

Thames Water Utilities Limited (TWUL)

Published date: 30 January 2025



# Statement of Assurance

2025/26

End-user household charges schemes for the  
supply of water and wastewater services

## Statement of Assurance for 2025/26 Charges Schemes

### Introduction

1. The purpose of this document is to provide a statement of our assurance in relation to our 2025/26 Charges Schemes, hereafter referred to as our “Charges Schemes.”
2. Our Charges Schemes fix the charges that our household customers must pay for the period from 1 April 2025 to 31 March 2026 for specified services we provide in the course of carrying out our regulated duties; as well as setting out the terms and conditions of those charges and the times and methods of payment that our customers can use to pay their bill. Our Charges Schemes will be made available on our website<sup>1</sup>.
3. The Charges Schemes covered by this statement have been set based on the allowed revenues in the Price Review 2024 (“PR24”) Final Determination (“FD”) as published by Ofwat on 19 December 2024.
4. The Charges Schemes therefore take account of:
  - the publication of the PR24 FD which fixes the revenue we can collect from customers in 2025/26;
  - the Thames Tideway Tunnel (“TTT”) Infrastructure Provider charge that we collect on behalf of Bazalgette Tunnel Limited from our wastewater service customers;
  - inflation (CPIH) as published by the Office for National Statistics<sup>2</sup>, at 3.5%; and
  - the forecast changes in the levels of water usage by our household and non-household customers.
5. Our end-user prices are increasing such that typical bill increases for household customers will exceed five per cent when compared to 2024/25, as can be seen in Table 1 in paragraph 14 below and in Appendix 1.

### Board endorsement of this assurance statement

6. Our Board accepts ownership of, and accountability for, the development of our Charges Schemes.
7. This statement has been approved and signed by Alastair Cochran (Chief Financial Officer), Cathryn Ross (Strategy & External Affairs Director) and Nick Land (Senior Independent Non-Executive Director and Chair of our Audit and Risk Committee) on behalf of the Board of Thames Water Utilities Limited (the “Company”). The Board delegated this authority at their meeting on 2 October 2024 where they also approved our indicative wholesale charges that were published in October 2024.
8. As set out in the sections below, in approving the Charges Schemes, the Board has considered:
  - all relevant legal obligations and guidance;

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<sup>1</sup> <https://www.thameswater.co.uk/help/account-and-billing/understand-your-bill>

<sup>2</sup> “[Consumer price inflation, UK: November 2024](#)”, Office for National Statistics, 18 December 2024

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- bill movements, impact assessments and the associated approach (“handling strategies” as referred to by Ofwat) that, if appropriate, we may adopt to mitigate the impact on customer bills;
- the existence of appropriate systems and processes used to set our charges; and
- engagement with relevant stakeholders, in particular the Consumer Council for Water (“CCW”), the voice for water consumers.

#### Legal obligations and guidance

9. Our Charges Schemes have been prepared in accordance with Thames Water’s legal obligations. In particular, our Charges Schemes:
  - (a) comply with the price limits imposed on us by the PR24 FD (published on 19 December 2024);
  - (b) comply with our legal obligations, as appropriate to our retail charges, including under:
    - (i) Competition Act 1998;
    - (ii) Water Industry Act 1991 (sections 93A, 142-149);
    - (iii) Flood and Water Management Act 2010 (section 44);
    - (iv) The Water Industry (Charges) (Vulnerable Groups) (Consolidation) Regulations 2015;
    - (v) The Water Industry (Prescribed Conditions) Regulations 1999;
    - (vi) The Water (Meters) Regulations 1988; and
    - (vii) Relevant Licence conditions; and
  - (c) are consistent with Ofwat’s Charges Scheme Rules as published in December 2022.
10. The Charges Schemes comply with information requirements as set out in Ofwat’s Information Notice IN 24/08 (“Expectations, assurance and information requirements for water company charges for 2025-26” issued in October 2024).
11. We have also considered Thames Water’s statutory obligations relating to charging.

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### Bill movements, impact assessments and mitigating actions

12. The Board has assessed the effects of the charges in our Charges Schemes on our household customers for a range of customer types.
13. The Board has identified and acknowledges that all household customers will have year-on-year bill increases exceeding five per cent when compared to 2024/25, assuming a constant level of consumption.
14. In Table 1 below, we set out the typical bill increases for household customers relative to our 2024/25 bills.

**Table 1: Average impact across typical household customer types 2025/26**

Customer type	2025-26	
	Unmeasured bill increase (%)	Metered bill increase (%)
Water-only	37.7%	39.4%
Waste-only	42.9%	42.2%
Dual service	40.0%	40.7%

Source: Thames Water tariff model 2025/26

15. The figures in Table 1, showing typical bill movements and our impact assessment for a range of customer groups seen in Appendix 1, confirm that all customers will experience bill increases in excess of five per cent for 2025/26.
16. The primary driver for the price increases that will impact bills in 2025/26 is the level of allowed revenue included within the PR24 FD as published by Ofwat. This recognises the significant and ambitious investment that is needed in our network to deliver improved services to our customers and to protect the environment, as set out in our PR24 Business Plan<sup>3</sup>. This follows decades of our average household bill being below the industry average and below the level that it was 10 years ago, taking inflation into account.
17. The Board recognises the impact that significant price rises may have on customers and therefore appreciates the need to identify actions to mitigate those significant price rises. The scope of these actions is, however, limited by the scale of input cost inflation and investment requirements faced by the Company, as well as the industry.
18. The Board has considered mitigating actions, such as revenue deferral, to minimise bill increases for customers in 2025/26, however the full revenues set by Ofwat in the PR24 FD are required to fund the investment needed in our network. Additionally, our proposed 'rise and flat' bill profile, accepted by Ofwat in the PR24 FD, applies the highest annual increase at a time when interest rates and the financial impact on customers are expected to reduce.
19. Whilst we are therefore not in a position to be able to defer bill increases from 2025/26 to future years, the Board does expect that annual price rises for the remainder of the 2025

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<sup>3</sup> [PR24 Draft Determination response – Strategic Narrative](#), Thames Water, August 2024

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– 2030 period (known as AMP8) will be significantly lower than those which apply to 2025/26. This is because the bill profile that we proposed and agreed with Ofwat has significant price increases in the first year of AMP8, followed by a much flatter and more stable increase profile in the four subsequent years, resulting in a lower bill by the end of the price control period than that generated by a more gradual increase profile

20. We do, however, continue to expand the support offered by our social tariff in order to help those household customers that are at risk of struggling to pay their bill. In 2025/26, we will provide more assistance to more customers through our WaterSure and WaterHelp tariffs than ever before. In addition, our Extra Support Scheme, a support measure offering a bill credit to customers who are in arrears and that have a household budget deficit, will continue and is being expanded and the bill credit increased to help even more customers in 2025/26.
21. We will be publishing on our website information for customers on price rises for 2025/26 for each tariff type (metered and unmeasured) along with the reasons for the increases. Links to the relevant webpages will be shared with Ofwat and CCW as set out in the requirements of Information Notice IN 24/08.

### Appropriate systems and processes

22. In assessing whether there are systems and processes in place (including up-to-date models and data) to make sure the information published in the Charges Schemes is accurate, the Board has considered:
- the rigorous system for compiling, collating and managing the data and information required to produce the Charges Schemes;
  - the governance framework detailing the assurance approach adopted and the outcome of the independent review of the tariff model by Internal Audit;
  - the process of internal review and formal sign-off by approved appropriately qualified members of staff;
  - confirmation of the degree of assurance undertaken and the source information/data used in the tariff calculations;
  - the dedicated and assured charge multiplier and tariff models used to determine wholesale and retail tariffs;
  - confirmation that the Charges Schemes have been calculated in a manner compliant with the individual price controls; and
  - confirmation that there is no material issue outstanding arising from the assurance work undertaken.

### Engagement with stakeholders

23. We have engaged in an ongoing dialogue and consultation process with CCW in relation to our Charges Schemes. In particular, we have provided CCW with information on a

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number of separate occasions in connection with the development of our Charges Schemes and bill impacts.

24. This consultation process continued when we met with CCW on 6 January 2025 to discuss our proposed Charges Schemes, the impact on bills to household customers and updates to charging documentation. Whilst acknowledging the impact that the PR24 FD has on our charges, CCW noted the significant increases being proposed alongside the targeted support being offered through our social tariffs and, as such, did not raise any significant concerns regarding our charges.

#### Board approval process

25. In satisfying Ofwat's requirements specified in the Charges Scheme Rules (published on 5 December 2022) and Information Notice IN 24/08 ("Expectations, assurance and information requirements for water company charges for 2025-26" published in October 2024), we confirm, on behalf of the Board, that the Company has followed robust and rigorous procedures in developing and approving the Charges Schemes.
26. This has been achieved through a series of meetings of the Executive Committee and the Board. At the Board meeting on 2 October 2024, Cathryn Ross (Strategy & External Affairs Director), Alastair Cochran (Chief Financial Officer) and Nick Land, our Senior Independent Non-Executive Director and Chair of our Audit and Risk Committee, were authorised to sign assurance statements on the Board's behalf, and in doing so confirm that:
- the Charges Schemes are consistent with Thames Water's legal obligations in relation to end-user charges;
  - the Board has considered the impact of the charges in the Charges Schemes on customer bills for different customer groups and approves the approach to mitigating this customer bill impact;
  - the Board has satisfied itself that appropriate systems and processes are in place to ensure that the Charges Schemes are accurate; and
  - the Company has consulted CCW in a timely and effective manner on its Charges Schemes.

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Signed by, and on behalf of the Board:

Dated: 17 January 2025

Signed



Nick Land  
Senior Independent Non-Executive Director

Dated: 15 January 2025

Signed



Alastair Cochran  
Chief Financial Officer

Dated: 15 January 2025

Signed



Cathryn Ross  
Strategy & External Affairs Director

For and on behalf of Thames Water Utilities Limited

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Appendix 1: Household 2025/26 typical bill movements

**Table 2: Typical bill values of household customers**

	2024-25 (£)	2025-26 (£)	Change (%)
Water u/m area 1 RV of £240	270	372	37.7%
Wastewater u/m area 1 RV of £240	202	288	42.9%
Combined HH bill - unmetered	472	660	39.9%
Water u/m area 4 RV of £50	111	159	42.6%
Wastewater u/m area 4 RV of £50	121	180	48.7%
Combined HH bill - unmetered	232	339	45.8%
Water u/m area 4 RV of £240	337	462	37.1%
Wastewater u/m area 4 RV of £240	265	373	40.8%
Combined HH bill - unmetered	602	836	38.7%
Water u/m area 7 RV of £240	452	617	36.4%
Wastewater u/m area 7 RV of £240	343	477	39.3%
Combined HH bill - unmetered	795	1,094	37.6%
HH metered bill water 50m <sup>3</sup>	125	188	50.3%
HH metered bill wastewater 50m <sup>3</sup>	141	208	46.8%
Combined HH bill - metered	266	395	48.4%
HH metered bill water 80m <sup>3</sup>	182	262	43.7%
HH metered bill wastewater 80m <sup>3</sup>	176	254	44.3%
Combined HH bill - metered	358	516	44.0%
HH metered bill water 120m <sup>3</sup>	259	361	39.4%
HH metered bill wastewater 120m <sup>3</sup>	222	316	42.2%
Combined HH bill - metered	481	677	40.7%
HH metered bill water 200m <sup>3</sup>	412	559	35.6%
HH metered bill wastewater 200m <sup>3</sup>	315	440	39.8%
Combined HH bill - metered	727	999	37.4%
HH metered bill water 1,000m <sup>3</sup>	1,944	2,538	30.6%
HH metered bill wastewater 1,000m <sup>3</sup>	1,237	1,678	35.6%
Combined HH bill - metered	3,181	4,216	32.5%
HH assessed water- single occupier	192	275	42.8%
HH assessed waste- single occupier	168	261	56.0%
Combined HH bill - assessed	360	536	48.9%
HH assessed water- 1 bed	226	318	40.8%
HH assessed waste- 1 bed	188	288	53.6%
Combined HH bill - assessed	414	607	46.6%
HH assessed water- 3 bed	271	376	38.9%
HH assessed waste- 3 bed	215	325	51.2%
Combined HH bill - assessed	485	700	44.3%
HH assessed water- 5 bed	325	446	37.3%
HH assessed waste- 5 bed	247	368	48.9%
Combined HH bill – assessed	572	814	42.3%

Source: Thames Water tariff model 2025/26

N.B. The Rateable Value (“RV”) of a property was last set by the Government in 1990 and is based on their assessment of how much the property could be let for annually. The unmetered (“u/m”) areas are as per the geographical ‘Charge areas’ seen on table 5 of the Household Charges Schedule within our Household Charges Scheme 2025/26, as published on our website.