditions is not currently possible due to data limitations at the GP practice level. Some conditions, such as incontinence, may not be recorded with enough detail to assess eligibility. The necessary legal gateway is also lacking. We recommend that:

- DEFRA and DHSC collaborate with GP system providers to introduce prompts for WaterSure. This would alert GPs to assess patients with relevant conditions. If eligible, it would initiate a sign up process, similar to Apply Once

2. Enhances the Warm Home Discount: The current one size fits all nature of the Warm Home Discount leaves three quarters of recipients in fuel poverty. We recommend:

- A more generous and tiered Warm Home Discount to better address fuel poverty while retaining and extending automation, including to Scotland (see [Frozen In Place](#) from Citizens Advice)

3. Simplifies and promotes broadband social tariffs: Without a government mandate, it will be difficult to implement effective broadband social tariffs. We ask the government and broadband providers to explore the following:

- Increasing the visibility of social tariffs on prices and plans pages and ensuring customers are prompted to consider them during sign-up and arrears processes
- Reviewing and addressing barriers to take up, particularly around contract lock ins
- Integrating broadband social tariffs into GOV.UK endorsed benefits calculators, simplifying the customer journey through Apply Once
- Considers further actions to overcoming digital inclusion, including reviewing the OpenReach line rental for social tariff customers, expanding “Data Banks” to cover broadband costs, and resolving barriers to providers’ use of the eligibility-verification API

6. Conclusion

The uptake of social tariffs has remained persistently low, with eight million people missing out on £23 billion of vital support, even amidst the ongoing cost of living crisis. This includes £1 billion in water support, £400 million in Warm Home Discounts and £1.7 billion in broadband social tariffs.

As a result, families are forced to make painful trade-offs, choosing between heating their homes and struggling with debts they may never have accumulated.

Despite over a decade of efforts using traditional mass communication and awareness campaigns, the problem persists, highlighting the need for a more effective solution.

New approaches must be adopted

We can no longer afford to wait and hope for change without taking action. The solutions we need are entirely feasible. Case studies from four pioneering utilities, South West Water, Anglian Water, Thames Water and British Gas Energy Trust, demonstrate the powerful impact of targeted communication, simplified Apply Once journeys, and Auto Enrol.

With consumer bills set to rise by an average of 26%, and up to 47% in some cases, urgent action is required. There are clear, tangible opportunities to create a nationwide impact.

Three actions that must happen today

1. All water and energy and broadband companies implement Apply Once with the GOV.UK endorsed benefits calculators
2. Water companies pilot Auto Enrol for customers in arrears
3. Targeted uptake campaigns for water and broadband social tariffs and passporting benefits like Universal Credit and Pension Credit

Two actions that should happen by April 2026

Automatic enrolment is critical for social tariff uptake. A national water social tariff, and any redesigned Warm Home Discount, should be designed to use existing data. We need to plug as many gaps in the system as we can. We therefore recommend:

4. A national, automatically enrollable water social tariff
5. Plug the gaps in the system, including reviewing WaterSure, the Warm Home Discount and the broadband social tariffs

By implementing these five actions we will drive meaningful change and, collectively, **help 8 million households access the very essentials of a modern life: water, heat and power.**



About Policy in Practice

Families on the lowest incomes have the most complicated finances, often because government departments aren't able to talk to each other effectively.

Policy in Practice sets out to make government policy simple to understand, empowering people with the clarity and confidence they need to make positive decisions. As a team of policy experts, we have developed services that overcome departmental silos to help people to tackle rising living costs and build resilience, enable councils to be proactive and track the impact of their intervention, and improve safeguarding decisions while saving social workers' time.



Better Off is a software tool used by millions of people and thousands of advisors each year to help assess eligibility for the widest possible range of support without needing to be experts in the benefit system. It is free for individuals and available for advisors as an API and a self-serve tool for their organisation's website.



LIFT (Low Income Family Tracker) is an analytics platform used by nearly a hundred local authorities. It combines their benefits administration data with advanced analytics to identify and support people with low financial resilience. It enables councils to increase take up of financial assistance to prevent homelessness, arrears and to increase take up of support.



MAST (Multi Agency Safeguarding Tracker) is a service backed by the LGA and NHS Digital that links data across adults, children, fire, police and health on a daily basis. This helps frontline staff to proactively identify where there are multiple contacts with the same individual or family to make better informed safeguarding decisions.

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