

MURAD QURESHI AM

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Ms Regina Finn  
Chief Executive  
Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA

27<sup>th</sup> August 2013

MQ/NS/DCD

Dear Ms Finn,

**Thames Water Price Increase**

I am writing to you as the London Assembly Labour Group Environment Spokesperson to express my deep concern at Thames Water's decision to increase prices for millions of customers across London by £29 per household during 2014-15.

Right across our city, Londoners are facing a cost of living crisis. With prices rising faster than wages, changes to the welfare state and utility bills spiralling to ever greater heights, a perfect storm is brewing at a time when the economy is said to be starting to recover. For many Londoners an increase in their water bills of 8% in 2014-15 will put a stop to any easing of the economic hardship being felt.

The case made by Thames Water for an increase demonstrates an appalling lack of concern for the millions of customers who have helped Thames Water report revenues of £1.8 billion in the last financial year.

The Consumer Council for Water has conducted research showing that one person in seven is already struggling to pay their water bill. One of the reasons given by Thames Water for the increase is increasing customer debt; an issue which they feel is best remedied by making more of their customers likely to fall into debt.

Thames Water is the only company to have sought the permission of Ofwat to raise prices. This clearly begs the question how other water companies have managed to deal with the increase in bad debt without raising prices.

In addition to other explanations offered by Thames Water, including increased Environment Agency charges and the transfer of private sewers, the company cites the costs of acquiring land for the Thames Tideway Tunnel as a core reason. It is difficult to believe that Thames Water could have made such an underestimation of the costs of land acquisition when they serve a city famous for its high land values.

In an ideal world, Thames Water would take into account the pressures being placed on household budgets and set socially responsible price plans. Given Thames Water's clear signal of intent to raise prices, Londoners are now looking to Ofwat as the guardians of the public interest to refuse permission to raise prices.

I look forward to hearing your decision in due course.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Murad Qureshi', with a horizontal line underneath.

**Murad Qureshi AM**  
LONDON ASSEMBLY MEMBER