Independent Water Networks

Customer Statement 2026

INDEPENDENT WATER NETWORKS

Executive Summary

Understanding and then meeting the needs of all our customers, end- and developer- alike, has always been of the highest priority, and we continue to take 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 our developer-customers, and we remain committed to the provision of an exceptional customer experience for our end-customers, surpassing the level of service provided by other water licensees in the market. We recognise that failure to deliver a superior developer service will result in these customers choosing to work with alternative infrastructure providers. 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. In short, IWNL appreciates that a full understanding of the expectations and needs of our entire customer base is a prerequisite for the provision of an exceptional IWNL customer experience.

To achieve this, our Customer Service team has been working hard to develop new and improved ways of providing our customers with the best assistance that we can. Firstly, where we have been providing on-site customer liaisons during incidents, we have then asked these liaisons for feedback post-incident, so that we can learn as much as we can. Similarly, we have been conducting customer focus groups in order to really understand our customers opinions, most notably on the topic of Direct Debits. We have also been successful in agreeing data sharing with the Department for Work and Pensions (DWP), which has allowed us to streamline the application process for WaterSure applicability. This has ensured that those customers who are eligible to receive this extra financial help can do so more easily. We are also using advancements in Artificial Intelligence (AI) to assist our advisors to make decisions which help our customers more quickly and efficiently.

To ensure we meet, then exceed expectations, customer and regulatory alike, we work hard to provide a suite of products that are shaped by insights we attain from our engagement with both our end- and developer-customers, as well as emerging utility best practice and regulatory obligations.

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 engineering-led solutions to age-old problems. We also work hard to keep our developer-customers apprised of any regulatory changes that may affect their business, as maintaining effective communication enables a stronger working relationship. These factors, 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 charges 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 industry leading NPS score of 39, 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.

Last year, we highlighted certain areas where we wanted to continue to make progress, most notably on social tariffs, data sharing and innovation. We have proven largely successful across these, with the number of customers on social tariffs continuing to increase (in alignment with Ofwat's 'no worse off' obligation), whilst we are also very close to finalising an agreement with the incumbents, whereby we will share data with them regarding our Priority Services Register. In addition, we recently finalised an innovation project for Ofwat's Discover Challenge 2, with partners from the BUUK group. The long-term purpose of this project was to improve the efficiency of new housing developments by utilising waste sewer heat for heat networks. In the shorter term, we intended to provide the required data needed to demonstrate when the technology becomes most helpful for new developments.

We continually strive to exceed developer- and end-customer expectations wherever we can, regularly assessing the services we provide, asking for feedback and being open to criticism, and always looking for opportunities to enhance their experiences and to offer exciting innovations. 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 continue to better integrate IWNL with local communities by increasing our presence at resident's events and deploying customer liaison officers during major incidents, ensuring that end-customers have someone they can speak to, face-to-face, during a difficult moment. We have also established WhatsApp as a further communication channel for our customers to get in touch more easily with us, whilst we also proactively seek their views in the form of surveys etc. 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.

We are also keen to work with Ofwat as the regulator moves to improve companies' asset management, as we agree that this is fundamental to a reliable and safe infrastructure. To this end, we are in the final audit stages of gaining ISO 55001 accreditation for the implementation of IWNL's Asset Management System.

As the water industry continues through a period of change, we will continue to ensure that all of our customers receive the very best service, communicating openly and effectively with them regarding changes that affect them.

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Introduction

The needs of all of our customers, developer- and end- alike, have to be central to our culture to enable our business to continue to thrive. IWNL must, therefore, prioritise our customer service, and every factor that goes into the service we provide, above all. For instance, if we do not continue 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. An important distinction to note is that developer customers, unlike end user customers, can choose between service offerings from multiple providers. Given this choice, our reputation in the market, track record for delivering high-quality reliable infrastructure and good standards of customer service, are all critical to IWNL's future business growth. 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, in terms of their health and during cost of living difficulties. We acknowledge that, should we fail to provide a good service to our end customers, the subsequent reputational impacts will compromise our industry standing with the regulator, with corresponding impacts on our ability to secure future contracts with developer customers. For all these reasons our customers have always been, and will continue to be, our number one priority, and we put considerations of their needs at the heart of the way we run our business. And 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. As a result, fully understanding all of our 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.

IWNL are a new entrant to the sector, and our number of connections remains relatively small in scale when compared with the regional water incumbents. We have, however, achieved substantial growth in the past few years, while we strive for further significant growth in the future. To meet these ambitions, we recognise not only the value, but the necessity, of using customer insights to shape a service that ultimately meets their needs. We continue to recognise the importance of using direct engagement opportunities with our developer- and end- customers, as this allows us to attain, then maintain, clarity on their expectations so that we can continue to provide the excellent levels of service that they value. Our efforts in this area were initially focused on making use of information that we were able to glean from our customers via day-to-day interactions, but, as we have continued to grow, we are innovating our processes to initiate further proactive engagement. To this end, we remain committed to better integrating IWNL with the local communities we serve, by increasing our presence at resident's events and, during major incidents when customers really value a face-to-face conversation, we now deploy customer liaison officers to provide our customers with a friendly face who can inform them of what is happening, but also what is being done to remedy the situation. We have also established a WhatsApp channel to allow our customers to get in touch more easily, while we also continue to use surveys to proactively seek customer views. These initiatives have enabled us to get closer to our customers and more fully understand their needs and expectations around the service we provide.

IWNL understands that, in order for our customers to meaningfully engage with us, informing us of 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. It is important to note that, while you may have seen in the national news that changes are going to be made regarding Ofwat, that, as it stands, no changes have yet been made to the regulator that affect our customers.

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 for the abstraction and treatment processes. 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, ensuring that end-customers receive high-quality water and wastewater services.

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 2 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 meets the diverse 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 we are working hard to further improve these bilateral relationships as the water industry, and competition within it, continues to develop and change due to the Government's adaptations to the Water market.

2.1 End Customers

As a new entrant (what is known as a new appointee, or NAV) 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. To achieve this, we are always looking for the next improvement we can make, whether this be through internal improvements that improve the services our customers receive, or external improvements for customers to be able to contact us more effectively when they need us.

As a smaller water and wastewater company, with relatively more limited resources and a smaller, more geographically dispersed customer base than the incumbent competitors, to date we have had limited opportunities to proactively engage our end customers to better understand their needs and preferences. However, we do recognise the value of using customer insights to shape a service that ultimately meets their needs, so, while we continue to use of insights from our day-to-day interactions with end customers, we are now being more proactive in our engagement. We're doing this by better integrating IWNL within local communities (through attending resident events) and by deploying customer liaison officers during major incidents, providing customers with an opportunity for face-to-face discussions so that we can keep them informed of developments. Communication is, we understand, vital for our customers, so we have also established WhatsApp as a means for our customers to contact us, alongside the more traditional forms of phone calls, letters and emails. We are also using more surveys as a means to proactively seek the views of our customers, so that we can hear the good and the bad. As part of this drive, we have established the ability to survey our customer base via upgrades to our existing systems, ensuring that our customers still have a voice even if they are unable to attend our face-to-face events. Such changes have enabled us to get closer to our customers and more fully understand their needs and expectations around the service we provide. It is from our engagement with our customers that we know that they are diverse in their characteristics and that these can have a strong influence on their preferences, needs and expectations. By ensuring we are aware of these preferences and expectations, we can continue to review and improve our systems, providing a better and better service as time goes on.

To this end, 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, a kitemark certificate specifically designed for 'Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service'. We received our accreditation in September 2024, and this runs until August 2027.

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. As discussed above, our improved, and always improving, interactions with our customers demonstrates how important this reciprocal relationship is to us. A further example of this connection would be on water meters. IWNL universally install semi-automated water meters, which provide our customers with assurance that their bills are accurate; it can also alert them, and us, to a potential water leak, potentially saving them a considerable amount of money. From an IWNL perspective, these water meters also provide insights about customer consumption, which we can use to inform our decisions with respect to the most efficient way to operate and maintain our network assets. This ensures that our costs stay low, but also that our infrastructure continues to provide our customers with a reliable service. IWNL notes that, 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.

IWNL also recognises, and encourages, that where our customers understand more about the role we play in the water industry, 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. To this end, we publish this annual customer statement to provide transparency regarding the work we are progressing, so that our customers are informed. However, we acknowledge the time commitment involved in digesting the content of this detailed (and often technical) publication. To improve upon this, through recognising the value of reaching all of our customers, we will again be publishing a 'customer-friendly' version of our 2025-26 IWNL customer statement which will be available 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.

We are also sure to keep developers informed of any regulatory changes that may affect them or the service we provide to them. For instance, in recent years Ofwat brought in 'environmental incentives' in a bid to improve the water efficiency of new-build properties. Given that we work across the country, we understood that our developers would fall under the incentive schemes of differing incumbents, so we decided to summarise the changes for them, so they could understand what had changed and what they would need to do going forward.

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.

However, thanks in part to IWNL's consistent dialogue with Ofwat on this matter, and the Independent Water Commission's highlighting of the issues, the regulator will soon be initiating a more streamlined company-based assessment for established NAVs, such as IWNL. This will mean that the vast majority of our sites show be on a licencing pathway that should only take 60 days. This should further strengthen the offering IWNL presents to our developer customers.

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.

As discussed above, changes made to the NAV licencing process will require more efficient communications between NAVs and the incumbents, as the licencing process requires the incumbents to provide information to the NAVs in a timely manner. Appreciating this, the regulator has now recommended timescales to ensure that there are no unnecessary delays.

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. A new price control, known as the 8th asset management programme in water (or AMP8) took effect from 1st April 2025. However, prior to implementation of the previous asset management programme (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 2025-26 service performance

3. Our 2025-26 service performance

We are focused on providing the very best service and network performance to our customers but remain open to new ways of working and innovations, so that we can continue to improve our offerings. To achieve this, we closely monitor our service levels via detailed management reporting, executive reviews, and quarterly board meetings. An important means for us to measure our success is to compare ourselves against the incumbents. However, when doing so we must highlight that the comparisons presented in this section are based on data from different operational years (namely IWNL data for 2025-26 and incumbent data from 2024-25), 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.

To this end, the following section presents an overview of IWNL customer service performance, as compared against the incumbents, 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 2025-26 by:

- Continuing to use incumbent price points as a proxy for IWNL 2025-26 retail charges.
- Retaining a household customer Direct Debit discount of £3.50 per annum in 2025-26.
- Retaining a household customer e-billing discount of £1.50 per annum in 2025-26.
- Retaining a 2.5% water volumetric discount for household customers in 2025-26.
- 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 November 2025, of Ofwat's 'Rules for Bulk Charges for New Appointments and Variations (English Undertakers)' for incumbent English water companies which they must comply with in setting their bulk charges for NAVs. These rules came into force from 1 April 2026.

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. Furthermore, Ofwat has ensured that water companies must place a particular emphasis on all their customers, including those who need extra help, by introducing the customer-focused licence condition as part of their overall licence, which they need to legally serve customers with water and retrieve wastewater. IWNL fully supports the adoption of this licence condition as we consider our customers to be fundamental to our business.

IWNL has, therefore, been on a journey, alongside our incumbent utility counterparts, to ensure that we offer the best service we can, taking care to acknowledge specific circumstances and work accordingly. We are also aware that it is one that does not have a clear endpoint, so, 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. We understand the inevitable difficulties that accompany a continually evolving environment, but we are seeking to wholeheartedly embrace the challenge.

In this vein, from the IWNL retail team continues to develop, and then implement our vulnerable customer strategy which is made available from the IWNL website. Each update reflects lessons learned and emerging best practice. As we acknowledged above, this area will be constantly moving, and IWNL will continue to move with it.

A further innovation has been made in our Customer Services where we have introduced AI into our contact centre, which will assist our advisors to make decisions which help our customers more quickly and efficiently. This system summarises calls with our customers, noting them in a standardised way before saving them against the customer's profile. This ensures that the customer only has to explain their issue once.

As part of our efforts to ensure we remain as effective as possible in this area, we worked hard to attain the ISO 22458 'Consumer Vulnerability', a standard established in 2022, could have in supporting our business objectives. The standard specifies requirements and guidelines for the design and delivery of inclusive services at all stages of the customer journey. This has helped ensure we maintained our compliance with Ofwat's customer focused licence condition as well as the associated Paying Fair Guidelines and Vulnerability Guidance.

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 maintain a website accessibility rating of 98% over the course of 2025-26, retaining our AA website rating. 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. In this vein, from the IWNL retail team continues to develop, and then implement our vulnerable customer strategy which is made available from the IWNL website. Each update reflects lessons learned and emerging best practice. As we acknowledged above, this area will be constantly moving, and IWNL will continue to move with it.

As discussed previously, we have attained ISO 22458 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 Scope, a charity that has provided us with insights on how best to support our vulnerable customers.

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 2024-25 and 2025-26, we have seen an increase in the volume of our customer base registered on the PSR, from 18% to 23%. We note that this compares favourably with the respective proportion of incumbent water company customers registered on their PSRs; which ranges from 9.6% to 16.6.

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. 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, Scope previously took forward a project on our behalf to better understand disabled customer views on the accessibility and usefulness of our current process. Using surveys and User testing, Scope was able to provide us with feedback which we are continuing to use to improve the registration journey for our customers.

However, we have worked hard to ensure that, even once a customer has registered with us, we continue to assess whether we can offer them extra help should they need it. For instance, our contact centre now utilises AI to summarise calls with our customers, noting them in a standardised way before saving them against the customer's profile. This ensures that the customer only has to explain their issue once.

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.

To this end, our Customer Service team has worked hard to introduce new methods for identifying customers facing financial vulnerability. For instance, we have reduced the barriers for customers when seeking to apply for WaterSure by removing the burden for the customer to prove their eligibility for WaterSure by presenting us with evidence of being in receipt of benefits, by instead, checking with the DWP if the customer is in receipt of benefits. This reduces customer effort overall and makes a smoother journey when registering for WaterSure. In addition, we have introduced an AI customer service tool to our contact centre which creates standardised notes of customer contacts to improve the level of service we can provide. Finally, we now have a dedicated financial support line, where once a customer has called in and requested financial advice/help, they can be put through to specially trained staff members that are there to help customers with financial questions.

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 close to finalising our project 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. Our contract with Experian will allow us to access customer credit-rating data which will

[2] Ofwat - Water Company Performance Report – published October 2025

enable us to segment individuals into discrete groups with shared characteristics; such segmentation will enable 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 is now complemented with a dedicated webchat for collections that we 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

For those customers who are facing financial vulnerability, we have a number of resources which we use to help them. For instance, our new data sharing tool with the DWP allows our staff to check whether our customer can be enrolled on the WaterSure scheme. This streamlined process ensures that customers are served in an efficient manner which can result in them being able to save some money off of their water bills. This improved service is further enhanced by our new dedicated financial support line, where once a customer has called in and requested financial advice/help, they can be put through to specially trained staff members that are there to help customers with financial questions. This will ensure that our customers have the best advice possible, saving them more money during this cost of living crisis.

These additions build on improvements which we have been making for the past few years. For instance, we have introduced a debt-matching scheme which 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. Additionally, over the past few years we have introduced a suite of enhancements to the Customer Relationship Management (CRM) system were introduced, which greatly improved the service we can provide to our customers. 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.
- Agree weekly and fortnightly customer payment plans.
- 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.

We have also developed a clear plan to more proactively support IWNL customers experiencing financial difficulties, as we recognised 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. This has ensured that 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 this improvement, we will continue to improve how we support all IWNL customers that need extra help.

To this end, we 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 continue to routinely review our compliance with the customer-focused licence condition, and we believe that we have achieved an increased level of compliance in 2025-26 and in many areas have surpassed the expectations set out by Ofwat.

As outlined in our last Customer Statement (2024-25), recognising the aims of the customer-focused licence condition (Condition G), we developed a clear plan to more proactively support IWNL customers experiencing financial difficulties. Given the plan was only implemented in 2024-25, our APR showed relatively low levels of take up as our efforts were still at an early stage. However, in 2025-26 we have seen a steady increase in the numbers of our customers on a social tariff and are pleased to report that, by May 2026, 5% of our customers were receiving financial support, with 3% on WaterSure and 2% on a social tariff. In interpreting these figures, we would also note that the demographics of our sites differ to those of incumbents which leads to complications when seeking to make direct comparisons.

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 2025-26 reporting year. However, we have reduced our number of complaints per 10,000 customers from 39.9 in 2024-25 to 34.8 for 2025-26. Context is important as between March 2025 and March 2026, IWNL customer numbers rose from 111,599 to 159,416; as a result, although our overall number of complaints rose, it is impressive that we were able to reduce our complaints per 10,000 customers. Of course, we will continue working hard on improving our services for our customers.

Analysing our performance further, we can see that our written complaints score (number of complaints per 10,000 customers) decreased from 39.9 in 2024-25 to 34.8 in 2025-26. This is testament to our continuing focus on improving our customer service levels, but we will not be resting on our laurels and continue to find new ways to innovate and improve.

FIGURE 1: NUMBER OF COMPLAINTS IN 2025-26 AND 2024-25– WRITTEN AND VERBAL

	Apr 25	May 25	Jun 25	July 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Customers	114,904	119,401	122,891	127,656	131.460	134,705	140,438	144,441	147,971	151,209	159,416	159,416
Complaints												
Verbal	40	35	35	32	22	20	18	19	14	25	14	9
Written	8	11	9	14	18	19	17	20	10	31	17	16

	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

3.4 Telephony service

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 2025-26 reporting year. It shows that we only met our target of 97% of calls being answered twice, although we managed 96% twice and 95% once. Unfortunately, only 72.42% of calls were answered in 20 seconds for the entire reporting period, as we missed our target of answering 90% of calls in 20 seconds for ten months of the year.

FIGURE 2: PERFORMANCE ON TELEPHONY AND WEBCHAT RESPONSE 2025-26

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Percentage of calls answered (target >=97%)	98%	96%	91%	84%	98%	96%	93%	91%	92%	91%	95%	91%
Percentage of calls answered in 20 seconds (target >=90%)	90%	89%	59%	46%	90%	83%	69%	66%	69%	68%	77%	63%
% of webchats answered versus offered	100%	100%	100%	N/A	100%	100%	100%	100%	100%	100%	100%	100%
% of webchats answered within 30 seconds	100%	100%	75%	N/A	100%	100%	100%	100%	100%	100%	100%	100%
Average wait time for chat to begin (seconds)	1	1	32	N/A	0	0	1	1	1	1	1	1

Our 'percentage of calls answered' performance for 2025-26 saw a slight deterioration to our 2024-25 levels, while there was a more significant drop off for the 'percentage of calls answered in 20 seconds'. This can be explained by the fact that, during June and July, we were receiving significantly more calls following the price rise and direct debit increases brought about by PR24. While we prioritised answering customer calls over our webchat service, we still found ourselves stretched with our limited resources at this time of unprecedented activity. We do set ourselves ambitious internal targets to provide a high quality level of customer telephony service, but in this case demand outstripped supply. We do our best to minimise the risk of this happening by ensuring 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. To improve the level of service our customers receive, 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 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 with our 'percentage of webchats answered versus offered' much improved on last year, save for July 2025, when the webchat service was unavailable due to a significant increase in inbound call and WhatsApp volumes, following the price rise and direct debit increases brought about by PR24. Our webchat service is only available when we have at least three advisors free and not currently handling inbound calls or WhatsApp chats. This is also why, in June 2025, our average waiting time for webchats to begin rose to 32 seconds, with the percentage of webchats being answered within 30 seconds also decreasing to 75%, significantly worse than the rest of the year.

The implementation of WhatsApp has effectively increased the number of communication channels that are available to our customers, who have responded positively to the availability of this option for interacting with us. 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. We now also have a dedicated financial support phone line, to which customers can be directed once they have called us.

Our plans are driven by customers priorities, so we will continue to listen to them and respond to their views, providing targeted solutions to the challenges that they face on a day-to-day basis. As part of this, we have maintained our paid partnership with Scope, which 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 98% 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 to present an overview of comparative industry performance on a range of customer satisfaction measures. The first is BMG's 'Ofwat Annual Report - C-MeX and D-MeX', published September 2025, which looked at performance during the 2024-25 reporting year ; the second is the CCW publication 'Review of household customer complaint handling by water companies in England and Wales 1 April 2024 – 31 March 2025' published 10 September 2025' The resulting league table, presented below in Figure 3, illustrates comparative IWNL performance, measured against incumbents across the industry, using the CSS CSAT scores by water company. Net Promoter Score (NPS), and customer complaints metrics.

FIGURE 3: CUSTOMER SATISFACTION PERFORMANCE 2024-2025/ 2025-2026

CSS CSAT scores by water company	
Company	Score
Wessex	82.29
Northumbrian	82.21
IWNL	82
Welsh Water	79.75
Portsmouth	79.67
Bristol	78.92
Anglian	78.77
United Utilities	76.76
Hafren Dyfrdwy	75.45
Yorkshire	73
South Staffs	72.61
Severn Trent	72.17
South East	71.10
South West	70.55
SES Water	66.12
Affinity Water	65.40
Southern	63.44
Thames	57.98

Net Promoter Score (NPS)	
Company	NPS
IWNL	39
Northumbrian	34
Wessex	30
Welsh	29
Portsmouth	25
Bristol	24
Anglian	22
Hafren Dyrdwy	18
Yorkshire	13
United Utilities	12
South Staffs	11
Severn Trent Water	7
South East Water	-6
South West Water	-11
Affinity Water	-11
SES Water	-13
Southern Water	-23
Thames Water	-34

Complaints per 10,000	
Company	No.
Hafren Dyfrdwy	20.7
Severn Trent Water	27.5
Portsmouth Water	29.7
Wessex Water	31.2
Northumbrian Water	32.0
Bristol Water	32.8
IWNL	34.8
South Staffs	36.1
Anglian Water	38.0
South East Water	47.2
Welsh Water	52.0
Southern Water	68.8
Affinity Water	71.9
United Utilities	72.695
South West Water	72.696
SES Water	75.7
Yorkshire Water	94.8
Thames Water	115.2

[3] https://www.ofwat.gov.uk/wp-content/uploads/2024/10/2023-24-C-MeX-D-MeX-Y4-Report-Ofwat-Final.pdf
[4] https://www.ccw.org.uk/app/uploads/2025/09/CCW-Household-Complaints-Report-2025.pdf

Figure 3 above illustrates relative IWNL performance in 2025-26 as compared with incumbent performance on customer satisfaction in 2024-25. 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; we note that this is the latest industry data available. Based on this comparison, the following conclusions can be drawn.

- We are the top performer in the industry as measured by the NPS, improving on our position from last year.
- We have previously compared ourselves against the incumbent's 'likelihood to recommend measure,' but, given apparent changes in how scores have been calculated this year, we have chosen to use the Customer Service Survey (CSS) Customer Satisfaction Score (CSAT) score as a measure to compare our customer service against the incumbents. On this measure, which does show the incumbents in much the same order as last year's likelihood to recommend table, shows IWNL in third place.
- We have improved our position in terms of complaints, reducing our number of complaints per 10,000 from 39.9 in 2024-25 to 34.8 for 2025-26.

We are pleased with our continued industry-leading performance on the NPS, especially given the comfortable margin between ourselves and second place. Nevertheless, we will not rest on our laurels and will continue to strive to provide the best service possible. Our commitment to improvement is equally proven by the improvement in our complaints per 10,000 customers score, which reduced by 5.1 in just one year, despite our total customer number increasing by 47,817 between March 2025 and March 2026. We are pleased to rank third on the CSS CSAT, as this seems to suggest that we have been successful in improving our overall customer service this year. However, 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. We will, therefore, intend to work hard over the course of the coming regulatory year to continue to build on our improvements.

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" [5]. 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" [6].

In the 2025-26 regulatory reporting year, IWNL reported four unplanned network outages, which were IWNL's fault, that exceeded 24 hours in duration. The overall average duration of all 285 unscheduled outages that IWNL experienced in 2025-26 was 380 minutes. The main cause of these outages was a loss of supply to our last-mile network due to disruption on the upstream water network, with 78.6% of all incidents caused by upstream faults. In terms of customer impact, 2136 of our customers were affected by an unplanned outage of longer than 24 hours, which was caused by IWNL. This number rises by 388 when we consider the number of our customers affected by the failure of an incumbent for the same duration. These statistics demonstrate some improvements from the 2024-25 regulatory reporting year, where IWNL reported six unplanned network outages that exceeded 24 hours in duration. However, we had fewer overall unscheduled outages at 166, but the main cause of these outages remained the same; a loss of supply to our last-mile network due to disruption on the upstream water network, with 85% of all incidents caused by upstream faults. In terms of customer impact, 73 of our customers were affected by an unplanned outage of longer than 24 hours in duration, as compared with 2136 in 2025-26.

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

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

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 98% (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 2025 - 26

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 2025, the government and Ofwat updated the recommended payments and IWNL implemented corresponding revisions to our payments for the for the 2025-26 regulatory year. Figure 4 below outlines IWNL's 2025-26 performance figures and shows any associated penalty payments that were made to end customers.

FIGURE 4: GSS PAYMENTS 2025 - 26

Description of Standard		No. of Failures	Total Compensation Paid (£)
Keeping of appointments	Failure to provide notice in the required form	0	£0
	Failure to attend appointment	75	£3750
	Failure to attend appointment during the time specified	46	£1920
Complaints, account queries, and requests about payment arrangements	Failure to reply to a complaint or query within 10 working days	0	£0
	Failure to reply to a request to change payment arrangements within 5 working days	0	£0
Notice of supply interruption	Failure to provide at least 48 hours' notice of an interruption to supply	0	£0
	Supply not restored by the time and date specified in the notice	0	£0
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	0	£0
	Failure to restore supply within 48 hours of a leak or burst	0	£0
	Failure to restore supply within 12 hours	3047	£264,930
Pressure standard	Failure to meet the pressure standard	1363	£54,825
Flooding from sewers	Number of internal sewer flooding incidents	0	£0
	Number of external sewer flooding incidents	0	£0
Timing of payments	Penalty payments made	0	£0

Core Priority Services	Failure to inform the customer if they are added to the Core Priority Services Register Failure to deliver core priority service to customers during	0 0	£0 £0
Domestic customer in arrears	Failure to give the customer an outstanding charge notice and an opportunity to make payment/ representations ahead of	0	£0
Water meters	Failure to install a water meter upon request within relevant time Failure to read a customer's water meter at least once in a 13-month period	0 0	£0 £0
Water Quality Notice	If a water quality notice is served and supply is not restored within a 48 hour period	6	£900

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 have calculated leakage per property using figures from sites for which we can attain sufficiently accurate data. These calculations demonstrate that, across IWNL sites, the average leakage in 2025-26 was 63.01 litres / connected plot / day which is a worsening of our position in 2024-25, where it was 53.89 litres / connected plot / day. Nevertheless, our 2025-26 IWNL leakage figure still compares favourably against the industry average value reported by Discover Water for 2024-25 of 109 litres / property / day.

IWNL's operational evidence shows that actual physical leakage across its network was 1.84% in the 2025/26 reporting year, based on logged Points of Connection. This remains materially below the long-run 5% physical leakage assumption. The higher estimated leakage figure is driven principally by data quality and reconciliation issues, including limited direct access to incumbent boundary metering data, methodological limitations, and timing differences between wholesale volumes and retail billing.

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 2025-26 IWNL weighted average PCC was 97.5 litres / person / day as compared to 2024-25, where it was higher at 117.9 litres / person / day. This demonstrates a good improvement, even compared with our PCC in 2023-24, which was 112.3 litres / person / day in 2023-24. Our figure compares favourably with the latest industry average of 137 litres / person / day in 2024-25; which reflects three-year average data from April 2022 to March 2025 according to Discover Water. It also compares favourably to the respective industry average PCC for metered and unmetered customers of 122 litres and 175 litres / person / day in 2024-25.

When looking at individual performance of incumbent companies in 2024-25, for metered consumption, IWNL would have the best PCC, ahead of Hafren Dyfrdwy which had a PCC of 99 litres / person / day for their metered customers, Severn Trent (105), Yorkshire (106) and United Utilities (107). IWNL also performed considerably better than the worst performing companies which, for metered consumption, was Northumbrian and Essex and Suffolk with 138 litres / person / day and, for unmetered consumption, was South-West & Bournemouth with 304 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. Our 'Welcome Brochures' for new customers, which we provide for new home owners, have also been steadily updated during the past year. These brochures provide helpful hints and tips to reduce water usage across the home. 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.

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 2.74 in 2024, compared against average sampling rates of 2.49 in 2023 and 2.44 in 2022. Internal IWNL data shows an equivalent figure of 9.44 sampling visits per 1,000 population in 2025, the same figure as in 2024. These can be set against the figures of 12.62, 8.05 and 10.97 visits per 1,000 population in 2023, 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 2025 Sustainability Report is available on our website.
- Rates of landfill avoidance improved to 96.36% in 2025, up from 95.25% in 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. This rose in 2025, with 69.3% of all company cars now Hybrid and a further 15.26% Electric.
- We maintained our ISO14001 accreditation in 2025.
- We have maintained our arrangements with Dell and the charity 'Every Child Online', with approximately 2,100 electrical items being returned/donated between the two.
- In 2025, BUUK had a total of 5,308 hours of volunteering to either local community projects or through our partnership with OnHand. This is up from 4,699 hours in 2024. We also received a 'Gold' award in Volunteering Excellence at the 2025 Impact Awards.
- 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 completed an integrated Climate Change Adaptation Plan.
- Our two Environmental goals remain the same from last year:
- 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, we have now achieved a reduction of over 50% compared to our 2019 baseline, beating our target of a reduction of approximately 50 tonnes (or 50%)

CUSTOMER STATEMENT

Section four:

Future Focus

4. Future Focus

In the preceding sections of this customer statement, we have presented details of the work we have been progressing to ensure that we continue to provide an exceptional experience and service to both developers and our end-customers. Over the past regulatory year, and the ones preceding, we have demonstrated a strong programme of initiatives that have enabled us to consistently provide an industry-leading level of satisfaction for our end-customers. We will not, however, stop looking for new ways to improve, as we recognise that we must evolve our approach in response to changing customer expectations, new challenges that arise, as well as any expected regulatory changes that come as a result of government's move to update and improve water regulation. To this end, in the 2026-27 regulatory year, we will strive to further embed and, where appropriate, expand some of the initiatives we have implemented in 2025-26 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 components.

Innovation: As mentioned earlier, we recently finalised an innovation project for Ofwat's Discover Challenge 2, with partners from the BUUK group. The long-term purpose of this project was to improve the efficiency of new housing developments by utilising waste sewer heat for heat networks. In the shorter term, we intended to provide the required data needed to demonstrate when the technology becomes most helpful for new developments. Unfortunately, we were not successful in our application, though we remain open to new innovations and ideas. To this end, this is only one strand of where we remain committed to supporting innovative ideas that will benefit our end- and developer- customers alike. For instance, we are continuing work on an innovative digital registration journey which will greatly improve the service we can offer our end-customers.

Asset management: We are keen to work with Ofwat as the regulator moves to improve companies' asset management, as we agree that this is fundamental to a reliable and safe infrastructure. To this end, so we are in the final audit stages of gaining ISO 55001 accreditation for the implementation of IWNL's Asset Management System.

Digital Registration Journey: As part of our work to improve our customer's journey with us, we are looking to create a fundamentally better digital registration journey for them, making it quicker, more efficient and more aligned with what our customers expect and need from their water company when they are first moving into a property served by IWNL.