

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
11 Westferry Circus, Canary Wharf, London E14 4HD

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By email

c/o Cat Hobbs  
Director, We Own It  
Nova North,  
11 Bressenden Place,  
London,  
SW1E 5BY

18 February 2026

Dear MPs,

Thank you for raising with us your concerns in relation to Thames Water, as set out in your letter.

We acknowledge the concerns you raise about the service the company provides and the level of pollution incidents. We agree that Thames Water needs to improve its operational performance, raising the level of service to customers and reducing harm to the environment. It also needs to strengthen its financial resilience.

As you note, we are currently considering a proposal which a group of Thames Water's creditors, London & Valley Water, has put forward, in the context of the company's equity raise process. We have been engaging with the company and with London & Valley Water and scrutinising their plans carefully to assess whether they will be able to deliver the required turnaround in the company's operational performance and strengthen its financial resilience to the benefit of customers and the environment.

Responsibility for delivering these improvements rests fundamentally with the owners and leadership of the company. That said, we recognise that we too have a responsibility to ensure that the regulatory framework is appropriate in the circumstances, including in terms of holding companies to account.

As we set out in our 2024 Price Review (PR24) final determinations, we announced that Thames Water would fall within the scope of our turnaround oversight regime given the scale of the operational and financial resilience challenges the company faces. We have also appointed an Independent Monitor for Thames Water following the investment credit ratings

downgrade. The Independent Monitor is responsible for, among other things, monitoring the progress made in delivery of the company's turnaround.

To exit the turnaround oversight regime, Thames Water will need to deliver a transformation programme that leads to significant and sustained improvements in its operational performance. It will need to demonstrate it has taken necessary steps to secure the delivery of its capital investment programme and that this is being delivered in accordance with its obligations. It will also need to provide us with confidence that its capital structure and financing arrangements will allow it to maintain adequate levels of financial resilience in the medium term.

The position of the company is uniquely challenging and as a responsible regulator we will have to consider carefully the right response to this. The interests of customers and the environment are central to our consideration, in line with our statutory duties.

Given the ongoing consideration of the proposal, we are not able to make detailed comments on your letter. However, we agree with your comments on the importance of transparency. If any proposals are progressed that require changes to the regulatory framework or the company's licence, these would be subject to public consultation.

Yours sincerely



**Chris Walters**  
**Interim Chief Executive**