

**Sukhvinder Kaur-Stubbs**  
Chair of the Customer Challenge Group (Thames Water)

Ian Marchant  
Chairman of the Board  
Thames Water Utilities Ltd  
Clearwater Court  
Vastern Road  
Reading RG1 8DB

12<sup>th</sup> July 2022

Dear Ian,

Attached is the first Report from the new Customer Challenge Group (CCG) reconstituted earlier this year. It was drafted before the publication of your annual report last week and we have not therefore, commented on year end results. Our timing will be adjusted for coming years.

At this early stage of formation, the report largely sets out our approach and intended focus. We have benefitted from the information the executive teams have shared with us and recognise their commitment to improving customer satisfaction. Our narrative is directed essentially at Thames Water staff. We feel it is important to promote widespread awareness of customer orientation within the company. On the occasions we have met staff, they appreciated knowing our role in ensuring the full breadth of customer voices is reflected in planning and delivery. A short survey will accompany the publication to animate staff interest.

Like your report, ours acknowledges the scale of the turnaround for the Thames Water team. We endorse the foundations being laid for long-term improvement but in order to get the best outcomes for customers, we also push for more tangible and immediate results.

For the Thames Water Board, we have three recommendations. These were shared recently, with your Regulatory Strategy Committee and the Customer Services Committee. From our initial observations, we consider it necessary to: *simplify* what you do in order to better engage customers; *connect the vision* with the performance reporting and; review the *sequencing* of programmes for quicker and more discernible enhancement to customer experience.

1. *Simplify* – Complex engineering solutions aren't always the answer customers seek. The person whose basement is flooded with sewage is often uninterested in the infrastructure dilemmas that caused it, or the multitude of agencies involved. *We encourage you to explore small scale innovative approaches that customers can relate to and also, develop more straightforward ways of communicating water and waste management with the public.*
2. *Connecting the vision* – Your commitment to generate public value, and provide environmental stewardship, serves the interests of future customers and protects habitats. There is potential for greater support and goodwill from customers, stakeholders and partners. However, the imperative to report against hard targets can obscure the passion and energy that Thames Water holds for serving the wider society. *We welcome greater line of sight on how your values are embedded within the company culture.*
3. *Sequencing* –After many years of poor service standards, customers are impatient for change. *We urge you to prioritise any additional investments available in this asset management plan to activities that will make the greatest an impact on customer priorities.*

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In our own efforts to simplify and target our work, the report identifies five areas of focus: *inclusivity; choices; affordability; performance* and; *people*.

These themes will be our main touchpoints in interactions with Thames Water staff. The first three are especially relevant to the next business plan. In advance of submission, we seek greater *inclusivity* of the diverse range of customer perspectives from across London and Thames Valley/Home Counties. Our attention will be on the *choices* being made on behalf of customers. Options around *affordability* are especially important for the demography of this region and in light of the cost of living crisis, we are keen to explore customer appetite for differential tariffs – there is emerging good practice from across the water and energy sectors to draw from.

Our interventions on the business plan, will be framed by the new OFWAT methodology. We are in direct contact with the regulator to understand the parameters of their approach and interrogate authoritatively.

As set out in the report we will of course, continue to scrutinise *performance* to ensure that promises made to customers are fulfilled. We consider there to be more scope to celebrate successes and comment on shortcomings.

*People* are flagged as a key area of interest in our report. Working alongside your HR leads, our aim is to strengthen programmes to diversify teams so that they reflect better the communities served. Interactions with customers and the public will be richer for this. Your partnership teams make valuable connections with communities and stakeholders – where possible, we'll bolster their efforts to develop a more comprehensive range of relationships and consolidate activity for the greatest impact on customers.

Meanwhile, I am extremely grateful to all the CCG members for their contributions over the six months. Particular thanks are due to David Brindle who collated and articulated our thinking in the report. Focus Group leads Tanni (*People*), Charlotte (*Choices*), Nisha (*Inclusivity*) and Jeremy (*Affordability*) also deserve additional credit. It is worth saying how much we have appreciated the insights provided by representatives from CCW, GLA and the Environment Agency.

On behalf of all my CCG colleagues, we look forward to your feedback on these early observations.

Yours sincerely,



**Sukhvinder Kaur-Stubbs – Chair of the Customer Challenge Group**  
**Baroness Tanni Grey-Thompson DBE (Vice Chair)**  
**Cllr Adam Jogee – Dr Charlotte Duke – David Brindle – Doug Taylor (CCW)**  
**Jeremy Crook OBE – Monica Wilson – Nisha Arora – Pete Daw (GLA) – Cllr Pete Sudbury**  
**Sarah Powell (EA) – Tiger De Souza MBE**