



FROM LORD KATZ MBE
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13th November 2025

Dear Christine,

During oral questions on Wednesday 29th October, you asked if Thames Water had paid the fine of £104m imposed by Ofwat on 6th August 2024.

On 28th May 2025, Ofwat published its final decisions for two enforcement cases against Thames Water. These decisions included imposing two penalties on the company: one of £104.5m from the investigation into its wastewater business, and one of £18.2m from the investigation into dividend payments the company had made.

While these penalties were originally due to be paid by 20th August 2025, legislation sets out that a company can apply to Ofwat to request a payment plan for an enforcement penalty it has received. Ofwat has considered an application from the company and has now agreed a payment plan with Thames Water for the payment of these penalties.

Thames Water have paid 20% of the two total penalties, amounting to £24.5m, by the agreed date of no later than 30th September 2025. The payment of the remaining 80% of the penalties will take place on the earliest of three possible events:

- 30 calendar days after the implementation of a restructuring of the company's finances such that there is improved cash liquidity in the business;
- if the company enters the Special Administration Regime (SAR) under the Water Industry Act 1991, 30 calendar days after it exits SAR; or
- a backstop date of 31st March 2030.

You referred to two other companies in your question – Yorkshire Water and Northumbrian Water. Yorkshire Water agreed an enforcement package of £40m to address the failures that the investigation found, including £36.6m during 2025-30, to prioritise work on some of the most problematic storm overflows in environmentally sensitive areas to ensure they spill fewer than 20 times a year.

In June 2025, Northumbrian Water agreed an enforcement package with Ofwat of £15.7m to be paid by the company and its shareholders as part of a commitment to address the failures identified by the investigation.

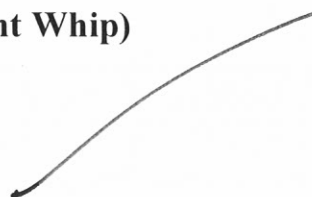
I can assure you that decisive action by the Government and regulators will be taken if water companies fail to meet our standards.

I hope you find this letter helpful. I will also send a copy to those Peers who spoke to the question and place a copy in the House library.

Best wishes,

A handwritten signature in black ink, appearing to read 'Katz', with a large, stylized initial 'K'.

THE LORD KATZ MBE
Lord in Waiting (Government Whip)

A long, sweeping, handwritten flourish or underline in black ink, starting from the right and curving downwards and to the left.

Baroness Blower
House of Lords