

9 December 2025

Mr I Coucher
Chair
Ofwat

Dear Iain

Re: Thames Water

Following our recent meeting where we discussed the future of Thames Water, as agreed I am writing to set out CCW's clear expectations regarding the long-term sustainability of Thames Water. With 16 million customers, Thames Water's stability is critical to the legitimacy and performance of the entire water sector in England and Wales. Our conversation was timely, given ongoing coverage about the intentions of creditors and potential new owners - some of which will be of great concern to customers.

Customer confidence in Thames Water is at a historic low. CCW's 2025 *Water Matters* research places Thames Water's trust score at just **5.12 out of 10** — the lowest among water and sewerage companies, and well below the sector average. At the same time, customers face unprecedented bill increases of **35% before inflation** across 2025–2030, alongside further uncertainty created by the company's appeal to the CMA. This is happening when many households are already struggling to afford essential bills.

We see this dissatisfaction directly. Complaints to CCW from Thames Water customers have surged sharply and remain exceptionally high. This demonstrates not only the scale of the performance issues but also the depth and persistence of customer frustration.

As Ofwat determines the best path to place Thames Water on a credible and sustainable footing, I urge you to ensure the following principles are non-negotiable in assessing any current or future proposal from creditors or candidates to become the new owners:

1. **No special treatment on enforcement** — Thames Water must be held fully accountable for past and future performance.

2. **Full alignment with the sector's incentive regime** — There must be no dilution of performance commitments or outcome delivery incentives.
3. **No higher bills than those agreed under PR24 or determined by the CMA** — Customers must not bear additional costs arising from past failures of management or ownership.

Any deviation from these principles would seriously undermine consumer confidence, risk weakening the regulatory framework, and could encourage further challenges from companies across the sector. It would also be fundamentally unfair for customers who have endured years of underperformance.

Thames Water customers want — and deserve — real change. They recognise that investment is needed and they are prepared to support it when it is tied to measurable improvements. What they should not be asked to accept are short-term fixes or arrangements that shield owners or creditors from risk while leaving customers exposed.

I would welcome Ofwat setting out its position in relation to these principles, so that customers can have continued confidence in the regulatory framework as Thames Water moves toward a fresh start.

I would also be grateful if you could keep me updated on developments regarding the company's ownership and provide reassurance that these principles above will help to guide Ofwat's approach.

I intend to place this letter on our website in the interests of transparency and would be pleased to publish your response alongside it so customers can see clearly the regulatory position.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Wilson', with a horizontal line underneath.

Rob Wilson
Chair
Consumer Council for Water