Independent Water Networks

Customer Statement 2025

INDEPENDENT WATER NETWORKS

Executive Summary

Meeting the needs of our customers has always been of the highest priority and, in the last few years, we have taken steps to further embed this philosophy within our culture. As a new appointee (NAV) within the water industry, operating in a competitive environment, we are subject to strong commercial incentives to prioritise the needs of both our end- and developer-customers. If we do not provide a superior developer service, these customers will 'vote with their feet' and choose alternative infrastructure providers in the future. Equally, if we fail to provide a good service to our end customers, subsequent reputational impacts could compromise our industry standing, and impact our ability to secure future developer contracts.

A full understanding of the expectations and needs of our customer base is therefore a prerequisite for the provision of an exceptional IWNL customer experience. Recognising this, the suite of products we offer are shaped by insights we attain from our engagement as well as emerging utility best practice. Delivering an exceptional service to all our customers is achieved in the following ways.

Developer customers: We construct, adopt, own and operate water and wastewater infrastructure for developer customers; assets that are critical to the delivery of move-in ready new build premises. Our collaborative customer relationships allow us to explore ways to meet developer needs more effectively via innovative solutions to age-old problems. This, along with our strong track record in delivering robust infrastructure and high-quality end customer service, leads our developer customers to come back to us time and again.

End customers: Even though the domestic retail water and wastewater markets are not currently open to competition, we remain committed to the provision of an exceptional customer experience and to surpassing the level of service provided by other water licensees in the market, as we have a strong desire to improve the lives of the customers we serve. We do this by:

- Using the end customer prices set by incumbent water companies, who previously had sole responsibility for the provision of water and wastewater services, as a proxy for our own, and offering reductions via direct debit, e-billing and volume discounts. We also keep our vulnerable customer strategy under continual review to ensure we can provide the best possible support to those customers experiencing acute hardship. Our flexible approach also allows us to adopt emerging best practice for vulnerable groups.
- Providing an excellent level of customer service, evidenced by our high NPS score of 40, and our efficient response to complaints.
- Providing reliable and resilient water and wastewater services, with unplanned outages largely attributable to issues on the upstream incumbent network.
- Actively exploring options to conserve water and protect the environment e.g. maintaining low levels of leakage and reviewing the scope for customer behaviour change via innovation in both technology and engagement methods.

Our future focus

We strive to exceed developer- and end-customer expectations wherever we can; regularly assessing the services we provide and looking for opportunities to enhance their experiences. Day-to-day interactions continue to be our primary source of end-customer insight, but we are increasingly implementing change to facilitate more proactive engagement. In particular, we better integrate IWNL with local communities by increasing our presence at resident's events and deploying customer liaison officers during major incidents. We are also establishing further communication channels to allow our customers to get in touch more easily e.g. via WhatsApp and to proactively seek their views e.g. via surveys. This engagement provides valuable insights into our end-customer needs and informs the services we offer. We also monitor improvements in customer service made in other industries and replicate these methods where we can.

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Introduction

The needs of our customers have to be central to our culture to enable our business to thrive. If we are unable to provide a superior service to our developer customers, the competitive market will allow them to 'vote with their feet' and choose alternative infrastructure providers in the future. Developer customers, unlike end user customers, can choose between service offerings from multiple providers. Given this choice, our reputation in the market, and track record for delivering high-quality reliable infrastructure and good standards of customer service, is critical to future IWNL business growth. If we fail to provide a good service to our end customers, the subsequent reputational impacts will compromise our industry standing, with corresponding impacts on our ability to secure future contracts. We are also very aware of the importance of delivering a high quality service to our end customers given that a reliable supply of water and effective disposal of wastewater is critical to their day-to-day lives.

For all these reasons our customers are our number one priority, and we put considerations of their needs at the heart of the way we run our business. While the drivers of this focus may differ for different customer groups, the delivery of an exceptional service to every customer will always be our top priority. Fully understanding customer needs, expectations, and preferences is a prerequisite for the provision of a superior customer experience; a key focus of our customer strategy is to therefore utilise customer insights to shape our offerings.

Although we are a new entrant to the sector, and relatively small in scale[1], we have achieved substantial growth in the past few years and have ambitions for further significant growth in the future. To meet these ambitions, we recognise the value of using customer insights to shape a service that ultimately meets their needs. We have always recognised the importance of using the direct engagement opportunities that we have with our customer base to attain clarity on their expectations and, in turn, provide the excellent levels of service that they value. While initially our efforts in this area were focused on making use of the information that we were able to glean from customers via day-to-day interactions, as we have continued to grow, we are beginning to initiate further proactive engagement. In particular, we are seeking to better integrate IWNL with local communities by increasing our presence at resident's events and deploying customer liaison officers during major incidents. We are also establishing further communication channels, both to allow our customers to get in touch more easily e.g. via WhatsApp and to enable us to proactively seek their views e.g. via surveys. These initiatives have enabled us to get closer to our customers and more fully understand their needs and expectations around the service we provide.

We also recognise that for our customers to meaningfully engage with us, on their expectations and preferences regarding the water sector, it is helpful for them to have a basic overview of the structure of the industry and the key players. This customer statement therefore:

1. Presents background information on key players in the water and wastewater industry;
2. Introduces our customer base and their respective characteristics;
3. Explains the principles we use to develop service offerings to our customers;
4. Sets out how we plan to help our customers tell us what they want; and
5. Sets out how we plan to improve the experience of our customers in the future.

[1] Our relatively small scale is of particular note when compared with the incumbent water and wastewater companies that historically had sole responsibility for the provision of water and / or wastewater services.

CUSTOMER STATEMENT

Section one:

Key players in the water and wastewater industry

1. Key players in the water and waste industry

To allow all potential readers to effectively engage with / navigate this document, this section provides a background briefing regarding the water and wastewater industry, focusing on the key players and their main roles. It begins by introducing the economic regulator of water and wastewater companies (known as Ofwat) and goes on to describe incumbent water and wastewater company roles.

Ofwat is the economic regulator of the water sector. It is a non-ministerial government department that was established in 1989 when the water and wastewater industry in England and Wales was privatised. This meant that the companies operating in the sector no longer functioned as government bodies. Ofwat's primary duties are to protect the interests of consumers, wherever possible by promoting competition, and to ensure that water and wastewater companies effectively carry out their roles.

The key driver of the establishment of a water regulator was the recognition that access to water and wastewater services are a basic human need; it should be possible for all citizens to contract with a provider for these services. A complicating factor was that the water and wastewater companies were sold as regional monopolies who had sole responsibility for the provision of water and / or wastewater services in their geographic area. This introduced a risk that these companies could charge high prices to customers that were not reflective of the costs that companies faced, and that customers could be forced to pay these prices given their basic need for water and their inability to get these services from any other providers. This could have given monopoly water companies a captive market.

Ofwat's role, in line with its primary duties outlined above, is to regulate the prices that water and wastewater companies charge their customers to ensure that the costs that end users face are not excessive; and reflect the cost profile faced by incumbent water and wastewater providers. Ofwat also monitors the level of service that customers receive to ensure that this is aligned to industry performance. In addition, Ofwat monitors the behaviour of the companies and scrutinises certain elements of their financial and operational performance to ensure that they do not abuse their dominant position in any way. Given the importance of these services, Ofwat also works to ensure that these companies are able to operate effectively.

Three further organisations also have a role in regulating the water and wastewater markets.

1. **The Environment Agency** was established in 1996 to protect and improve the environment. A key area of responsibility for the Environment Agency is in relation to water quality and resources, and the organisation therefore has a key role in issuing permits for water abstraction and monitoring the performance of water and wastewater companies with respect to sewerage treatment and river quality.
2. **The Drinking Water Inspectorate (DWI)** was formed in 1990 to provide independent reassurance that water supplies in England and Wales are safe and that drinking water quality is acceptable to consumers. The DWI therefore has a key role in monitoring water quality and implementing targeted initiatives, as needed, to address any concerns with respect to water taste, odour and safety.
3. **The Consumer Council for Water (CCW)** was established in 2005 and is the independent representative of household and business water consumers in England and Wales. CCW has a key role in helping consumers resolve complaints, providing free advice and support, progressing targeted research and championing the interests of consumers with water companies, governments and regulators.

As set out above, the water and wastewater companies were sold as regional monopolies in 1989, when the government took the decision to sell previously nationalised water and wastewater industry assets. Since then, there has been a significant amount of merger activity and changes to specified regional boundaries. There are now 18 regional water and wastewater companies, known as 'incumbents' in their respective regions, and of these, 11 provide both water and wastewater services, while seven provide water services only.

Historically, the incumbent companies had sole responsibility for the provision of water and wastewater services, including ongoing operation and maintenance of network assets as well as extension of the network as appropriate. The extension of the network can be required to accommodate new assets that are needed to support a reliable water supply e.g., reservoirs, or to accommodate new customer demand e.g., connecting standalone new properties, housing developments, business parks or shopping centres. Incumbent companies

have traditionally provided most of the services required to connect new sources of demand to the network, but this is an area that has been opened to competition in recent years.

As outlined above, one of Ofwat's duties as the water regulator is to protect the interests of consumers, wherever possible by promoting competition. While legislative provisions enabling new entrants to provide connections and extend the network to accommodate new sources of demand have been in place for some time, only in recent years have the commercial conditions made it possible for new entrants to compete with incumbents. IWNL is one of these new entrants to the water and wastewater market, known as a new appointee (or NAV). BUUK Infrastructure, the parent company of IWNL, has interests in energy distribution and utility infrastructure networks throughout mainland UK and is the leading independent provider of last-mile networks, with over 48,000 discrete networks serving more than 3 million homes. The financial standing of BUUK and its parent company allows it to provide assurances to Ofwat that IWNL will have access to sufficient financial resources to enable it to effectively carry out its regulated activities into the future.

IWNL has two main focuses: firstly, on the construction, ownership and operation of water and wastewater assets for developer customers who deliver new build premises; and second, on the provision of an exceptional end customer experience that surpasses equivalent services provided by competing water companies. In 2021 the Independent Networks Association (INA), which represents the leading independent utility network owners and operators in the UK, extended its remit to incorporate NAVs. As a result, the INA now provides representation for independent network owners and operators across electricity, gas, water and wastewater, with the intent of effectively shaping the energy and water future in the UK.

CUSTOMER STATEMENT

Section two:

IWNL customers

2. IWNL Customers

Ofwat has specified that references to customers should refer to residential and business users of water and wastewater services. As a NAV operating in water and wastewater markets, IWNL primarily has two classes of customer:

- the first is the end customers that we ultimately serve once a development is complete and customers move into their homes and businesses; and
- the second is the developers to whom we offer to provide services to support the build of new household and non-household sites.

To us, the delivery of an exceptional service that is aligned to the preferences, and meet the needs, of each of these customer groups is equally critical. We also consider incumbent water and wastewater companies akin to customers of the services we provide; and expect that this bilateral relationship could evolve further as competition in the water and wastewater markets develops in the future.

2.1 End Customers

As a new entrant within the water market, we have a genuine interest in providing services to end customers that meet their needs in innovative ways. In this respect, a key IWNL goal is to 'be a customer champion' and provide an exceptional experience that surpasses the service a customer would have received from a competing water company. As a result, we seek to secure enhanced levels of customer satisfaction and, in line with this, are keen to better understand the needs and preferences of our end customers to enable us to tailor our services and deliver in line with, or exceed, their expectations more effectively.

As a smaller water and wastewater company, with relatively more limited resources and a smaller, more geographically dispersed customer base than incumbent competitors, to date we have had limited opportunities to proactively engage our end customers to better understand their needs and preferences. However, we have always recognised the value of using customer insights to shape a service that ultimately meets their needs. While historically this involved the use of insights from our day-to-day interactions with end customers, as we continue to grow, we are beginning to initiate further proactive engagement. In particular, we are seeking to better integrate IWNL within local communities by increasing our presence at resident's events and deploying customer liaison officers during major incidents. We are also establishing further communication channels; both to allow our customers to get in touch more easily e.g. via WhatsApp and to enable us to proactively seek their views e.g. via surveys. These initiatives have enabled us to get closer to our customers and more fully understand their needs and expectations around the service we provide.

We know from speaking to our customers that they are diverse in their characteristics and that these can have a strong influence on their preferences, needs and expectations. To this end, we have started attending local community events, as well as hosting our own, so that we can listen to our customers face-to-face. In addition, we have established the ability to survey our customer base via upgrades to our existing systems; this helps to ensure that our customers still have a voice, even if they are unable to attend our face-to-face events. This, and the work that we have been progressing with Experian, will also allow us to complete a more effective segmentation of our customer population; enabling us to develop tailored customer journeys, particularly for our vulnerable customer groups that may need extra help.

We are cognisant of the challenges faced by customers in vulnerable circumstances and the value of delivering tailored services to ensure we are inclusive and that we effectively meet their needs. It is for this reason, that in 2023 we initiated a programme of work to secure compliance with the provisions of ISO22458; and for which we received accreditation in September 2024. In addition, over the course of 2024, we established a paid partnership with scope to attain their insight on vulnerable customers and best practice, including the steps that IWNL could take to effectively meet the needs of this diverse group of individuals. Our improved engagement strategy also places a strong emphasis on the needs of vulnerable customers and is supported by our associated vulnerable customer strategy which we made available from the IWNL website in the Autumn of 2023; and updated in June 2024 and June 2025.

We recognise that the relationship we have with our end customers is in effect a "two-way street" and that, in instances where we provide services that benefit them, there can also be knock-on benefits for us. For example, we universally install semi-automated water meters which provide our customers with assurance that

their bills are accurate. From an IWNL perspective, water meters provide insights about customer consumption, which informs our decisions with respect to the most efficient way to operate and maintain our network assets. As the market evolves further, with the potential roll out of smart meters that enable customers to become increasingly active, we anticipate that arrangements that provide benefits to both IWNL and customers will become more common.

In a similar vein, we recognise that, where our customers understand more about the role we play, the services we offer and the performance we have achieved, this will provide them with the tools to better engage with us around any additional needs or concerns that they may have. While we publish this annual customer statement to provide transparency regarding the work we are progressing, we acknowledge the time commitment involved in digesting the content of this detailed (and often technical) publication. For this reason, and recognising the value of reaching all of our customers, alongside the 2024-25 IWNL customer statement we are also issuing a 'customer-friendly' version which will be published on the IWNL website.

2.2 Developer services customers

Competition in the developer services market has been led by NAVs and effectively empowers developer customers by giving them with a choice about the water and / or wastewater provider they appoint to supply required network infrastructure and services to end customers that will move into the new properties on their development. These natural market forces place significant and enhanced incentives on IWNL, as a NAV, to deliver high quality services to our developer customers given that, if our services fall below their expectations, they may choose not to do business with us in the future. This customer focused delivery culture underpins the continued growth and success of our business.

We have a close relationship with the developers that we serve; maintaining an ongoing dialogue regarding their needs, preferences and expectations throughout the design, build and operation of a new site. Our multi-utility offering across water, wastewater, gas, electricity, heat and fibre means that relationships with these developers are well-established; and working practices have evolved over time to facilitate the effective delivery of a high-quality service that meets their needs. Our offering is also available nationally, as opposed to being confined to a specific region. This provides an opportunity for developers to contract with us for a number of projects across the country; giving them certainty about the working practices that will be deployed and the level of service that will be provided.

The main obstacle that can prevent us from providing required water infrastructure within the timescales desired by the developer, is where complications arise with respect to the award of a required NAV licence for the new site. We seek to mitigate this by progressing applications for NAV licences as soon as feasibly possible, ensuring all necessary supporting information is promptly provided to Ofwat as part of our application. Developers are aware of the constraints that exist in this area, and the implications it has for our ability to meet challenging deadlines associated with smaller sites. As a result, we focus on offering utility services for sites that have longer lead times and sufficient scope for us to effectively progress through the licensing process prior to planned customer occupancy.

2.3 Incumbent relationship

While not strictly a customer, we recognise the important relationship that we have with incumbent companies. We are effectively a customer of the connection and bulk services that they provide and anticipate that this relationship could evolve in the future; with the potential for IWNL (and other NAVs) to offer a selection of services to these incumbents. We can influence our relationship with incumbents, not only through our day-to-day interactions, but also through a survey known as the Developer measure of Experience (D-MeX). Both of these avenues provide ways for us to seek to improve the incumbent services that we receive so that we can, in turn, provide better services to our own customers.

In the future, we envisage that innovative operating and contractual arrangements could emerge that facilitate the provision of demand side services from NAVs to incumbents. For example, water efficiency products that free up scarce water resources and facilitate delivery in line with incumbent performance commitments related to per capita consumption (PCC), or innovative commercial arrangements that facilitate delivery against incumbent leakage targets.

We expect the incumbent-NAV relationship to become more sophisticated in the future as we get a better understanding of how we can most effectively work together to deliver mutually beneficial outcomes, while also providing value to customers, the environment and society. To this end, we are continually working to refine and enhance the relationship that we have with incumbent water and wastewater companies to optimise existing processes and ensure open flows of communication about our respective needs; both now and into the future.

2.4 Principles underpinning the service we provide to our customers

Every five years Ofwat completes an in-depth review to set the regulated prices that incumbent water and wastewater companies are permitted to charge for the coming five-year period. While a new price control, known as the 8th asset management programme in water (or AMP8) took effect from 1st April 2025, we note that this report relates to the 2024-25 regulatory year and incumbents continued to be regulated under AMP7 during this period.

Prior to implementation of AMP7, which took effect from April 2020 and remained in force until March 2025, Ofwat specified seven principles applicable to considerations of customer service and customer satisfaction. As appropriate, we have also adopted these principles and used them to shape our approach to customer service and levels of satisfaction. Recognising that two of the principles referred to incumbent-specific issues, we chose not to adopt these, but we have embraced the remaining five; as well as a further principle that reflects the specific NAV context we operate within. The resulting principles are to:

- Provide an exceptional customer experience that surpasses the service received by customers of incumbent water companies;
- Deliver outcomes that customers value at a price they are willing to pay;
- Engage our customers to achieve the right outcomes at the right time and price.
- Meet customer needs through both our planning and day-to-day service delivery;
- Take responsibility for engaging customers and demonstrate that it is done well; and,
- Acknowledge, and ensure, that engagement reflects individual circumstances.

CUSTOMER STATEMENT

Section three:

Our 2024-25 service performance

3. Our 2024-25 service performance

We are focused on continuously providing excellent service and network performance to our customers and therefore closely monitor our service levels via detailed management reporting, executive reviews, and quarterly board meetings. We are aware that the comparisons presented in this section are based on data from different operational years (namely IWNL data for 2024-25 and incumbent data from 2023-24), and that differential operating conditions may lead to differential trends in performance data. However, we note the value of including benchmarking data to provide a comparator to our performance and, with this in mind, have presented our results against the most recent publicly available incumbent data.

The following section presents an overview of IWNL customer service performance across a range of areas, including price; vulnerable customer service; complaints; telephony response; customer satisfaction; unplanned outages and supply interruptions; guaranteed standards; leakage; and per capita consumption.

3.1 Price

We review the prices that we offer to our customers on an annual basis to ensure that they provide better value than those of the incumbents. This was achieved in 2024-25 by:

- Continuing to use incumbent price points as a proxy for IWNL 2024-25 retail charges.
- Retaining a household customer Direct Debit discount of £3.50 per annum in 2024-25.
- Retaining a household customer e-billing discount of £1.50 per annum in 2024-25.
- Retaining a 2.5% water volumetric discount for household customers in 2024-25.
- Continuing to use Ofwat recommended Guaranteed Standards of Service payments.

We remain committed to regular pricing reviews to ensure our customers continue to receive an efficient, high-quality service that represents value for money; and the scope for us to achieve this, will only increase if the established charging rules fully reflect the value that NAVs deliver. However, we continue to have concerns that the current bulk supply tariffs do not reflect the value that NAVs provide where we deliver last-mile services to end customers. Recognising this, we have engaged in ongoing discussions with the INA and Ofwat over the past five years or so regarding the bulk supply tariffs we receive from incumbents. These discussions culminated in the publication, in May 2025, of an Ofwat consultation Rules for bulk charges for new appointees which proposes the establishment of charging rules for incumbent English water companies which they must comply with in setting their bulk charges for NAVs. Ofwat proposes the rules should take effect in April 2026, and we are optimistic that we can reach a solution that not only provides greater transparency regarding the approach incumbents take when setting their bulk charges but also more accurately reflects the value that NAVs provide.

3.2 Vulnerable and water poor customers

In recent years, all utility companies have become more aware of the importance they should attach to understanding the varied guises that vulnerability can take, as well as the potential implications this can have for the lifestyles of affected customers, the specific needs these customers may have, and the ways in which utility offerings can be tailored accordingly. IWNL has been on this journey alongside our incumbent utility counterparts, and we are aware that it is one that does not have a clear endpoint. In this respect, we expect our understanding of the IWNL customer base to continue to improve ad infinitum. At the same time, we expect the communities to whom we provide services to change, with perceptions of the factors that can lead to vulnerability also evolving.

Despite the inevitable difficulties that accompany a continually evolving environment, we are seeking to wholeheartedly embrace the challenge. In this vein, early in the 2023-24 regulatory year, the IWNL retail team worked hard to develop, and implement the provisions of, our **vulnerable customer strategy**; which was made available from the IWNL website in the Autumn of 2023. We have since updated this strategy, in June 2024 and more recently in June 2025, to reflect lessons learned and emerging best practice.

We have also become increasingly aware of the potential role that the recently established standard related to consumer vulnerability and inclusive services could have in supporting our business objectives. In this respect, in 2022 we identified an emerging best practice whereby utility service providers were seeking accreditation under ISO 22458 'Consumer vulnerability'. The standard was established in 2022 and specifies requirements and guidelines for the design and delivery of inclusive services at all stages of the customer journey. Following a review of the specifications, we recognised that achieving accreditation under this standard would help to further our commitment towards helping customers in vulnerable situations by ensuring that all elements of our customer offering were effectively inclusive of this wide-ranging group of customers. In addition, we acknowledged that attaining this accreditation would ensure we were well-placed to secure compliance with Ofwat's customer focused licence condition as well as the associated Paying Fair Guidelines, and Vulnerability Guidance.

The IWNL Board understood the value of the ISO22458 accreditation in terms of assuring that we have the relevant arrangements in place to effectively deliver against our commitment to our customers that find themselves in circumstances of vulnerability. We therefore initiated the process to attain accreditation soon after identifying emerging best practice in this area; first carrying out an informal internal review of our processes in November 2022 and then an informal external review of our processes with an ISO assessor in October 2023. The formal stage 1 audit took place in February 2024 and identified some areas for improvement which we duly addressed in advance of the stage 2 assessment, which was completed in May 2024. We received the formal kitemark certificate demonstrating our compliance with ISO22458 in September 2024 and accreditation was awarded on a three-year basis; with annual reviews required to ensure our continued compliance with the standard.

Linked to the inclusiveness of our services is the accessibility of our materials and we recognise the importance of ensuring that, where customers visit our website, they are able to easily find, engage with and understand the information we provide. To this end, in the past couple of years we have focused on improving the accessibility of our website, using the web content accessibility guidelines to inform our approach. The work that we have progressed in this area helped us to attain a website accessibility of 97% in February 2024 and, over the course of 2024-25, we have improved performance further; achieving a rating of 99% which makes the website AA rated. Many companies strive to reach this benchmark as it not only ensures that websites do not contain elements that makes them inaccessible to users with disabilities but also addresses a broader range of accessibility issues. For example, it ensures that there are no traps for keyboard users, that non-text content has text alternatives and that contrast ratios are sufficient to ensure pages are readable by users with vision-related disabilities. We are committed to maintaining these high levels of accessibility of our website content into the future.

3.2.1 Our understanding of vulnerability and changing societal conditions

Our experience to date has taught us that vulnerability can come in a range of guises, and can be temporary,

sporadic or permanent in nature. It is a fluid state that needs a flexible, tailored response from us as a company. Many people in vulnerable situations would not necessarily classify themselves as 'vulnerable', and it is therefore our responsibility to pick up on the signs and act accordingly. A vulnerable customer may be someone that:

- uses medical equipment and is reliant upon electricity or water.
- undertakes dialysis treatment at their property.
- is blind or partially sighted.
- is deaf or hard of hearing.
- has loss or impairment of smell.
- has a disability (including mental health), or who is chronically ill.
- needs documents to be translated into another format or language.
- lives with children under five.
- has restricted movement.
- is of pensionable age.
- has dementia.
- has mental health concerns.
- is experiencing financial hardship.

- is isolated geographically.
- temporarily needs extra support.

As outlined in Section 2.1 above, we have always been cognisant of the challenges faced by customers in vulnerable circumstances. However, over the past few years this has been particularly relevant given the cost-of-living and energy crises; both of which have had the potential to make living conditions more difficult for vulnerable customers in particular. We have, therefore, kept our vulnerable customer strategy under review to ensure its continued applicability given prevailing circumstances, to monitor any possible gaps that might emerge and to clarify the support available to those that may be experiencing challenging circumstances and / or financial hardship. We seek to proactively engage with our vulnerable customer base to better understand the specific services we can offer to enhance their customer experience and we have also developed an external-facing copy of our vulnerable customer strategy, which we posted onto the IWNL website in Autumn 2023. We have since updated this strategy, in June 2024 and more recently in June 2025, to reflect lessons learned and emerging best practice.

As outlined in the preceding section, in September 2024, we were successful in securing ISO22458 accreditation which demonstrates our full commitment to supporting our customers who find themselves in circumstances of vulnerability. One of the actions that the ISO22458 process prompted us to consider was around the use of a paid partnership with a charity that could provide insights on how best to support our vulnerable customers. Through discussions with CCW, we considered several possible charities and engaged these charities to assess the relative merits of their offerings. Recognising that the main reason underpinning the inclusion of our customers on the priority services register (PSR) was disability, we concluded that Scope could play a valuable role in bridging existing organisational knowledge gaps around the best way to support these customers. It was for this reason, and recognising the holistic approach that the organisation takes to issues of vulnerability, that we concluded that Scope would be the most suitable partner for IWNL. Working with them has facilitated multiple benefits including:

- bespoke training opportunities that have focused on helping our staff to better serve the needs of our vulnerable customers who have disabilities;
- communications audits to ensure that we are engaging in the most appropriate way;
- use of the Scope insight team which provides first-hand feedback on a range of key issues from a panel of disabled customers; and
- SUM Membership which is a collaborative collective of members of the Utilities sector working together to provide better outcomes and experiences for disabled people.

This partnership has helped us to become more proactive in identifying customers that could qualify for inclusion on the PSR. This is of particular value given that many people in vulnerable situations do not necessarily identify themselves as such, and this therefore underscores the importance of us taking responsibility for picking up on any signs of vulnerability and acting accordingly. Recognising this, our customer service advisors receive targeted training to help them to identify customers in vulnerable circumstances, particularly where they suffer from a disability. The training provides a brief description of some of the more common conditions that could place customers in a position of vulnerability[2] and, for each condition, presents:

- a summary of the key characteristics of the condition;
- the adaptations or changes that could be made to support them; and
- any charities that could offer further support or care for these individuals.

The training is complemented by a decision-making matrix which helps to guide our customer service advisors on how best to engage different types of customers given the level of comfort, and understanding, that they demonstrate during the call. The combination of these efforts has enabled us to identify an increasing volume of our customer base who qualify for inclusion on our PSR and, between 2023-24 and 2024-25, we have seen an increase in the volume of our customer base registered on the PSR, from 11% to 18%. We note that this compares favourably with the respective proportion of incumbent water company customers registered on their PSRs; which ranges from 7.2% to 12.5. [3]

[2] The conditions that may place people in vulnerable situations which we training our customer service advisors to identify during phone conversations include: Autism, dyslexia, dyspraxia, ADHD, OCD, Tourette's, schizophrenia, depression, bipolar, Alzheimer's, dementia, visual impairment, hearing loss, language issues and bereavement

[3] Ofwat - Water Company Performance Report – published October 2024

3.2.2 Services we offer to support our customers facing non-financial vulnerability

We understand that most utility companies face challenges when seeking to identify and engage with their vulnerable customers, given the size of the customer base that they serve. This is particularly pertinent as our experience has highlighted that end customers are not typically proactive in responding to utility companies requests to update customer information. As outlined in the preceding section, we have found our paid partnership with Scope to be valuable in terms of enabling us to identify greater volumes of our customer base that qualify for registration on our PSR. We also recognise the unique window of opportunity that many utility companies, particularly independent network operators / retailers, have to engage with every customer on their network when the customer registers for utility services.

As a NAV in the water market, we expect all of the customers that we acquire to register with us, and our registration process includes a step that captures key customer information that may indicate whether a customer falls within a category of possible vulnerability. To take full advantage of the opportunity that the registration process provides to attain insights on our customers and their needs, at the end of 2024 Scope took forward a project on our behalf to better understand disabled customer views on the accessibility and usefulness of our current process. The project comprised a quantitative survey, completed by the Scope insight team, which focused on understanding general customer experiences of registering with utilities. The quantitative survey was complimented by User testing, completed by a representative sample of customers, which specifically looked at their experience of the IWNL registration journey. Scope provided feedback to us on the outcomes from this work in February 2025 and we are using these insights to reshape the digital registration journey for our customers; with the aim of fully utilising the opportunity to gather critical information and making the process more accessible.

Given the varied forms that vulnerability can take, we recognise that a 'one size fits all' approach will not meet the needs of every customer we serve across our network. Having said that, we do understand that some classes of vulnerable customers have discrete needs that we can effectively meet where we offer defined services. In this respect, we have developed a range of bill management services that our customers can register for, such as talking bills (over the phone); braille bills and documents; large print bills and documents; text-direct; translated bills; and nominee services.

3.2.3 Methods we use to help identify customers facing financial vulnerability

We recognise the specific challenges that our customers face where they find themselves in water poverty. For many people, these challenges have increased over the past few years due to rises in the cost-of-living. Where our customers are experiencing difficulties paying their water bills, we ask them to get in touch, either on the phone or via our website, and try to help them identify possible support in the form of financial assistance.

We also recognise that, where our customers are experiencing financial difficulties, they are likely to be facing emotional strain too and, as such, any action we can take that will help to alleviate the effects of this stress will be welcome. We are currently working to integrate our processes with the Experian database which will help to improve our ability to create tailored communication journeys for different groups of customers facing financial vulnerability. The contract we have established with Experian will allow us to access customer credit-rating data and this information will enable us to segment individuals into discrete groups with shared characteristics. This information will be invaluable in enabling us to tailor the corresponding communications we send to customers about their bills, recognising the different needs and preferences of these discrete groups. Access to Experian data will also enable us to better predict where our customers are likely to fall into debt and therefore where we should focus appropriate support, in the form of targeted communications, advice and services. In addition, Experian will enable us to influence customer credit ratings where they do not pay their water bill, and this could encourage customers to take necessary steps to pay their outstanding balances; thereby reducing the debt that they might otherwise accrue. We are currently in the process of incorporating Experian into our standard customer registration process.

Work in this area will complement the dedicated webchat for collections that we recently implemented to support our customers that are experiencing difficulties in paying their bills. This facility provides a direct route for customers facing challenges in paying their bill by connecting them to a trained customer service advisor that can offer targeted support in helping them to navigate the available options that could help them to reduce their outstanding debt. This service effectively allows our customers to self-select themselves for a discussion with a

trained customer service advisor at an earlier stage in their journey and will hopefully help to avoid them accruing unnecessarily high levels of debt that they are likely to struggle to repay.

3.2.4 Services we offer to support our customers facing financial vulnerability

In late 2023 / early 2024 a suite of enhancements to the Customer Relationship Management (CRM) system were introduced, which greatly improved the service we can provide to our customers. These improvements were introduced after attending a series of collaborative workshops hosted by CCW to discuss the Paying Fair Guidelines; where best practice concepts and ideas were openly discussed. As a result of these changes, we can now do the following.

- Ask customers to provide an actual meter reading, enabling us to instantaneously give them an updated account balance and the option to settle their bill at the same time. This billing functionality was introduced with the aim of helping customers who do not have a regular income and who may receive their payments in irregular patterns, such as gig economy workers.
- Agree weekly and fortnightly customer payment plans. This is facilitated by a more granular assessment of their spending which informs a mutually agreeable weekly payment pattern that will help the customer to manage their finances. Updates to the system also allow for direct debits to be scheduled on a weekly or fortnightly basis; and similar provisions to be implemented for payments via credit or debit card.
- Introduced an online income and expenditure assessment form, that is aligned to the Money and Pensions Advice Standard Financial statement format. This allows customers to complete an income and expenditure assessment in their own environment, reducing potential time pressures they may feel when on the phone to a customer service advisor.
- Introduced improved functionality for nominating third party account management which, for example, facilitates a straightforward transition to power of attorney account management.

In addition to the suite of enhancements we introduced in 2023-24, in 2024-25 we developed a clear plan to more proactively support IWNL customers experiencing financial difficulties. The plan was implemented recognising the aims of the customer-focused licence condition (Condition G) and the levels of support we should be providing to our end customers, primarily through the provision of social tariffs. We are pleased with the impact that the plan has had as we have seen material increases in the number of IWNL customers registered for social tariffs. This has been achieved through the provision of additional signposting around our offer to match the social tariff provided by the incumbent water company operating in a given area, the extension of webchat discussions to include social tariffs, and the inclusion of a reference to the availability of social tariffs in the customer registration journey. Despite positive improvements in the number of customers registered for these tariffs, we have a continuing aspiration to support all IWNL customers that need extra help and are therefore planning further work to support this goal. In this respect, we recognise the need to ensure that existing customers in positions of financial vulnerability are also aware of, and given access to, our social tariff offering. As such, we are intending to use a combination of our PSR and credit reference agency databases to begin to create a profile of our existing customer base that may qualify for additional support and proactively contact them to offer a social tariff.

In April 2024 we also introduced a debt-matching scheme. This scheme was intended to help address the challenges faced by financially vulnerable customers where they find themselves accruing debt and, where possible, to help customers reverse such trends with the intent of reducing their associated levels of stress. To this end, our new debt 'matching scheme' enables us to engage customers regarding the debt they are in, speak to them about the amount they can afford to pay over a given period and then offer to match these payments. While this is a relatively new scheme, with limited numbers of customers currently registered, we expect it to provide additional incentives to pay bills given the benefit of IWNL matching customer contributions, which will help our customers work themselves out of debt more quickly.

In addition to our efforts to improve the take-up of our social tariffs, and the establishment of a debt matching scheme, we also continue to offer the following products and services to our customers facing financial vulnerability.

- **WaterSure scheme:** The WaterSure scheme was established by government in 1999 and was designed to cap water charges for customers experiencing water poverty. If a customer is accepted to the WaterSure scheme they will pay the lower of either their metered water bill (which is based on consumption) or an annual charge that reflects the average domestic customer bill for water and / or sewerage services in their area. In

2022, we implemented changes to effectively streamline the WaterSure renewal process and in cases where our customers must reapply for the WaterSure scheme our enhanced process will ensure they have continued access to this valuable support while their application is processed.

- **WaterDirect:** WaterDirect makes it possible for our customers that receive income support, job seekers allowance, Universal Credit, pension credits, or Income Related Employment and Support Allowance from the government, to arrange for payments to be made directly from their benefits. The rules of this scheme mean the service is only available to customers that are in arrears with their water and / or wastewater bill.

In line with its role as economic regulator of the water and wastewater sector, Ofwat has actively considered the increasing levels of water poverty that have been observed during the cost-of-living crisis and, in this context, the steps that water and wastewater companies should take to provide effective support to their vulnerable customer base. To this end, in May 2022 Ofwat published new guidelines providing guidance to water companies around the role they should perform in supporting residential customers pay their bill, access help and repay debts. We are committed to ensuring the products and services we offer align to, and where possible surpass, the expectations of the regulator that were set out in these guidelines. As such, in developing any new offerings, we have regard to the potential interactions they may have with these guidelines. We initially completed a review of our compliance with the customer-focused licence condition in March 2024, following implementation of this licence change in February 2024. In assessing our 2024-25 performance as part of the development of the IWNL annual return, we refreshed our internal analysis in terms of the level of compliance that we demonstrate with these guidelines. We believe that we have achieved an increased level of compliance in 2024-25 and in many areas have surpassed the expectations set out by Ofwat.

3.3 Complaints

The Consumer Council for Water (CCW) defines a complaint as "any inbound contact from a customer not eligible to switch retail provider…that expresses or implies dissatisfaction with the charges, service or functions provided by the company". As the definition reflects some level of customer dissatisfaction, we work hard to minimise customer complaints as far as possible.

In previous reports we presented data on customer complaints compared against equivalent disaggregated data regarding incumbent performance in this area. However, as the incumbents no longer publish their complaints data in this format, we no longer have access to details regarding the proportion of written versus verbal complaints that they received. Despite this, we have continued to disaggregate the reporting of our complaints data as we believe this offers the most transparency as well as providing consistency of reporting.

As shown in Figure 1 below, there has been an increase in the absolute number of complaints received by IWNL in the 2024-25 reporting year as well as in our complaints per 10,000. In this respect, in March 2024 our complaints per 10,000 customers was 1.23, whereas in March 2025 it had risen to 3.49. We note that this should be considered within the context that, between March 2024 and March 2025, IWNL customer numbers rose from 73,000 to 111,599, but we also acknowledge that we have some work to do to address this trend. Analysing our performance further, we can see that our written complaints score increased from 26.26 in 2023-24 to 39.9 in 2024-25. We think that this reduction in performance could be linked to the Direct Debit review that we have been conducting, particularly given that billing and payments issues comprise many of the complaints we have received. Additionally, there have been issues with WaterSure and social tariff applications not being backdated, which has led to further complaints, attributable to standard industry practise.

FIGURE 1: NUMBER OF COMPLAINTS IN 2024-25 AND 2023-24 – WRITTEN AND VERBAL

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Customers	75,286	78,975	81,547	84,294	87,673	90,633	95,200	98,617	100,858	104,534	107,957	111,599
Complaints												
Verbal	14	16	19	26	20	28	19	21	15	21	26	27
Written	5	18	12	8	7	6	10	5	5	8	12	12

	Apr 23	May 23	Jun 23	July 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Customers	43,000	45,000	49,000	51,000	54,000	56,000	59,000	62,000	65,000	66,000	70,000	73,000
Complaints												
Verbal	7	8	2	4	2	9	8	14	8	8	12	13
Written	2	4	1	5	3	0	2	13	4	5	7	6

3.4 Telephony response times

In recent years, we have noticed an increasing customer demand for contact centre availability beyond weekday hours as well as an increasing number of enquiries being received at the weekend / on bank holidays via other communication channels. We therefore recognised that an increase in the opening hours of our contact centre could enhance service delivery to our end customers in several ways. For example, by ensuring our advisors are available when customers need them, by improving our response times and by enhancing our comparative industry position in terms of customer service provision.

In light of the emerging needs of our customers and the benefits that could be attained, we decided to implement a new way of working whereby our contact centre would be open on weekends and bank holidays between 9am and 5.30pm; up from the previous schedule of weekdays and Saturday mornings. We recognised that the increase in our opening times would be particularly beneficial for our vulnerable customer base given that they would be more likely to contact us to ask questions around their bills, request emergency credit, or to enquire about registration on the PSR. We also anticipated that it would enable us to provide personalised support to customers where incidents took place over the weekend or in bank holidays and to issue more frequent, targeted communications over these periods. The extended 365 days a year / 7 days a week working hours took effect from May 2025 and we have had significant positive feedback from our customers about the change.

In a similar vein, we know that if customers need to contact us, they want the process to be straightforward and streamlined. Recognising this, we have long-established internal targets for the percentage of calls that are (a) answered, and (b) answered within 20 seconds. Figure 2 below presents our performance across both measures during the 2024-25 reporting year. It shows that we mostly met our targets of 97% of calls being answered, and 88.75% of calls being answered in 20 seconds, for the entire reporting period. Unfortunately, we missed our target of answering 90% of calls in 20 seconds for seven months of the year but we note that the targets were only fairly narrowly missed in each instance.

FIGURE 2: PERFORMANCE ON TELEPHONY AND WEBCHAT RESPONSE 2024-25

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Percentage of calls answered (target >=97%)	99%	99%	99%	96%	98%	96%	99%	97%	98%	97%	97%	98%
Percentage of calls answered in 20 seconds (target >=90%)	92%	94%	95%	85%	88%	83%	94%	86%	86%	85%	87%	90%
% of webchats answered versus offered	100%	100%	100%	99%	100%	99%	100%	96%	100%	100%	100%	99%
% of webchats answered within 30 seconds	100%	100%	100%	99%	100%	99%	100%	96%	100%	100%	100%	100%
Average wait time for chat to begin (seconds)	1	1	1	1	1	1	1	2	2	2	4	1

Our 'percentage of calls answered' performance for 2024-25 has remained similar to levels achieved in 2023-24, while there has been a slight deterioration of our performance on the 'percentage of calls answered in 20 seconds'. Regarding our 'percentage of webchats answered versus offered', we have achieved a slightly better result for 2024-25 than last year. For the 'percentage of webchats answered within 30 seconds' we are much improved for 2024-25, while the average wait time is almost identical.

Meeting our ambitious targets on the quality of our customer telephony service requires that our contact centres are fully resourced and that our employees are effectively trained to enable them to deal with customer requests professionally and efficiently. Indeed, all our calls are answered by an advisor, which avoids the need for customers to choose from a series of options on an automated menu. This helps reduce any confusion about which option to select while also ensuring that none of our customers are inadvertently misdirected.

Our short call waiting times are complemented by the availability of webchat which allows customers to engage in a real time dialogue with an IWNL advisor. Figure 2 above also contains data regarding IWNL performance in responding to webchats. The data shows very high levels of performance from IWNL in effectively responding to webchat requests and responding quickly; with performance consistently at or above 96% over the entire 12-month period, and only falling to 95% for one month of the year. The average wait time for webchat to start was 1.5 seconds over the entirety of this period which compared to an average inbound wait time for calls of 30 seconds.

In previous IWNL customer statements, we committed to the implementation of WhatsApp as an additional communications channel, with the intent of enhancing customer service by offering a further way for individuals to receive a real time response to any enquiries that they might have. Although the process of establishing this method of communication took longer than anticipated, it has now been implemented and has effectively increased the number of communication channels that are available to our customers. Customers have responded positively to the availability of this new option for interacting with us and we are seeing increasing volumes of enquiries coming via this route given the direct channel it provides to a dedicated IWNL team.

Historically our contact channels have included post, phone, live chat and webforms and, in recent years we have sought to improve the means by which customers can contact us, so that they can feel empowered to tell us what is important to them. Relevant examples, discussed above, include increased customer contact centre opening hours, the availability of WhatsApp as an alternative way to engage IWNL and the establishment of a dedicated webpage for collections which provides easy access to relevant advice for those customers in financially vulnerable situations. Our plans are driven by customers priorities, so we aim to actively listen and respond to their views; providing targeted solutions to the challenges that they face on a day-to-day basis. In the past year, we have also formalised a paid partnership with Scope and this has given us access to a targeted advice and resource which we have been able to use to shape our customer offerings in the way described in the preceding sections. We have also made several additions to our website to improve the availability and accessibility of information and the combination of actions in this area have helped us to achieve an accessibility rating of 99% which makes the website AA rated. As outlined above, this not only ensures that our website does not contain elements that makes it inaccessible to users with disabilities but also addresses a broader range of accessibility issues.

3.5 Customer Satisfaction

A critical measure of our customer service performance and the work we have undertaken to improve the accessibility of information, advice and customer support is the overall levels of customer satisfaction we achieve. There are a variety of possible ways that we could measure our performance in terms of customer satisfaction, and we are committed to the use of a measure that is objective and based on industry-leading thinking. Similarly to previous years, we have compiled data from two key sources to enable us present an overview of comparative industry performance on a range of customer satisfaction measures. The first was the final report from Accent regarding 'C-MeX and D-MeX' performance during the 2023-24 reporting year, published in October 2024[4]; and the second was the CCW publication presenting data regarding 'Household customer written complaint handling by water companies, 1 April 2023 – 31 March 2024'[5]. We have been working with Accent to better understand how the C-Mex operates in practice.

The resulting league table, presented below in Figure 3, illustrates comparative IWNL performance, measured against incumbents across the industry, using the Net Promoter Score (NPS), customer likelihood to recommend, and customer complaints metrics.

FIGURE 3: CUSTOMER SATISFACTION PERFORMANCE 2023-2024/ 2024-2025

Likelihood to recommend	
Company	Score
Portsmouth	82.4
Wessex	81.2
Bristol	81.2
IWNL	79.5
Northumbrian	79.2
Welsh Water	77.9
United Utilities	74.2
Yorkshire Water	72.3
Anglian Water	72.2
Hafren Dyfrdwy	70.7
South Staffs	69.3
Severn Trent Water	67.8
Affinity Water	67
South West Water	66.5
SES Water	65.3
South East Water	62.8
Southern Water	56.9
Thames Water	53.8

Net Promoter Score (NPS)	
Company	NPS
Portsmouth Water	41
IWNL	40
Wessex Water	39
Bristol Water	38
Northumbrian Water	34
Welsh Water	32
United Utilities	18
Yorkshire Water	17
Anglian Water	16
Hafren Dyfrdwy	13
South Staffs	4
Severn Trent Water	3
Affinity Water	1
SES Water	-3
South West Water	-4
South East Water	-9
Southern Water	-21
Thames Water	-28

Complaints per 10,000	
Company	No.
Hafren Dyfrdwy	22.5
Bristol Water	23.4
Portsmouth Water	24.3
Wessex Water	25.6
Severn Trent Water	31.2
Northumbrian Water	33.1
Anglian Water	34.4
IWNL	39.9
South East Water	49.1
SES Water	55.2
South Staffs	59.5
Welsh Water	62.1
United Utilities	63.6
Affinity Water	68.2
South West Water	79
Southern Water	91.3
Yorkshire Water	97.6
Thames Water	139

[4]https://www.ofwat.gov.uk/wp-content/uploads/2024/10/2023-24-C-MeX-D-MeX-Y4-Report-Ofwat-Final.pdf
[5]https://www.ccw.org.uk/publication/household-complaint-handling-report-2024/

Figure 3 above illustrates relative IWNL performance in 2024-25 as compared with incumbent performance on customer satisfaction in 2023-24. As noted above in the discussion regarding IWNL complaint performance, we are aware that the comparison in Figure 3 is based on data from different operational years but note that this is the latest industry data available. Based on this comparison, the following conclusions can be drawn.

- We are the second highest performer in the industry as measured by the NPS, retaining our position from last year.
- We are fourth for performance on the likelihood to recommend measure, which shows a slight improvement in position, despite a slight decrease in our relative performance, as compared with incumbents, in 2024-25.
- We are mid-table in terms of complaints, which shows a slight decrease in our relative performance, as compared with incumbents, in 2024-25.

We are pleased with our continued industry-leading performance on the NPS as well as our strong performance on likelihood to recommend but recognise the slight decline in our performance on customer complaints and intend to work hard over the course of the coming regulatory year to seek to reverse this trend. We understand the importance of continuing to deliver an exceptional customer experience and therefore continually seek to understand whether there are any areas of our performance where there is scope for further improvement.

3.6 Unplanned outages and interruption response times

Ofwat has defined unplanned outages as "annualised unavailable flow, based on the peak week production capacity (or PWPC), for each company"[6]. It has described an unplanned outage as "a temporary loss of supply leading to a risk of customer impact" and clarified that "only outage events which exceed 24 hours in duration are included in this measure"[7].

In the 2024-25 regulatory reporting year, IWNL reported six unplanned network outages that exceeded 24 hours in duration. The overall average duration of all 166 unscheduled outages that IWNL experienced in 2024-25 was 5.45 hours. The main cause of these outages was a loss of supply to our last-mile network due to disruption on the upstream water network. Indeed, 85% of all incidents were caused by upstream faults, while 91% of all of the minutes that IWNL customers were without water were due to upstream failures. In terms of customer impact, 73 of our customers were affected by an unplanned outage of longer than 24 hours in duration and only one unplanned outage affected more than 10 customers. This outage was caused by a burst on the Southern Water network and affected 50 IWNL customers.

Unfortunately, these statics demonstrate that our performance on unplanned outages in 2024-25 has deteriorated as compared with our performance in 2023-24, where IWNL reported 25 unplanned outages across the network, but none of these exceeded the threshold of 24 hours. In recognition of this, we would note that 85% of the outages that occurred were due to incidents on the upstream network and therefore outside of our direct control.

The increased incidence of outages on our networks underscores how crucial it is that we have robust arrangements in place to respond to a potential incident on our network. As such, over the past few years we have initiated discussions with incumbent water and wastewater companies about the potential to contract with them for standby emergency response services which we could call on to support the effective and coordinated management of an incident on one of our networks. Recognising the knowledge of, and familiarity with, the local network area that incumbent emergency crews have, we anticipate that they could provide a more responsive service than the equivalent services provided by the independent emergency crews with whom we have traditionally had standby contracts. In addition, the economies of scale that incumbents can take advantage of mean that they should be able to provide these services at a more competitive price. The combination of these impacts would mean customers could receive a service that was both lower in cost and higher in quality. To date, we have established emergency response contracts with five incumbents, have imminent agreements with three others that are not yet live, and are actively pursuing discussions with the remaining incumbents to explore the possible provision of these services in the future.

In line with Defra regulatory requirements, we have established and maintain a contract with Water Direct which ensures that, if we do experience an emergency incident, we will be able to provide all of our customers with access to at least 10 litres of water per person per day. If required, Water Direct would supply this water, following

[6]PR19 Final determinations: Delivering outcomes for customers policy appendix
[7]Final reporting guidance for PR19 – supply interruptions

an unplanned outage, via an individual water tanker, multiple water tanks or in the form of bottled water.

We have also taken the decision to ensure that during major incidents, we will deploy on-site customer liaison officers, to ensure that customers can have face-to-face interactions with a member of staff to answer any questions. This will be in addition to being able to access up-to-date information via the incident portal. We have taken these steps to provide the best possible customer service during times of stress and need, to ensure that our customers can ask questions and voice their concerns. We will then do all we can to alleviate their problems until a solution can be found. In addition, our contact centre is now open 365 days a year, 7 days a week so our customers can contact us directly every day of the year should something go wrong, or if they need a question to be answered. Similarly, we have improved our website accessibility to 99% (AA rated), so if it is information on their provider that our customer is searching for, we are now in a much better position to provide that as well.

3.7 Guaranteed minimum standards of service payments for 2024 - 25

Customers of water and sewage companies are entitled to guaranteed minimum standards of service (GSS), as laid down by the Government in the Water Supply and Sewerage Services (Customer Service Standards) Regulation 2008. In 2019, the government and Ofwat updated the recommended payments and IWNL implemented corresponding revisions to our payments for the for the 2019-20 regulatory year; which remained in place for 2023-24. Figure 4 below outlines IWNL's 2023-24 performance figures and shows any associated penalty payments that were made to end customers.

FIGURE 4: GSS PAYMENTS 2024 - 25

Description of Standard		No. of Failures	Total Compensation Paid (£)
Keeping of appointments	Failure to provide notice in the required form Failure to attend appointment Failure to attend appointment during the time specified	0 36 0	£0 £1,040 £0
Complaints, account queries, and requests about payment arrangements	Failure to reply to a complaint or query within 10 working days Failure to reply to a request to change payment arrangements within 5 working days	3 16	£125 £320
Notice of supply interruption	Failure to provide at least 48 hours' notice of an interruption to supply	71	£2,130
Entitlement to payment or credit where do not restore supply as promised	Failure to restore supply by the time and date specified in the notice Failure to restore supply within 48 hours of a leak or burst Failure to restore supply within 12 hours	486 0 307	£14,580 £0 £29,475
Pressure standard	Failure to meet the pressure standard	2	£85
Flooding from sewers	Number of internal sewer flooding incidents Number of external sewer flooding incidents	0 0	£0 £0
Timing of payments	Penalty payments made	0	£0

3.8 Leakage

Some degree of leakage from the distribution network is unavoidable. It may occur from storage facilities, transmission mains and distribution mains or from service connections to the customer meter. Leakage is normally the largest component of losses from a water supply system, but it is not the only component. Illegal connections may constitute real losses while meter inaccuracies may give rise to 'apparent' losses. Combined with leakage, these 'real' and 'apparent' losses make up 'unaccounted-for water' (UFW). IWNL has agreed UFW target rates of 5% of distribution input.

We calculate leakage using data regarding retail volumes (the water used by our customers), site boundary volumes (the water supplied to our sites by incumbents) and assumptions around the volume of water used for both construction and operational flushing. The retail and site boundary volumes are based on customer bills and invoices received from incumbents respectively; these volumes are calculated using assumed and actual meter reads. The same approach has been used for past submissions and for this year's Ofwat return. Whilst the leakage figure for last year was at 5.41%, this year's figure has been higher than anticipated at 16.95%. We are unclear on the reasons for this increase in leakage figures and are therefore planning to investigate the source data to better understand what has changed. As part of this investigation, we will explore the use of other sources of data such as actual bulk meter data, where this is readily available, to improve our reporting next year.

Although our own performance has declined when compared to previous years, when we look at comparative performance across other water companies, IWNL still performs favourably. In this respect, calculations demonstrate that, across IWNL sites, the average leakage in 2024-25 was 53.89 litres / connected plot / day, which is up considerably from 2023-24 where the average was 12.98 litres / connected plot / day. Nevertheless this compares favourably with the 2023-24 industry average value reported by Discover Water of 111 litres / property / day. We note that care should be taken when comparing our leakage figures numbers with incumbent network losses as these also include production and high-level distribution losses which are not present in a NAV network.

3.9 Per Capita Consumption (PCC)

An increasing population means extra demand for water and, combined with increasingly erratic weather patterns, this could lead to more droughts in the future. It is therefore more important than ever for every customer to take care with their water use. The volume of water consumed per customer (Per Capita Consumption (PCC)) is the industry standard calculation of annual water consumption per person and a key output measure for the water industry.

The 2024-25 IWNL weighted average PCC was 117.9 litres / person / day (compared with 112.3 litres / person / day in 2023-24). This compares favourably with the latest industry average of 137 litres / person / day in 2023-24; which reflects three-year average data from April 2021 to March 2024 according to Discover Water. It also compares favourably to the respective industry average PCC for metered and unmetered customers of 122 litres and 171 litres / person / day in 2023-24.

When looking at individual performance of incumbent companies in 2023-24, for metered consumption, IWNL would have had the fifth best PCC behind Severn Trent and Hafren Dyfrdwy, which had respective PCCs of 103 litres / person / day for their metered customers. IWNL also performed considerably better than the worst performing companies which, for metered consumption, was Northumbrian and Essex and Suffolk and South East with 137 litres / person / day and, for unmetered consumption, was South West and Bournemouth with 294 litres / person / day.

IWNL currently advise all customers of their water consumption on their bills and distribute a waterwise message to customers via a summer and winter newsletter. In addition, we are in the process of contacting customers who reported internal leaks to see if they have been resolved and plan to target higher consumption sites with waterwise messages given their relatively high levels of PCC. We anticipate that these measures will contribute to a reduction of consumption. We will also continue to monitor PCC across all our sites.

We have also taken the decision to renew and improve our 'Welcome Brochures' for new customers. Within these brochures we provide helpful hints and tips to our customers for how they can reduce their water usage, in the kitchen, bathroom and garden. This will save our customers money, whilst also reducing the amount of water that needs to be taken from the environment. This will ensure that customers can use less water throughout the year, which is important; if less water is used in the Winter, then there will be more available in the Summer.

IWNL promote water efficiency to our customers and have been aiming of reducing PCC below the Government standard of 125 litres / person / day for new homes. IWNL is also considering environmental solutions and water recycling strategies to meet the specific water demand requirements for each inset licence appointment.

To this end, IWNL partnered with Affinity Water as part of the Ofwat innovation funded project, Water Neutrality at NAV Sites. The aim of the project was to create a water neutral housing development at IWNL's NAV site, Bidwell West, through minimising water usage at the new development site and offsetting the additional demand by reducing demand in Affinity Water's upstream network. A water saving, behavioural campaign was launched during which customers were encouraged to make a "water saving pledge", such as turning the tap off when brushing teeth or using a watering can instead of a hose for gardening, with nearly half of all residents making one or more pledge. The analysis suggests a saving of 9.25 litres per property per day for those customers making pledges, whilst savings of 7.25 litres per property per day were seen for properties who did not make a pledge, which suggests that the campaigning was still a success regardless of whether customers made a pledge or not. IWNL will use this learning to help shape future water saving communication to customers. Furthermore, 1,000 smart meters will be installed on the development to ascertain the impact of upgrading to smart meters from AMR meters and to continue monitoring the impact of the campaign.

3.10 Water Quality

IWNL takes its obligations to maintain safe and high-quality drinking water as its most important regulatory obligation. To do this IWNL completes proportionately more water quality sampling visits than incumbents. The average number of sampling visits per 1,000 population across the industry was 2.49 in 2023; and compares with an average sampling rate of 2.44 in 2022. Internal IWNL data shows an equivalent figure of 9.44 sampling visits per 1,000 population in 2024, with 12.62 sampling visits per 1,000 population in 2023. These can be set against the figures of 8.05 and 10.97 visits per 1,000 population in 2022 and 2021 respectively.

The water quality regulations were initially drafted based on the assumption that network operators would control large geographic zones. As a result of this legislative construct, NAVs are required to carry out proportionately more sampling than incumbent water and wastewater companies. In this respect, the legislation places requirements on the number of water quality sampling visits that must be completed per year and this varies according to the size of the population within the relevant water quality zone. This is because, given their scale, incumbents are able to absorb new development sites within their existing sampling arrangements. In effect, this means that IWNL carries out a proportionately higher number of sampling visits per year than incumbents.

3.11 Delivery against BUUK sustainability goals

As outlined above, at IWNL we are increasingly considering the scope for, and benefit to our customers of, deploying environmental solutions. Similarly, within BUUK we have been exploring ways in which we can enhance the overall performance of the business in terms of sustainability. In this respect, we recognise the impact that we can have on both the community and environment that we operate within, and we are seeking to make a positive difference in these areas, via a range of initiatives:

- The 2024 Sustainability Report will be made available on our website.
- Rates of landfill avoidance improved to 95.25% for 2024.

- All offices are on renewable contracts, as well as pumping stations and metered fibre cabinets. Heat Centres and Heat Hubs are now on Renewable Contracts. Future Community Heat Hubs are planned to be on renewable contracts and agreements are being drawn up with suppliers to ensure this.
- Our new Fleet policy is in place and number of fossil fuel cars are reducing. By the end of 2024, 47% of all company cars were Hybrid or Electric; we have started a new partnership to encourage procurement of Electric vehicles, and we are predicting a larger shift towards Electric and Hybrid vehicles starting in 2025.
- We maintained our ISO14001 accreditation in 2024.
- We have an arrangement with Dell to collect end of life IT Assets; in 2024 we sent the following for reuse or recycling; 309 Laptops, 9 tablets, 10, desktops, 270 mobile phones and 145 monitors. We have also partnered with the charity "Every Child Online", donating over 500 devices to the charity.
- In 2024, BUUK had a total of 4,699 hours of volunteering to either local communities projects or through our partnership with OnHand.
- We have estimated emissions up to our planned Net Zero goal of 2040, and are currently working on a plan to leftover emissions that will be present once decarbonisation has been completed.
- We have recently completed our integrated Climate Change Adaptation Plan.
- We have also produced two Environmental goals:
- For our business operations to be Carbon net zero in respect of greenhouse gas emissions scopes 1 and 2 and those elements of scope 3 under our direct control by 2040.
- For BUUK to be Carbon Net Zero in respect of all greenhouse gas emissions scopes 1,2 and 3 by 2050.

We are continuing our work towards:

- Implementing our drive to eliminate single use plastics in our supply chain, achieving a reduction of approximately 50 tonnes (or 50%) compared to our 2019 baseline; and
- developing an integrated Climate Change Adaptation plan.

CUSTOMER STATEMENT

Section four:

Transitioning from passive customer to active participant during 2020-25

4. Future Focus

In the preceding sections of this customer statement, we have presented details of the work we have been progressing to ensure we can deliver an exceptional experience to both developers and to our end-customers. We have demonstrated a strong established programme of initiatives that have enabled us to consistently provide an industry-leading level of satisfaction for our end-customers. We recognise, however, that our approach must evolve in response to new challenges that emerge and changing customer expectations. We are therefore constantly seeking new ways to improve the service we offer to our customers and will continue to learn lessons from emerging best practice. To this end, in the 2025-26 regulatory year, we will strive to further embed and, where appropriate, expand some of the initiatives we have implemented in 2024-25 as well as implementing several new projects. We anticipate that the combination of work in these areas will deliver further material improvements in customer outcomes. The programme of work we are intending to implement includes the following five components.

BSI kitemark for service excellence: We are currently exploring possible accreditation under the BSI Kitemark for service excellence, to ensure we are doing all we can to meet the principles of the customer-focused licence condition and to demonstrate our continuing commitment to a 'customer-first culture'. Attainment of the kitemark requires delivery against three the following three customer standards.

- **BS8477 – Code of practice for customer service.** This covers customer service principles, organisational strategy and culture, resources people and technology, customer service **processes, and performance review and improvement.**
- **ISO10002 – Complaints management:** This covers complaint handling principles, policy responsibility and authority, effective processes for resolution and continual improvement.
- **ISO23592 – service excellence principles and model:** This covers outstanding customer experience, sustainable customer delight, competitive differentiation and long term customer relationships.

We understand that, where companies are successful in attaining accreditation against BS8477 and ISO10002, this demonstrates that they have the foundational attributes that underpin exceptional customer service and, once they also achieve ISO23592, the package of measures can be used to demonstrate full service excellence.

Social tariffs: As outlined in the preceding section, in 2024-25 we developed a clear plan to more proactively support IWNL customers experiencing financial difficulties. The plan was implemented recognising the aims of the customer-focused licence condition (Condition G) and the levels of support we need to provide to our end customers, primarily through the provision of social tariffs. We are pleased with the impact that the plan has had as we have seen material increases in the number of IWNL customers registered for social tariffs. Nevertheless, we have a continuing aspiration to support all IWNL customers that need extra help and are planning further work to support this goal.

To this end, we have initiated a stream of work to secure access to services that will allow real-time benefit checks to be carried out via the department for work and pensions (DWP). This information, coupled with the use of a credit reference agency database, will enable us to more easily assess the validity of applications for social tariffs. We intend to incorporate this step in our standard registration process as soon as practicable. And while this will help identify new IWNL customers who may be eligible for social tariffs, we recognise the need to ensure that existing customers in positions of financial vulnerability are also aware of, and given access to, our social tariff offering. As such, we are intending to use a combination of our PSR and credit reference agency databases to begin to create a profile of our existing customer base that may qualify for additional support; and proactively contact them to offer a social tariff. We also intend to make use of the regular interactions our collections team has with those experiencing financial difficulties, to further target social tariffs to customers that are already in a position of debt and are therefore more likely to qualify for this support.

In addition, we are aware of ongoing discussions that Defra has been progressing regarding the establishment of a National Single Social Tariff (SST). In this respect, the provisions of the Water (Special Measures) Bill permits government to create a unified scheme of charging arrangements for customers in need of support; thereby enabling the creation of a long-awaited national SST. Defra appears keen to establish an SST as a priority, indicating a desire to implement the scheme from April 2026. To this end, it has been running associated working groups to develop the detail of this scheme, and we have been an active participant in the discussions. We intend to continue to remain engaged in these discussions and are hopeful that a solution can be reached that is simple, consistent and easy for customers to understand / access.

Paid partnership with Scope: The partnership that we initially agreed with Scope was implemented for a discrete 12-month period in April 2024 and, recognising the value that it had provided, in April 2025 we renewed the partnership for another 12 months. We have found the working relationship to be incredibly helpful in terms of providing insights on the needs of all of customers and how we can effectively deliver against these; particularly those customers living with disabilities. As outlined in the preceding sections, we have made changes to our welcome brochures to provide customers with helpful hints and tips on how they can reduce their water usage, in the kitchen, bathroom and garden. We are also exploring possible improvements to our digital customer registration journey reflecting on the findings of a project that Scope took forward at the end of 2024 on our behalf. The focus of the project was to better understand disabled customer views on the accessibility and usefulness of our current registration process. Scope provided feedback to us on the outcomes from this work in February 2025 and we are using these insights to reshape the digital registration journey for our customers; with the aim of fully utilising the opportunity to gather critical information and making the process more accessible.

Data sharing for PSR registration: Discussions have been ongoing for some time within the industry regarding the potential to more effectively share data between utility companies to help to identify customers that could qualify for registration on the PSR. This would not only help with the identification of eligible customers but would also reduce the resource burden that vulnerable customer groups currently face in needing to inform all relevant service providers that they are likely to qualify for registration on the PSR. We have remained appraised of the discussions in this area and are aware that there are still two possible projects that could be progressed to address this issue in the form of the 'Support for all' project being run by Northumbrian Water and 'WD0225' being progressed by Electralink. We are very supportive of the aims of both projects and will endeavour to remain involved in the associated discussions in order that we have clarity with respect to any decisions made around the specifics of the solution that industry parties ultimately chose to implement. Once there is clarity in this area, we will make the necessary system and process changes to allow us to effectively participate in information sharing.

Innovation: We remain committed to supporting initiatives that facilitate sustainability and deliver enhanced environmental outcomes. We are therefore continuing our work with developers to explore the potential for them to install more water efficient fixtures and fittings as part of the homes they construct and to take advantage of environmental incentives that incumbent water and wastewater companies are now expected to offer. However, we recognise the potential for these more efficient products to be removed or replaced by the end customer following renovations or change of tenancy. We are therefore keen to extend these conversations and explore the more fundamental questions that exist around whether there are changes that can be made to the internal pipework and plumbing that is installed beyond the communication pipe that we lay, to further improve the baseline level of water efficiency in these new homes.

We have also continued our work with Affinity Water and others under the guise of the partnership established to support the 2021 Water Breakthrough challenge project: Water Neutrality at NAV sites which was successful in receiving funding via the Ofwat innovation competition. The project, now known as project zero, explores the potential for new build sites to achieve water neutrality; a position under which the increase in total water demand required to support the new development would be offset by a corresponding reduction in existing levels of demand. The project recognises industry expectations that upward pressure will be exerted on current levels of water demand in the future given continued population growth, and seeks to overcome opposing trends in the supply of water where a reduction over time is expected as the impacts of climate change are increasingly felt.

The main aim of the project is the delivery of the world's first new housing development to demonstrate water neutrality at-scale. It involves trials on three sites, each comprising approximately 1,000 properties, and seeks to establish parameters for a technological, commercial and operational business case under which water neutrality may be achieved. The project explores the potential for water neutrality under three scenarios:

1. Water neutrality via technology change: This focus of this scenario is on exploring the impact that technology alone could have in terms of driving water neutrality. Affinity Water is proposing to deploy a range of technologies including:

a. Use of rainwater harvesting;
b. Installation of smart metering / water efficiency tools during construction; and
c. Deployment of offsetting activities at local commercial buildings

2. Water neutrality via behavioural change: This scenario explores the impact of initiatives intended to drive customer behaviour change in terms of driving water neutrality on a new build site. Affinity Water proposes the following elements.

a. Implementation of a best practice behaviour change campaign;
b. Distribution of water saving gadgets to customers to reduce demand; and
c. Deployment of offsetting activities at local commercial buildings.

3. Water neutrality via technology and behavioural change: This scenario uses a combination of the technology, tools and techniques incorporated in the preceding two scenarios; using the best of both to create a blueprint for water neutrality.

IWNL is one of nine partners working on the project; other partners include another NAV and several technology providers. The contribution of these participants is managed via an independent steering committee comprising a range of executive-level representatives from each project partner, who bring a wealth of sector expertise as well as associated networks that the project can draw on.

To date, the main outcomes seen from the project have been related to the second aspects of the project which focuses on the impact of behavioural change initiatives on overall levels of water use. Under this scenario, the amount of water used in the area fell from 246,000 litres daily to 238,000 litres, which left 8,000 litres more water in the environment each day than previously. Residents were encouraged to sign up to a pledge campaign to use water efficiently in their homes. So far, only behaviour change techniques have been rolled out as, due to stringent rules to ensure high drinking water quality is maintained, non-potable water cannot be supplied even for non-drinking use. Affinity learnt the simpler the messaging, the more effective it has been. Residents were invited to pledge to up to eight water saving initiatives ranging from using a watering can instead of a garden hose, taking shorter shows or turning the tap off when brushing teeth, as well as opting for eco-mode on dishwashers and washing machines.

We will continue to work with Affinity Water on the further stages of implementing this project over the course of 2025-26; seeking to overcome some of the challenges associated with water quality to attain results across the other two areas of the study.