The voice for water consumers
Llais defnyddwyr dŵr

18 March 2026

Sent by email

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

Dear Alistair

Thank you for your letter of 6th March regarding your engagement with water companies on their debt collection practices in relation to vulnerable customers. I welcome the opportunity to share my observations, and to answer the specific questions you have asked.

CCW believes that bailiff enforcement action should only be used by water companies as a last resort, and where they can show customers are persistently and deliberately not paying for services despite having the means to do so. Water companies should not use bailiffs as a means of enforcing debt in instances where households are financially vulnerable.

Water companies must follow Ofwat's "Paying Fair" debt recover guidelines[1]. Providing they have done so then court action would only follow a lengthy process which includes multiple attempts to engage with, and offer support to the customer, and to rule out financial vulnerability. The instruction of bailiffs is only then an option for companies following the courts reaching a judgement for the repayment of charges, and the customer failing to make payments in line with that judgement. In 2024/25 around 1 in 10 households were in arrears with water bill payments, but less than 1 in 300 customers were issued with a court summons.

Companies need to take responsible action to recover outstanding charges - and we always expect them to demonstrate good practice in doing so. The total debt for current households in arrears amounted to £2.12 billion in 2024-25[2]. Debt recovery costs are taken into account by Ofwat in setting price limits for water companies - and therefore feed through to customer bills.

[1] Paying Fair Guidelines - Ofwat
[2] Water Company Performance Report 2024-25 - Ofwat

CCW
23 Stephenson Street
Birmingham, B2 4BH

England t. 0300 034 2222 enquiries@ccwater.org.uk
Wales t. 0300 034 3333 ccw.org.uk

@CCWvoice

In April 2025 CCW began a programme of formal debt assessment visits to companies. At the assessments we evaluate companies' processes and review records of their handling of individual cases of debt, including their efforts to understand customers' circumstances and support those who need help. We identify and report any instances where we consider improvements are needed. The reports from the assessments we have carried out can be found here: Complaint and Debt assessments of water companies 2025-26 - CCW

To date our assessments have not identified concerns relating to companies' use of bailiffs. We also receive very few customer complaints about their use. During the current financial year only 10 household customers have referenced bailiffs in their complaint to us. To put this into context we received over 8,000 complaints from household consumers last year.

We note that amongst the companies which you approached for information the use of bailiffs peaked at 35,000 cases in 2024/25. Debt recovery activity increased post-pandemic as companies lifted additional protections which had been in place - including the industry-wide pause on the commencement of new court action. The inevitable catch-up which followed is reflected in the pattern of use of bailiffs that the EFRA Committee has identified.

It is our understanding that water companies are more selective and constrained in their use of bailiffs as a form of enforcing court judgements than other essential service providers. It has been reported that English local authorities made 1.7m bailiff referrals for Council Tax debt in 2024/25.[3]

Several companies have suggested that the lack of a mandatory sign-up process or data-sharing with government bodies has created difficulties in accurately capturing vulnerabilities to inform enforcement decisions. What are your views on these challenges?

Water services are provided under a statutory relationship rather than through an individual contract with each customer. Furthermore, companies are prohibited from withholding services (ie through a disconnection of supply) where they know a property to be occupied – whether they have been able to establish the identity of the occupier or not.

Around 1 in 4 of the poorest 10% of households live in private rented accommodation. In our 2021 water affordability review[4] for UK and Welsh governments, CCW recommended that the Landlord Tenant Address Portal (Landlord TAP)[5] scheme should be made mandatory in England as is already the case in Wales. Under the scheme landlords can be held liable for the water charges of their tenants unless they provide companies with their tenants' details. This can aid earlier identification of a customer's circumstances and engagement with them, allowing companies to provide support before there is a build-up of arrears.

[3] Bailiff referrals for council tax soar by 30% in two years - Debt Justice
[4] Our affordability review recommendations - CCW
[5] LTAP - Home

Some companies recommended a data-sharing protocol between the government and different utilities to automatically inform water companies if a customer is in receipt of certain benefits or has other vulnerabilities. What are your views on the potential risks and benefits of this approach?

Water companies undertake data sharing with credit reference agencies. In many cases these give them access to insights into the financial circumstances of their customers – allowing them to take this into account in their offers of support and approach to non-payment. In addition, the sector is able to access DWP and Local Authority data under the provisions provided by the Digital Economy Act 2017[6].

In order to access the data, companies must be able to demonstrate that they have reason to believe that they are likely to be able to benefit the customer in return for accessing their data (such as by targeting them for social tariff support).

This does mean that the requests for data which companies can make are more limited in scope – such as targeted on geographic areas where they suspect there may be a significant risk of financial vulnerability. CCW believes there would be value in companies being able to access data on benefit entitlement on a more widespread basis – to help avoid some customers being missed through this process.

CCW would also like to see the nature of the data provided by DWP enhanced from a simple Yes/No on the question whether benefits are received. If DWP or the Inland Revenue Service were able to provide household income data, that would facilitate the auto-enrolment of financially vulnerable customers onto more sophisticated social tariff schemes which can take better account of the household's financial circumstances in the round.

Improvements in data sharing coupled with a more consistent and targeted approach to social tariffs could deliver the eradication of water poverty – which water companies in England previously committed to achieve by 2030[7]. Currently only a small number of companies expect to be able to achieve that commitment. CCW's water affordability review recommended the introduction of a single social tariff scheme to replace the current postcode lottery of support. A single national social tariff scheme was also backed by the Independent Water Commission review[8]. By taking account of household circumstances, including income and water bill level, such a scheme could target the eradication of water poverty by automatically providing each qualifying household with the necessary level of support to lift them out of water poverty.

Concerns were also raised about unintended consequences of changes to the Water Supply and Sewerage Regulations which prevent water companies from sharing data with Credit Reference Agencies without first notifying the customer and inviting them to challenge arrears. They claim that this delay will hinder the early identification of emerging arrears and therefore put financially vulnerable customers at risk of falling deeper into debt without support. What is your view on the purpose and consequences of these regulations?

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[6] Digital Economy Act 2017
[7] Public-Interest-Commitment.pdf
[8] Independent Water Commission: review of the water sector - GOV.UK

In 2024, CCW made recommendation to Defra for improvements to the Guaranteed Standards Scheme. One recommendation was for the introduction of automatic compensation to customers in the event of a payment default being registered in error with a Credit Reference Agency (CRA).
Defra subsequently implemented improvements to the Guaranteed Standards Scheme regulation during 2025[9] , taking account of our recommendations. The provisions in respect of Credit Reference Agency data sharing which were implemented require companies to provide notice to a customer before they give 'information to a credit reference agency in relation to the customer's failure to pay them'.

Water companies have expressed concerns that their routine monthly reporting of payment statuses may be unintentionally captured by this regulation, where a payment is outstanding beyond the due date at the time of the monthly report. We understand that the policy intention was for companies to only be expected to issue notices to customers at the stage where a company is registering charges as being in default, rather than at the stage of just being late. However, based on legal advice which they have received, companies have suspended some data-sharing activity.

Credit-sharing arrangements usually operate on a reciprocal basis – so this issue, and the resulting pause on water companies sharing information with CRAs, has the potential to impact water companies' ability to access information about customer circumstances moving forward. As such, CCW would welcome amendments being made to the regulations to improve clarity around the policy intention.

There is significant variation across different companies in how vulnerabilities are assessed and acted on, particularly in relation to enforcement against customers in receipt of means-tested benefits. What is your assessment of the impact of this inconsistency?

CCW does not consider that the inconsistencies in debt recovery strategies highlighted in your report impact negatively on outcomes for customers. There may be differences between companies in terms of approach and how this is described – such whether or not they have an explicit policy to exclude those in receipt of benefits from certain forms of recovery action. However, the over-arching requirement is that all companies must use approaches to debt management for customers in vulnerable circumstances that are appropriate to their circumstances.

Providing they are operating within the requirements of the debt guidelines, water companies have some discretion in terms of their recovery strategies. Approaches may vary, even within the same company over time. However, these differences should not result in any weakening of the protections which exist for financially vulnerable households.

Through our work in supporting customers with their complaints, our close engagement work with companies, and the debt assessments we conduct, CCW is able to identify, report and hold companies to account for instances where we consider improvements are needed. This would include any instances where we consider companies are not following the debt guidelines. We also share examples of good practice in the interests of further improving standards across the industry.

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[9] Summary of responses and government response - GOV.UK

I hope that this information is helpful to your enquiries. Please do let me know if we can assist further.

Yours Sincerely

Dr Mike Keil
Chief Executive
Consumer Council for Water