

Customers warned of water price hike

Press Association
Monday January 23, 2006

Householders will be hit with above-inflation increases in their water bills this year, a consumer group warned today.

The average price hike will be 7% rising to up to 13% for South West Water customers, according to the Consumer Council for Water. Folkestone and Dover Water is set to increase prices by as much as 10.5% even though its customers will probably face water restrictions.

The company has applied to make water meters compulsory for the householders it supplies because of dry conditions in the southeast, CCWater said. United Utilities customers will see bills go up by around 9.5% after the increases come into force on April 1.

Further price hikes are likely to follow over the coming decade to bring the company in line with EU requirements, according to CCWater. The consumer group said its figures, sourced from the regulator Ofwat, masked large differences in prices paid by customers on water meters and those paying an unmeasured rate.

Smaller households and those with a high rateable value are usually better off switching to a water meter, the consumer group said. It warns that the next round of price hikes could leave some customers struggling to pay their water bills.

Figures for 2004-2005 showed that £962m of bill revenue was outstanding to water companies during that year - £562m of it more than 12 months old. That was a 17% increase on the situation in 1998-99, CCWater said.

Some 4.4m households have had bills outstanding for up to 48 months, according to Ofwat figures from August 2005. Dame Yve Buckland, chair of CCWater, said: "Customers finding it hard to pay should contact their company as soon as they are aware of the problem.

"Companies can arrange flexible payment plans, or help to clear outstanding charges by taking deductions direct from benefits."

The consumer group advises householders to look at ways of saving water without cutting back on essential usage and to apply for a vulnerable customer tariff if appropriate.

Barrie Clarke, spokesman for Water UK, which represents all the water companies, said the regulator following a thorough review in 2004 agreed the price increases.

"They will make investments possible in the quality of water and our environment that will be of benefit to all customers," he said. "We too are concerned that price rises for some people with low incomes may cause a difficulty and we would urge any customers in that position to contact their water company so that they can discuss the best way of helping them to pay."

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