

Rt Hon Mr Alistair Carmichael MP  
Chair, Environment, Food and Rural Affairs Committee  
House of Commons  
London  
SW1A 0AA

*Sent via email*

26 February 2025

Dear Mr Alistair Carmichael

**Oral Evidence before the EFRA Committee – Reforming the water sector**

Thank you for the opportunity to attend yesterday's inquiry.

I promised to get back to the Committee regarding the question about whether it is correct South West Water has settled small claims for loss of amenity on the basis of using non-disclosure agreements.

The Committee is right to seek clarity on this topic. This question also concerned me, because it is not company policy to settle cases in this way.

Before responding, I wanted to be absolutely certain that I gave you a full and correct answer as soon as possible.


I have sought assurances from my General Counsel, and he has confirmed that South West Water Ltd has not settled any loss of amenity proceedings with a Non-Disclosure Agreement.

His report to me, identifies that in recent times, we have seen a handful of loss of amenity claims, which have not historically been prevalent in the sector. If these were settled through the courts, it is common place to have a confidentiality provision in the agreement. We attempted to settle the first claim we received, given our obligations under the civil procedure rules to save the courts time and expense. However, the case was withdrawn, and at that time, we concluded it would not be appropriate to progress cases in this way.

For completeness, in the normal course of being an infrastructure business, there are occasions where confidentiality clauses are appropriate for all parties, for example, in respect of commercial settlements with landowners, property owners, businesses and relevant commercial projects. To be clear, these cases are unrelated to loss of amenity claims and are standard practice across this and many other industries.

I trust this clarifies the position, and I apologise to the Committee for not having this to hand.

Yours Sincerely,



**Susan Davy**  
Chief Executive Officer, Pennon Group