



Water Tariffs and Consumers' Inaction

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In this paper we study the effects of the installation of 500,000 water meters in the South-East of England. Moving from bills based on the characteristics of the house to bills based on actual consumption reduces water usage by more than 15%, with the drop mostly due to people who experience an increase in their water bill due to metering. We also explore customers' choices in terms of water tariffs, uncovering evidence of a strong status quo bias.