



Consumer involvement in decision-making

Our plan for 2026/27

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About this document

This document sets out our forward-looking Consumer Involvement Plan for 2026/27. Our plan ensures consumer involvement is at the heart of decision-making. Its purpose is to ensure we meet new regulatory expectations and deliver better results for the people and communities we serve.

This document is intended for all consumers who use or are affected by our services. This includes household and non-household bill payers, wider household members, employees in a business, tenants, visitors and tourists. All of these groups consume our services and experience the impact of our decisions, whether or not they hold an account with us.

Our plan covers the two licensed water companies within Pennon Group: South West Water and SES Water. The South West Water licence covers services delivered across South West Water, Bournemouth Water, Bristol Water and the Isles of Scilly. Although Bristol Water sits within the South West Water licence, it continues to be treated as a distinct regulatory region for regulatory and consumer engagement purposes.

This plan provides a transparent account of how we listen, involve and respond to the consumers and communities we serve across these regions. It aligns with the new Consumer Involvement Rule, which requires water companies to show how they understand consumer views, embed consumers in governance and assess the impact of decisions on consumers.

Across the Group, we have been meeting much of the spirit of this duty for many years and, in this document, we set out how we will further formalise and strengthen our approaches. We set out the key priorities for further insight and our timetable:

- Our overall strategy for involving consumers in our decision-making
- The arrangements we are putting in place to comply with the duty
- The practical changes we are putting in place within our business to deliver against our strategic objectives, including how we are identifying material decisions
- Our focus areas for this year.

We will report on progress against this rule in July 2027 alongside our annual reporting.

Our purpose

Bringing water to life – supporting the lives of people and the places they love for generations to come

Our values



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We have also produced separate, shorter versions for each of our brands that discuss the specific services relevant to each of them.



Click on the documents for more information



Executive Summary



WaterShare+



**WaterShare+
Annual Report**

Our forward-looking Consumer Involvement Plan 2026/27 sets out how we will incorporate consumers in decisions that have a material impact on them now and into the future.

It is designed to meet the requirements of the new Consumer Involvement Rule introduced through the Water (Special Measures) Act 2025, while supporting Pennon's wider ambition to restore trust, improve service, protect the environment and ensure that decisions are demonstrably informed by consumer needs.

The plan applies across both appointed companies within the Pennon Group: South West Water, including Bournemouth Water, Bristol Water and the Isles of Scilly; and SES Water. It is implemented in a way that reflects the different licences, geographies, customer bases and scrutiny arrangements across the Group. It explains why consumer involvement matters, what the rule requires, what Pennon has already built, and how the different routes for consumer voice and independent challenge fit together within a coherent model.

The rule requires companies to understand consumers' views and experiences; involve consumers in decisions likely to have a material impact on them; ensure decision makers, including the Board, are properly informed; understand the impact of decisions on consumers; and report transparently on how their arrangements are working.

To meet this duty, our approach is built around three strategic principles:

Component 1
Better understanding consumers' views

Component 2
Deepening involvement in decisions

Component 3
Evidencing impact

As we do so, we start from a position of maturity. We have long standing foundations: a developed research and insight programme; public WaterShare+ meetings where consumers can challenge senior leaders directly; strong regional and community engagement; customer ownership through WaterShare+; and independent challenge through the WaterShare+ Customer Advisory Panel and the SES Water Customer & Environment Scrutiny Panel, supported by expert advice from CCW, the Environment Agency, Natural England and independent technical auditors. Together, these arrangements have shaped business planning and delivery over several price review periods and provide a strong platform for the future.

Our focus now is to make the system more explicit, more decision focused and more consistently embedded. Consumer involvement does not sit alongside decision-making as a separate engagement activity, but forms part of the way material decisions are framed, tested, approved, delivered, evaluated and reported back.

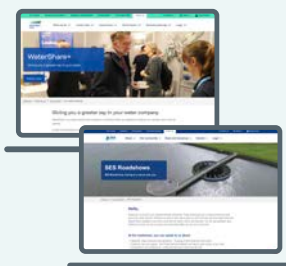
At the centre of this is a clear consumer involvement decision loop: starting with first identifying material decisions. For material decisions, we will identify the potential consumer impact, consider what we already know, determine the right form of involvement, gather and test evidence, present consumer insight to decision makers, invite independent challenge where appropriate, record how consumer views were considered, evaluate the impact after the decision, and feed lessons into future choices.



How consumers can get involved

The best way to get involved is to join in at our [WaterShare+ events](#).

SES Water consumers can sign up for one of our roadshows [here](#).



We welcome CCW's Water Voice panels as an addition to the overall framework. It provides structured, qualitative customer input through CCW led panels and accountability sessions. Our WaterShare+ Advisory Panel and our Customer & Environmental Scrutiny Panel have different but complementary roles: they provide independent expert challenge and assurance on behalf of consumers, testing whether the company has gathered the right evidence, interpreted it fairly, considered trade-offs honestly and allowed consumer evidence to influence decisions.

The WaterShare+ operating model is being strengthened to ensure it can focus on the areas where its challenge has the greatest impact. The enhanced approach going forward includes half yearly accountability sessions aligned to reporting cycles, more focused deep dives, stronger regional chair and deputy chair engagement, continued public meetings, structured links to Water Voice, Board attendance by the WaterShare+ Chair, and one to one engagement between the WaterShare+ Chair, the Pennon Chair and the CEO.

A key principle is that this approach is practical, proportionate and embedded within how we run our businesses. We have developed a consistent framework to identify "material" decisions and prioritise consumer involvement where there is impact on decisions that matter to consumers. However, rather than creating new processes, we are integrating consumer involvement into existing decision-making, governance and planning frameworks, ensuring the consumer voice is a core part of how decisions are made. We will keep our approach under review, however, including to reflect feedback on our approach (including from our consumers, our WaterShare+ Advisory Panel, Ofwat and CCW), in light of lessons shared from other water companies and our actual performance to consumers.

In 2026/27, we will focus on decisions that matter most to consumers, including bills and affordability, service performance, investment priorities and support during incidents. We will do so in a way that reflects a clear cultural shift in how decisions are made: consumer evidence will be brought into the room earlier, presented alongside operational, financial and regulatory considerations, and used to shape the options that go forward for approval. Insight from research, Water Voice, WaterShare+ and operational data will be used to illustrate the lived experience of consumers, ensuring that decision makers understand not only what consumers think, but why it matters and how different groups may be affected.

We will measure the effectiveness of these arrangements through operational data, customer sentiment tracking, research findings and structured feedback from WaterShare+ and Water Voice. Success will be judged not only by the existence of arrangements, but by the extent to which consumer evidence can be seen to influence decisions, the quality of independent challenge and the transparency with which companies report on impact. We set out our strategic objectives and leadership below, with the tangible and timebound areas of focus and how we will measure success at the end of this plan.

The Pennon Board, through the Boards of South West Water and SES Water, is committed to doing the right thing for customers and is accountable for compliance with the Consumer Involvement Rule. It sets the tone for the organisation, ensuring that consumer evidence is embedded in governance, visible in decision-making and demonstrably influential in the outcomes we deliver. Our WaterShare+ Advisory Panel and our Customer & Environmental Scrutiny Panels provide independent challenge, scrutiny and assurance that strengthen the Board's oversight and reinforce its commitment to consumer centred decision-making.

Penon's strategic objectives for 2026/27

Strategic objective	What this means	How it will be delivered
Component 1 Better understanding consumers' views	We will strengthen our evidence base through a more structured programme of research, engagement and insight, including priority areas such as bills and affordability, service performance, investment priorities, and incident response and customer support.	- Strengthening our approach to securing customers' views to help inform our decisions. We will expand our use of quarterly and targeted surveys to track customers' priorities (including how they change over time) and we will undertake more regular focus groups to explore certain topics in detail, including customer preferences where trade-offs are required (e.g. bill increases vs service improvements) - Enhancing our WaterShare+ public meetings to focus on upcoming decisions and customer trade-offs (and not just general feedback) and integrating CCW's Water Voice panels as a formal input into our decisions
Component 2 Deepening involvement in decisions	We will ensure consumer insight is embedded across all levels of our business – from day to day operations through to Executive and Board decisions. This means decisions that most affect consumers will be informed by what consumers tell us matters most.	- Introducing a refined role for our WaterShare+ Advisory Panel and SES Water's Customer & Environmental Scrutiny Panel so that our experts are better able to challenge and validate our decisions before they are made - Ensuring that our Board, as well as our Executive and senior managers, are better informed about customer insights. As part of this, we will provide regular briefings to the Board on customer insight, Water Voice feedback and engagement outcomes - Strengthening the relationship and engagement between our expert panel members and our Board, our Executive and our senior managers, to provide an additional means by which our decision-makers are kept abreast of customer priorities and, where necessary, appropriately challenged on their decisions with respect to customer involvement.
Component 3 Evidencing impact	We will take a more systematic approach to evaluating how our decisions affect consumers and will clearly explain how customer views have influenced the outcomes we deliver. This will improve transparency, build trust, and allow us to continually improve.	- Using operational data, survey results and sentiment tracking and feedback from WaterShare+ and Water Voice to understand how well our arrangements are working. - Strengthening governance and assurance by evolving WaterShare+ and aligning closely with CCW's Water Voice panels, bringing both direct customer input and independent challenge. - Feeding this learning back into future decisions and planning cycles.

Introduction

The water sector is under intense public scrutiny. As bills rise to fund improvements in environmental performance, resilience, water quality and customer service, consumers rightly want to understand whether the sector is delivering the value and progress they expect.

Trust has been challenged, and consumers want clear assurance that companies entrusted with essential monopoly services are acting squarely in their interests.

In this environment, the presentation of our forward-looking Consumer Involvement Plan is more than a compliance requirement. It reflects a clear principle: consumer experiences and needs should meaningfully influence the decisions that affect them. This is particularly important in a sector where consumers cannot choose their supplier and where decisions about long term investment, environmental outcomes, resilience and bills may have consequences for decades.

Our Board is committed to doing the right thing for customers and communities, and has made clear that consumer involvement must be a visible and influential part of how we make decisions. This commitment shapes the culture of the organisation: consumer evidence is expected, tested and weighed alongside operational, financial and regulatory considerations, and decision makers at all levels are accountable for showing how customer views have informed their choices. This plan therefore reflects not only regulatory requirements, but the Board's determination to ensure that the people and communities we serve have a meaningful voice in the decisions that affect them.

Applying this commitment requires an approach that works across a uniquely diverse service area. We serve consumers across distinct regions: South West Water, Bournemouth Water, Bristol Water and SES Water, and each with its own geography, demographics, resilience challenges and consumer expectations. The South West's rural and coastal communities face very different pressures from those in Bristol's growing urban centre, while Bournemouth and the South East are among the most water stressed areas in the country.

These regional differences shape the experiences of the people who rely on our services. Within each area, coastal communities, rural villages, urban neighbourhoods, vulnerable households, business customers, visitors and tourists, developers, future consumers and environmental stakeholders all interact with our services in different ways and feel the impact of our decisions differently. A strong consumer involvement model must therefore be capable of recognising both the Group wide themes that apply across all regions and the local differences that matter to the communities we serve.

Pennon's approach to consumer involvement is built on a long standing belief that the people and communities we serve should play a meaningful role in shaping the decisions that affect them. This principle has guided our work for many years and is reflected in the way we design services, prioritise investment and respond to the challenges facing our regions.

To build this understanding, we draw on long standing research programmes in each region, combining quantitative surveys, deliberative engagement, behavioural insight and ongoing testing of service and investment proposals. We also work closely with all consumers to ensure that our decisions reflect the full diversity of the communities we serve.

Environmental and community perspectives are a core part of this insight, recognising the importance consumers place on local rivers, coastal waters and the natural environment.

This multi region insight gives us a nuanced and place specific understanding of consumer needs. It enables us to identify shared priorities, understand local differences and design engagement and decision-making processes that reflect the distinct characteristics of each area.

At the same time, consumer preferences are not the only factor in decision-making. We must also take account of statutory duties, safety, environmental obligations, affordability, deliverability, regulatory requirements, resilience, long term asset health and cost. The purpose of consumer involvement is not to turn every decision into a simple vote. It is to ensure that consumer evidence is available, understood, weighed and transparently considered alongside these other factors.

WaterShare+

The WaterShare+ Advisory Panel has been consulted on and engaged in the development of Pennon's forward plan for how it will ensure that consumers are at the heart of its decision-making going forwards and we strongly welcome its publication. We exist to provide the Pennon Group companies with effective independent challenge and accountability on behalf of the customers and communities it serves. We will continue to support and challenge the company to take its leadership in customer engagement forward for the benefit of all, and believe this plan sets out a new and stronger framework for customer informed and focused decision taking. Ultimately the test is that insight makes a real and lasting difference to the essential service that Pennon provides to customers and the environment.

Through the WaterShare+ Advisory Panel's role in challenging the Pennon Group companies to consistently listen to the customers and communities they serve, to hold them to delivering on their customer promises and to ensure the highest quality customer analysis and research, we look forward to playing our part in the delivery of the plan to put customers at the heart of all they do.

Lord Matthew Taylor

Chair, WaterShare+ Advisory Panel



WaterShare+ Annual Report

About Pennon and its consumers



Pennon is an environmental infrastructure group focused on the UK water sector. Our team of c.4,000 colleagues work around the clock to deliver over 1 billion litres of water to 4.3 million people every day.

Our Water Businesses

South West Water, including Bournemouth Water and Isles of Scilly Water

South West Water serves one of the most varied and complex customer landscapes in the UK. We provide water and wastewater services across Cornwall, Devon, the Isles of Scilly and parts of Dorset. We provide water only services to customers in the Bournemouth Water area, with wastewater services delivered by other companies depending on location.

Across Devon and Cornwall, the population can double or more in coastal locations, as over 10 million tourists visit the region every summer. This creates a uniquely dynamic customer landscape, with sharp seasonal variations in demand and service expectations.

The South West's geography consists of long coastlines, upland catchments, dispersed settlements and exposed infrastructure. This shapes consumer experience. Seasonal population surges create sharp peaks in water demand, pressure on wastewater networks and heightened expectations around environmental protection.

Bristol Water

Bristol Water customers receive water services through our South West Water licence, while wastewater services are provided by Wessex Water.

Bristol's customer base reflects the characteristics of a fast growing, diverse urban region, including young professionals and students, families and long established communities, new residents moving into expanding suburbs and regeneration areas, and businesses operating in a dense urban environment.

SES Water

SES Water provides water services to more than 750,000 customers across Surrey, Kent and South London, with wastewater services delivered by other companies. The wider South East region is one of the most water stressed in the country, with high demand and limited local water resources.



Our structure

Our role is wider than providing water and wastewater services to our consumers. As a custodian of our local environment and an employer to 4,000 people, we need to take account of the views and priorities of a wide range of stakeholders.

Our retail household billing and customer contact services are also delivered through a variety of routes that reflect each of our customer brands. Services in Devon & Cornwall, the Isles of Scilly and parts of Dorset receive a single water and wastewater bill from us.

Bournemouth Water bill water services direct to its customers (with Wessex Water billing the wastewater element separately), whereas Bristol Water and Wessex Water send a single bill for water and wastewater services from their joint venture retail company, Pelican.

Some SES Water customers get a single bill which includes the wastewater element on behalf of Thames Water. For other SES Water customers, a separate wastewater bill is sent by Southern Water.

For business customers, our wholesale service desk helps to understand their needs through their retailer, though we also interact directly with business customers through our day to day work and through our operational contact centres (e.g. as we work throughout our area). Our research and engagement applies to both households and business customers. We undertake this in such a way that the communication route is most appropriate for each person.

Our services



About our consumers

Across the Pennon Group, we serve a diverse and growing customer base spanning the South West and parts of South East England. Through South West Water, Bristol Water, Bournemouth Water and SES Water, we serve millions of people living in urban, rural and coastal communities, each with distinct needs and priorities.

In total, we provide services to around 4.3million people, including approximately 3.6million across the South West Water and Bristol Water regions and over 750,000 customers served by SES Water in Surrey, Kent and South London. We also serve a substantial non-household market, supporting 380,000 business customers across the UK.

We operate a regional model with three business units that works across our geographies: National water business unit, Wastewater business unit, and Retail business unit, covering household customer billing services.

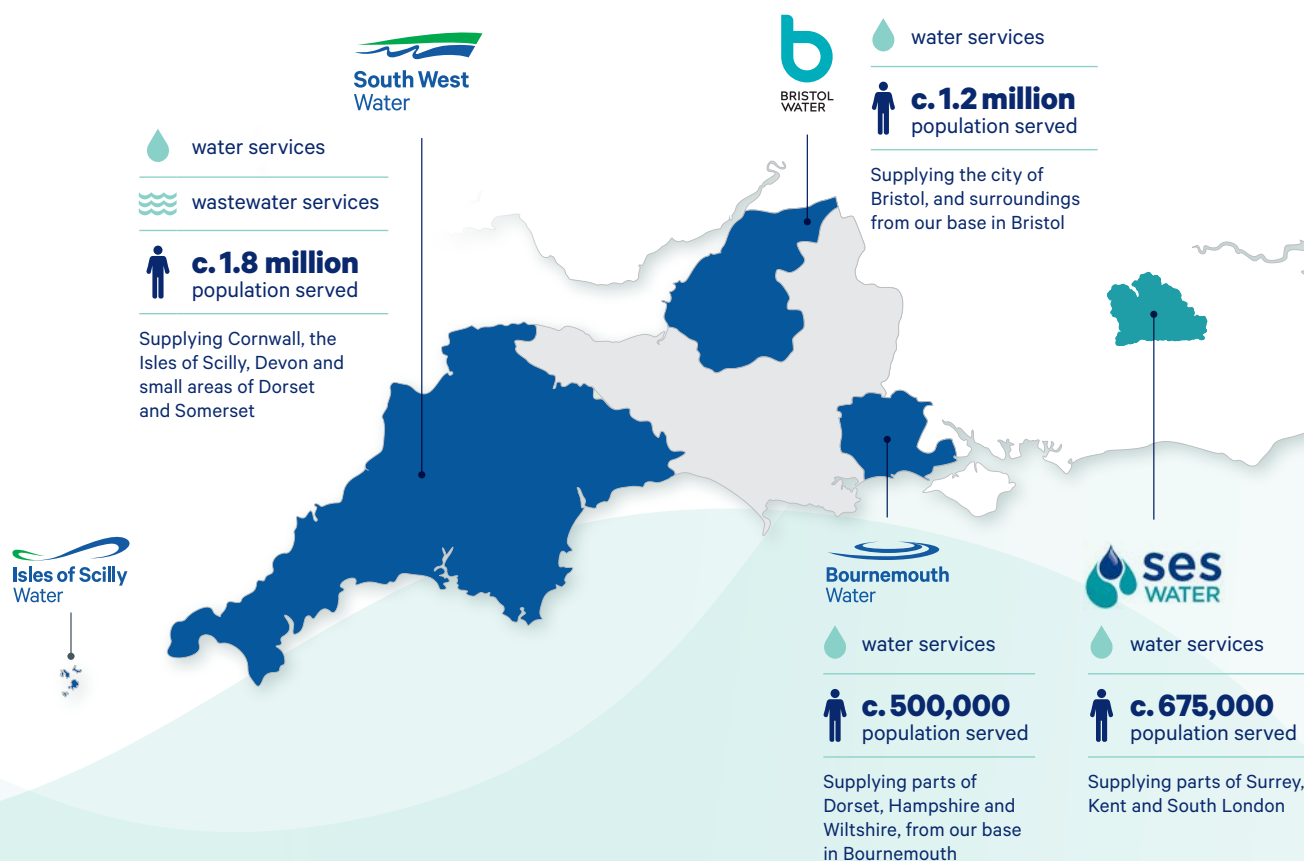
As well as households and businesses, our consumers also include households and businesses that are served by developer services, such as homebuilders and commercial developers that require new water or wastewater connections for construction projects.

Individuals and businesses can receive multiple services, such as developer services as well as a consumer of water, so it's important that a wide range of individuals views are considered when we make decisions about the services we provide.

We provide services direct to customers, and also communicate through other businesses, stakeholders and community groups. All of these interaction routes are important to how we deliver our services and take into account the views of consumers in the decisions we face.



Population grows up to
10 million
in the summer



Our strategic priorities

The four strategic priorities to 2030 that drive our investment and delivery plans are grounded in what consumers have told us matters most. They shape our plans for the environment, service, resilience and affordability, and they guide the decisions we make every day.

Our four strategic priorities



Building water resources, improving water quality

Our purpose is rooted in the sustainable stewardship of water, a resource vital to communities and ecosystems, now and for generations to come.



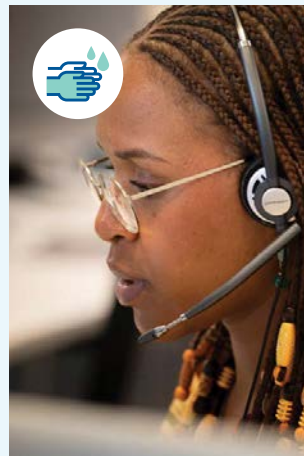
Tackling storm overflows and pollutions

Tackling storm overflow spills and reducing pollutions is of utmost importance to us, ensuring we protect the environment and respond to the concerns of our customers and communities.



Driving environmental gains and delivering Net Zero

Pennon is proud to be at the forefront of environmental infrastructure, delivering sustainable outcomes for our customers, communities, and ecosystems.



Supporting affordability, delivering for customers

Addressing affordability means focusing on two core priorities: driving efficiency to keep bills as low as possible, and providing meaningful support to those who need it most.

These priorities reflect the issues that consumers consistently raise across our regions: the need for clean and reliable water, protection and recovery of the environment, support when things go wrong, and confidence that bills remain fair and affordable. They also respond to the wider challenges facing the sector – from climate change and population growth to ageing infrastructure, environmental pressures and rising expectations of transparency and accountability.

Together, the priorities provide a clear framework for how we will deliver better outcomes for consumers and the environment. They ensure that our investment programme is focused on the areas of greatest consumer value, that our operational decisions are aligned with long-term needs, and that our approach to resilience, affordability and service improvement is shaped by the people who rely on us every day.

Our Business Plans

Our plans to 2030, including our four strategic priorities, have been shaped directly by the views and priorities of our customers and communities.

From our engagement, we learnt that many consumers were generally satisfied with the service they receive but want to see improvements every year. Some worry about what the future brings and want to see bigger change. Some worry about the health of their family and if they can continue to swim in their favourite river or beach, or whether the environment is ready for the impacts of climate change and population growth. And a key worry is finances, and what will happen to bills and their ability to afford their water bill as we invest more in the future.

Overall, our research showed us that our consumers care most about:

- High quality drinking water from sustainable sources,
- Resilient water supplies with minimal wastage,
- Reduced water footprint and a fair, affordable price for water, and
- Improved environment with a positive impact on the local area.

These reflect our four strategic priorities and our associated five-year investment plan.

Through our ongoing engagement and research, consumers also tell us clearly that they want to be more involved in decisions that affect them, particularly where there are impacts on bills, service levels and the environment.



Click on the documents for more information



The regulatory and strategic context



The new Consumer Involvement Rule

The new Consumer Involvement Rule, in effect since 1 April 2026, sets clear expectations for how water companies must involve consumers in decisions that materially affect them.

Companies must be able to demonstrate that they:

- Understand consumers' views and preferences
- Involve consumers in any decision likely to have a material impact on them
- Ensure that internal decision-making – including at Board level – has taken account of consumer views
- Understand and assess the impact of decisions on consumers
- Report transparently on how they comply with the duty, including how they have sought feedback from consumers on their experience of it.

These requirements reflect a wider regulatory shift towards accountability, legitimacy and consumer voice, alongside growing expectations around environmental recovery, resilience, affordability and trust in the sector.

The rule is underpinned by the Water (Special Measures) Act 2025, which places a legal obligation on companies to ensure they have arrangements in place to understand consumer views and experiences for any decision likely to have a material impact on them. Companies must be able to show not only that they listen to consumers, but that consumer views materially influence decisions.

How the rule operates in practice

Following the legislation, Ofwat has consulted on, developed and introduced the detailed Consumer Involvement Rule that companies must follow.

This rule sets out how companies are expected to give effect to the duty in practice. Ofwat requires companies to have arrangements for involving consumers in decisions that are likely to have a material impact on consumer matters.

The Ofwat **consumer involvement rule** has three core components. Together, they form the regulatory expectation for how water companies must involve consumers in decisions that materially affect them.

1. Understanding consumers' views and preferences

Companies must take decisions with an informed understanding of what consumers think, need and experience.

2. Involving consumers in decision-making arrangements

Companies must have arrangements that actively involve consumers in decisions likely to have a material impact on them.

3. Understanding and evaluating the impact of decisions on consumers

Companies must assess how past decisions have affected consumers, evaluate outcomes and learn from them.

As part of this, the rule also involves the establishment of new company-specific, CCW-led customer panels and associated Accountability Sessions with company Executives.

Pennon already aligns with much of the spirit of the duty. The introduction of Ofwat's new rule on consumer involvement in decision-making provides an opportunity to review and enhance our arrangements for how we involve customers in decision-making.

Our journey so far

Penon enters this new regulatory landscape from a position of maturity. The principles underpinning the Consumer Involvement Rule have been part of our approach for many years.

We work hard to ensure that the decisions we make involve a geographically representative group of our customers and have put in place arrangements to help ensure this. For example:

- Where necessary, we undertake license (or brand) specific research, especially if the issue relates to community or location-specific environmental issues,
- The operational and behavioural insights we make use of reflects our actual customers' views and priorities, which we use to directly informs our decision-making,
- We have an SES Water-specific Customer & Environmental Scrutiny Panel to consider and challenge our decisions for SES Water and how well they reflect the views of local customers. The co-chairs of this panel also sit as members of our WaterShare+ Advisory Panel, ensuring that relevant Penon-wide decisions reflect SES Water customers, and
- We have separate Boards for South West Water and SES Water, for the matters specific to those licences.

A long standing commitment to consumer involvement

Across South West Water, Bournemouth Water, Bristol Water, Isles of Scilly Water and SES Water, we have consistently treated consumers as place based partners rather than a single aggregated group. Our multi region model gives us a rich, nuanced understanding of consumer needs across rural, urban, coastal and water stressed communities. This approach has been continuous, not cyclical: consumers have influenced decisions over many years, not only during price reviews. It is reflected in our track record: we are the only water company to have received an outstanding rating for its business plan for the third consecutive time.

Research and insight as a strategic asset

Customer research has long played a central role in shaping our business plans and informing decisions about strategic priorities. This includes quantitative surveys, qualitative and deliberative work, targeted engagement with specific customer groups, operational and complaints insight, and bespoke research on particular investment or service issues.

Our focus is to ensure that this evidence is not held primarily as an engagement record, but is systematically available to decision makers and independent challengers at the point when choices are being developed. We treat our insight base as a strategic asset: a way of understanding what consumers value, what they find unacceptable, what trade-offs they are prepared to support, and where we need to do more to explain or improve our approach.

WaterShare+ customer ownership and public accountability

WaterShare+, established in 2020, has become a distinctive part of Pennon's consumer involvement model. It gives customers a direct stake in the company through the customer share scheme and provides public opportunities for customers and stakeholders to question senior leaders directly. These public accountability meetings are independently chaired and offer an unfiltered route for consumers to raise concerns, share lived experience and highlight local issues.

Their value is different from representative research or structured panels: they provide openness, visibility and direct challenge. They also help WaterShare+ identify issues that may require further scrutiny, deep dives or escalation.

Independent challenge

The WaterShare+ Advisory Panel provides independent scrutiny and challenge on behalf of consumers. Its members bring regional, customer, affordability, vulnerability, environmental, regulatory and community perspectives from across Pennon's service areas. The Panel is supported by advisers from CCW, the Environment Agency and Natural England, and has access to independent technical auditors to test the robustness of information and the company's interpretation of consumer evidence.

In the South East, SES Water's Customer & Environmental Scrutiny Panel provides equivalent local challenge in one of the most water stressed regions in the country. Its co chairs are members of the WaterShare+ Advisory Panel, ensuring that SES specific scrutiny is connected to the wider Pennon Group approach while respecting the separate arrangements required for SES Water.

The introduction of CCW's Water Voice adds a further layer of independent challenge. Water Voice provides regionally grounded feedback on how well we reflect consumer views, and its insights are now a formal input into our decision-making, governance and assurance processes.

The value of independent challenge lies in its informed independence. A strong challenge group does not substitute its own preferences for consumer evidence, nor does it act as an additional company committee. Its role is to test whether the company has understood consumers, considered the right evidence, recognised distributional impacts and trade-offs, and allowed consumer interests to influence decisions.

80,000 customers
are shareholders through
WaterShare+

260+ customers
joined our WaterShare+
meetings and spoke directly
to our Executive

Board and Executive engagement

Ultimately, consumer involvement must be owned by the company and its Board. The WaterShare+ Advisory Panel and the Customer & Environmental Scrutiny Panel provide challenge and assurance, but the obligation rests with Pennon.

The Board leads our commitment to meaningful consumer involvement and sets the expectation that consumer evidence must be visible and influential in material decisions. This leadership is reinforced through regular engagement between the Pennon Chair, the CEO and the WaterShare+ Chair, ensuring that independent insight and challenge are brought directly into the heart of governance. The advisory panels provide valuable independent scrutiny and assurance that support and strengthen the Board's oversight of how consumer views are gathered, tested and used.

Broadening reach and deepening involvement

Our journey has also included a wide range of outreach and community based engagement. This includes customer roadshows, education programmes, public campaigns such as tackling unflushables and fats, oils and greases in our sewers, collaboration to prevent sewer misconnections, and funding community groups that support the local environment. These activities extend our reach beyond formal panels and research, ensuring that we hear from consumers who may not otherwise engage with the company.

Our strengthened model

PR24 highlighted where a more structured, decision-focused approach adds value. The lessons from PR24, particularly around sequencing investment, affordability, resilience and environmental ambition, have informed the design of our strengthened model. Our forward plan sets out that future decisions will be shaped through a clearer materiality framework, earlier consumer involvement, more systematic independent challenge and a defined decision loop, ensuring that consumer evidence is consistently visible, tested and influential in the choices we make.

Case study

1 2 3 4 5 6 7

Involving consumers in development of our PR24 business plans

Our plans to 2030, which were developed as part of the PR24 programme, saw our most diverse engagement programme to date. Engagement is a hugely important part of any business planning processes.

We engaged to ensure that we built a plan around what matters to consumers, a plan that is achievable, affordable and deliverable. We spent considerable time over 18 months talking to consumers and stakeholders about where we are right now and how we were doing against our PR19 commitments. This was our most diverse engagement programme ever. Whilst we engaged a similar number of consumers as we did in PR19 (around 30,000), we widened the reach and methods of our engagement to include more stakeholders, including delivery partners, catchment partners, consumers bodies, non-Governmental organisations and regulators.

Stages of research

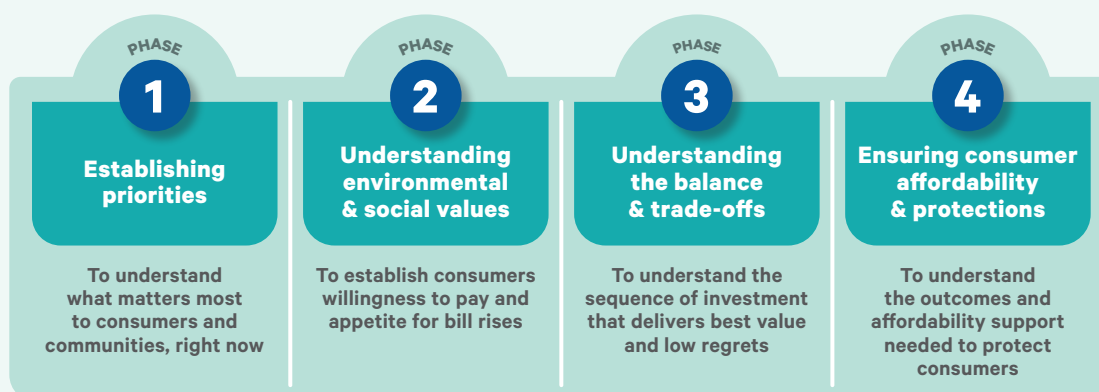
Our research was divided into four phases to ensure that the research inputs into the business planning process at the right time. This included specific PR24 research and engagement underpinned by business as usual activities and the wider engagement campaign to encourage consumers to have their say.

How we engaged

We ensured that all our consumer research had a wide reach and was representative of the consumers we serve, including harder to reach consumers. It included:

- Consumers in all regions – Isles of Scilly, Bristol and Bournemouth were included in the research,
- Future and younger members of the communities,
- Vulnerable consumers,
- Non-households and retailers, and
- Stakeholders.

The stages of research conducted



Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Our research was developed and delivered by experts in market research, consumer engagement, and the water sector. That ensures it was (and is) usable and actionable.

The role of WaterShare+ and independent challenge

The WaterShare+ Advisory Panel played a critical role in developing and reviewing our draft plans – including through over 50 meetings with our Executive and posing around 300 information requests, actions and challenges – to ensure that we were appropriately taking account of consumers' needs.

The Panel was also given full access to company drafts at each stage, supported by multiple deep dive sessions on each area of customer importance. It engaged with the customer research programme, inputting into its design and implementation, and reviewing outcomes and triangulation. To strengthen scrutiny, the Panel formed both a technical subgroup and an environment and customer subgroup, enabling detailed examination of proposals with direct access to executives and independent advisers.

At the end of the process, WaterShare+ prepared a comprehensive independent review of the business plan and submitted it to Ofwat, assessing the plan in the context of customer acceptability. The Panel also provided independent comment on Ofwat's draft determination and attended the final Ofwat business plan meetings with the company.

Involving consumers in development of our PR24 business plans



Our business plan for 2025 to 2030 was influenced by our consumers through an ongoing process of research and insight gathering. We listened to consumers from across our supply area.

We heard from people of different ages, at different life stages, in a range of financial circumstances and those with additional needs; through a mixture of online surveys and in-person interviews, focus groups and meetings. Much of the insight we used comes from our daily business activities, including day-to-day interactions, consumer forums, market research and reviewing comments and complaint. We also established a dedicated panel of community representatives to provide insight on the needs of the local people they serve and to help us shape our services.

We made sure we're consistent with other water companies, by using research carried out by Ofwat and CCW on cross-industry consumer priorities. We also conducted additional research in areas our consumers can influence most, such as how quickly we reduce leakage and supply interruptions, how we enhance the environment and make progress towards achieving carbon net zero, and whether we do more to remove lead pipes.

Together, this research enabled us to establish our priorities for the next five years, set our long-term ambition, identify choices and trade-offs, and bring our plan together while making it affordable for all. Our research and engagement programme, and how it has informed our plan, was challenged throughout by our independent Customer & Environmental Scrutiny Panel.

The key consumer priorities from this research were:

- High quality drinking water from sustainable sources,
- Resilient water supplies with minimal wastage,
- Reduced water footprint and a fair, affordable price for water, and
- Improved environment with a positive impact on the local area.

As part of the process we held an open challenge session to allow consumers to give feedback on our plan. We promoted the session widely using direct emails, local press and social media, directly and via third parties to encourage as many

consumers as possible to join and take part. Feedback from this process and our response was included as part of the plan. Part of the plan explained that a change of ownership of SES Water was likely to happen, and ultimately SES Water bill changes were lower than expected and amongst the lowest in the sector because of the financial resilience and flexibility the merger enabled.

Following the merger with Pennton, the Customer & Environmental Scrutiny Panel continues as a SES Water specific panel within the overall WaterShare+ framework (see the section on Component 2, where we discuss this further).

You said, we did

Area	You said	We did
Securing water supplies	How will you create more capacity and avoid water shortages, and are there opportunities to harvest more water?	We're working in partnership with our neighbouring companies to reduce leakage and customer consumption as part of a regional solution that includes new water sources and transfers across South East England
Leakage	We want you to do more to reduce leakage, particularly if you expect us to reduce our consumption	We'll exceed the Government target, reducing leakage by 50% by 2041 and 62% by 2050 by using our smart network to find and fix leaks on our pipes and using smart meters to detect leaks in customers' homes
Drinking water quality	We'd like our water to be as free from chemicals as possible	We'll work with farmers and landowners to prevent pollutants entering our water sources, reducing the need for further treatment where possible
Lead in drinking water	We are concerned about the risks posed by lead and the use of phosphate to protect water quality from lead	We'll replace lead pipes at 170 schools, colleges and nurseries over the next five years but phosphate will still be needed to protect against lead leaching in some areas
Water pressure	We are concerned about water pressure in some localised areas and want a consistent and acceptable pressure	We recognise a small number of customers are impacted by pressure issues. By utilising our smart network effectively to maximise the speed of leakage detection and repair, we will need to reduce the pressure in the network less often which will lead to more consistent pressure levels
Protecting local rivers	We are concerned about the amount of water you take from local rivers and pollution from sewer overflows and run-off from land	We'll tackle pollution of our water sources and protect species that live in sensitive habitats, while investigating if the water we take from the environment is affecting the three chalk streams in our region In the River Eden catchment, we'll improve how we manage water to increase its resilience and deliver wider environmental benefits
Bill increases	We are concerned about bill increases and protecting those who are struggling financially	We will need to increase bills by 10.5% to help fund our improvement programme but we'll offer discounts on bills to those that need it and provide other financial support schemes
Shareholders and dividends	We want to know more about your current ownership and the levels of returns to shareholders	We expect the company to change ownership in late 2023. Our plan assumes that our new owner will provide equity to help fund our investment programme and will receive a fair return on their investment. We have updated our dividend policy in line with Ofwat's requirements.

Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Our consumer involvement framework

Our overall approach to involving consumers in our decision-making applies across Pennon, including for South West Water-licensed activities and our SES Water-licensed activities.

Defining excellent consumer involvement

Excellent consumer involvement is not simply asking consumers for views. It is a disciplined approach to using consumer evidence and challenge to improve decisions.

It has clear characteristics: it is decision focused, evidence based, inclusive and regional, timely, independently challenged, transparent, proportionate and learning oriented. These principles ensure that consumer involvement is neither a narrow compliance exercise nor an impractical process that slows operational decisions. Its purpose is straightforward: to make decisions better.

Table 1: Ofwat's guiding considerations – the mapping in this document

Ofwat guiding consideration	Description
Accessibility	Making involvement as easy as possible for a range of audiences
Independence	Ensuring that views are not unduly influenced by the undertaker and reflect the genuine views of consumers
Timeliness	Considering consumers' views at a frequency and time that makes sense for the subject matter and allows for meaningful involvement
Representativeness	Involving a broad range of consumers or independent consumer experts that appropriately reflects the range of consumers the undertaker serves
Transparency	Being open and honest with consumers who are being involved in decisions, and being open about how consumers have been involved in decisions

Our strategic objectives for 2026/27

The changes we are making to embed the new CCW-led arrangements into our existing approach and to improve our WaterShare+ model will help deliver across all our strategic objectives (and all three components of Ofwat's rule).

Component 1

Better understanding consumers' views

We will continue to strengthen our evidence base through a structured and continuous programme of research, engagement and insight. This means ensuring our robust approach to periodic consultation is applied to tracking consumer priorities, expectations and experiences throughout the year.

Our expanded programme includes quarterly and targeted surveys, more regular deliberative research on issues where trade-offs are required, and deeper engagement on topics such as affordability, service performance, environmental priorities and resilience. We are also enhancing WaterShare+ public meetings, shifting them from general feedback sessions to focused discussions on upcoming decisions, customer trade-offs and areas where challenge is most valuable.

Alongside this, CCW's Water Voice panels are now a formal input into our decision-making. Water Voice provides independent, regionally grounded challenge on how well we reflect consumer views, and its feedback is integrated into our planning, governance and assurance processes.

Together, these improvements ensure that we understand the views of a broad and representative range of consumers – including bill payers, wider household members, business users, vulnerable consumers, and those who consume our services without holding an account, such as tenants and visitors.

Component 2

Deepening involvement in decisions

We are embedding consumer insight more consistently across all levels of the business – from day to day operations through to Executive and Board decisions. This means ensuring that decisions with the greatest impact on consumers are informed by what they tell us matters most.

A key part of this is strengthening the role of the WaterShare+ Advisory Panel, which brings together customer shareholders and independent experts. The panel provides scrutiny of performance, investment, environmental plans and customer service, and offers a direct line of challenge to the Executive and Board. Its remit is being refined so that it can engage earlier in the decision cycle, when its challenge can have the greatest influence.

We are also enhancing the role of SES Water's Customer & Environment Scrutiny Panel, which provides independent challenge on service performance, environmental commitments and long term planning in one of the most water stressed regions in the country. Its insight is now more closely integrated into Group level decision-making.

To support this, we are introducing regular Board briefings on consumer insight, Water Voice feedback and engagement outcomes. We are also strengthening the relationship between expert panel members and senior leaders, ensuring that decision makers are kept abreast of consumer priorities and appropriately challenged on how they have taken consumer views into account.

Component 3

Evidencing impact

We are taking a more systematic approach to evaluating how our decisions affect consumers and explaining how consumer views have influenced the outcomes we deliver. This is essential for transparency, accountability and trust.

Our approach includes using operational data, survey results, sentiment tracking, and feedback from WaterShare+, Water Voice and regional panels to assess how well our arrangements are working. We are also strengthening the way we assess the consumer impact of material decisions, ensuring that the Board receives clear evidence on how consumer views have been considered and what trade-offs have been made.

This learning is fed back into future decisions and planning cycles, creating a continuous improvement loop. It also supports clearer public reporting, so consumers can see how their involvement has shaped investment, service levels, environmental outcomes and affordability.

The outcomes we will deliver

Our consumer involvement ecosystem delivers four key outcomes:

- **Better decisions:** Consumers influence where we act, how we act, and what trade-offs we make. Evidence we have on what matters to consumers and what matters to trust impacts decisions at all levels in our business so we learn and continuously improve.
- **Stronger legitimacy and accountability:** Independent challenge ensures decisions are transparent and evidence based.
- **More representative engagement:** We hear from rural, urban, coastal and water stressed communities, as well as vulnerable and future consumers.
- **Shared responsibility and partnership:** Consumers help protect assets, actively engage and support delivery of environmental outcomes, and shape long-term strategies.

Assurance and quality testing

Strong assurance is essential to ensuring that our consumer involvement arrangements are credible, representative and effective. Pennon's approach combines independent challenge, regional triangulation, external assurance and systematic checks on representativeness.

Together, these elements ensure that the insight we gather is robust, that our decisions genuinely reflect consumer views, and that we identify and address any gaps in our understanding.

Our assurance model is deliberately multi layered. It draws on the independence of WaterShare+, the diversity of our three regions, the scrutiny of external experts, and the discipline of internal governance. This creates a system where customer insight is tested, validated and strengthened before it informs material decisions.

Independent challenge

The WaterShare+ Advisory Panel, along with the SES Water Customer & Environmental Scrutiny Panel, plays a central role in providing independent scrutiny of our consumer involvement arrangements. The Panel reviews the evidence we gather, challenges the robustness of our insight, and tests whether customer views have been appropriately reflected in decisions. Its members – including customer shareholders and independent experts – bring a range of perspectives that help ensure our approach is balanced, transparent and aligned with customer expectations.

WaterShare+ also provides a direct line of challenge to the Executive and Board, ensuring that leadership decisions are informed by independent assessment of customer insight and its quality.

Triangulation across regions

Pennon's structure – spanning South West Water, Bristol Water and SES Water – lends itself to triangulation. Insight from each region can be compared and tested against the others, allowing us to identify where customer priorities align and where they differ. This helps ensure that decisions are grounded in the lived experience of customers across rural, urban, coastal and water stressed areas.

Triangulation also strengthens the representativeness of our insight. If a theme emerges consistently across all three regions, we can be confident it reflects a Group wide priority. Where views diverge, we ensure that regional differences are explicitly considered in decision-making.

External assurance

External assurance provides an additional layer of confidence in the quality of our consumer involvement. We will continue to ensure independent specialists review our research, engagement processes and evidence base to assess whether they meet recognised standards of robustness, independence and representativeness. This includes reviewing the design of research programmes, the validity of findings, and the way insight is used in decision-making.

We also draw on the scrutiny provided by CCW's Water Voice panels and the Accountability Sessions, which offer an external perspective on how well we are reflecting customer views in our decisions.

Ongoing improvement

Assurance is not a one off exercise. Throughout the year, we review the strength of our consumer evidence base and identify areas where further insight is needed. This includes assessing:

- Whether we have sufficient evidence on the issues consumers care about most
- Whether regional differences are fully understood
- Whether vulnerable and future customers are adequately represented
- Whether insight is timely and aligned with decision cycles

When gaps are identified, we act quickly – commissioning new research, expanding regional engagement, or strengthening the role of WaterShare+ and Water Voice in specific areas. This ensures that our decisions are always informed by the best available understanding of consumer views.

Our current approach and where we want to get to

Our current view of our performance and our approach to securing and making use of insights explains our wider strategy for improving how we involve consumers in our decision-making.

Our current performance for consumers

Our current performance to consumers (and the environment) is measured in a wide range of ways. These metrics are important to understand performance, and are useful for our Board, management, staff, regulators, consumers and stakeholders. They are part of the decisions we make, as targets are often stretching to challenge us to do more and in addition only form part of how we look at performance.

Our targets are reflected in a variety of performance commitments included in our business plans, which are measured and reported on separately for South West Water, Bristol Water and SES Water areas. Whilst some of these metrics more directly capture consumer experience compared with others (e.g. supply interruptions), generally, our consumer research shows that consumers care about all of these topics. For the ones that are less directly relevant to their personal service experience, such as asset health measures (e.g. repairs to burst mains or environmental compliance metrics), they expect regulators and informed experts to support their ability to understand how we are performing.

From consumers' perspectives, some targets (e.g. consumer measures of experience, which is based on surveyed consumers' satisfaction) focus mainly on performance relative to other companies, others reflect performance against fixed targets, and others (particularly where there are enhancement investments designed to deliver long-term improvement and resilience) capture the trend in performance over time. As some of our targets are stretching, we have historically hit c.70-80% of the targets in a particular year, although this can be higher or lower for external factors (in particular, the weather). Table 2 sets out the underlying basis of each type of performance commitments.

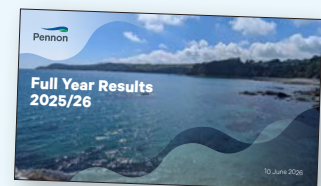
Table 2: Metrics of our performance

Relative	Targets	Trends
Consumer facing targets		
Bathing water quality	Internal sewer flooding	Consumer contacts about water quality
Water supply interruptions	Leakage	Storm overflows
Compliance Risk Index (CRI), to monitor water quality compliance	External sewer flooding	
Consumer measure of experience (C-MeX)		
Developer services measure of experience (D-MeX)		
Business consumers measure of experience (BR-MeX)		
Supporting (longer term/asset health/compliance)		
Consumer complaints	Biodiversity	Environment Agency Environmental Performance Assessment
	Mains repairs	Unplanned outage
	Sewer collapses	PCC
		Business demand
	River water quality	Carbon

Our reporting on these metrics is not just in detail, but also give our consumers and investors a view of whether we are on track, where we are performing well and our areas of focus. Our discussions through our WaterShare+ arrangements and with the new CCW Water Voice panels go into more depth on the factors driving good performance and the areas where we are focusing improvements on. The example below is from the Pennon half year 2025/26 investor presentation¹.

Figure 1: Overall summary of our key metric performance

Measures	South West Water	Bristol Water	SES Water	New measures
Unplanned outage	✓	✓	✓	✓ Embodied greenhouse gas emissions – bespoke
Internal sewer flooding	✓	n/a	n/a	✓ Operational greenhouse gas emissions (water)
Bathing water quality	✓	n/a	n/a	✓ Operational greenhouse gas emissions (wastewater)
Biodiversity	✓	✓	✓	✓ River water quality (phosphorus)
Water supply interruptions	✓	✓	✓	⊙ Storm overflows
Compliance risk index	✓	⊙	✓	✓ Business demand
C-MeX	⊙	✓	⊙	⊙ BR-MeX
Leakage	✓	✓	✓	✓ Met in at least one year in K7
Repairs to burst mains	✓	✓	✓	✓ Industry upper quartile in 2024/25
Consumer contacts about water quality	✓	✓	⊙	✓ On track
D-MeX	✓	✓	⊙	⊙ Area of focus
External sewer flooding	✓	n/a	n/a	
Sewer collapses	✓	n/a	n/a	
Discharge permit compliance	✓	✓	✓	
Serious pollution incidents	⊙	✓	✓	
Per Capita Consumption	✓	⊙	⊙	
Total pollution incidents	⊙	✓	✓	



We include detailed analysis of all these metrics in our annual performance report, with Ofwat and the Environment Agency using these reports and their own data sources to produce cross-sector reports and commentary on company absolute and relative performance.

The nature of our business is that we can compare the performance for water and consumer retail activities between the different regions we serve. We often use this to highlight the improvements we are making. This approach is important because regional consumer views and local priorities are central to our business model. It enables us to understand what matters most to our consumers in each of our regions and to prioritise sharing best practice across the Group.

Consumer complaints and contact handling are also important sources of relative performance that we use in addition to Ofwat's consumer measure of experience (C-MeX) which includes consumer satisfaction with contacts and an element of a survey of consumers' experience.

In addition to our internal monitoring of consumer complaints and compliments on a range of channels, including through social media, we also consider the consumer spotlight research that CCW jointly undertakes with Ofwat².

CCW also undertakes complaint and debt assessments which provides a qualitative assessment and highlights areas of good performance and areas to improve³. For instance, the Quarter 2 Debt Assessment for SES Water highlighted positive areas such as the specialist bereavement support, but with a commitment agreed to review our communications approach. The CCW complaint assessment for Bristol Water found good practice in areas such as tracking repeat contacts and acknowledging well when we got things wrong, also noting that we needed to improve the processes to reduce the effort expected of consumers. This type of information informs our consumer strategy and further research needed to monitor the improvements we make.

¹ J566 HY26 Pres FINAL 261125_0.pdf; ² Consumer Spotlight: Public views and experiences of water 2026 – CCW; ³ Complaint and Debt assessments of water companies 2025-26 – CCW

The CCW complaints data, insight surveys and Water Matters reports⁴ contain a wealth of information comparing consumer service and complaints performance as well as consumer views on operational, affordability and environmental performance. This shows that Bristol Water has a high level of consumer trust, something also indicated in having the highest consumer service index of a water company in the January 2026 survey from the Institute of Consumer Service which is undertaken every six months.

Value for money satisfaction is generally high in the SES Water area as is satisfaction with water quality. Satisfaction with sewerage services and value for money is relatively low in the South West, reflecting the delivery challenges in the region, but water quality and reliability has relatively high satisfaction.

For complaint levels, these are relatively high for the South West Water and SES Water area and also a relatively high number of complaints are escalated to CCW. Bristol Water on the other hand has low complaints and low complaint handling escalation, the best in the industry alongside Portsmouth Water.⁵

Overall, there is not one source of information that provides a complete picture of the impact we have positively and negatively on consumers' perceptions and experience of services.

However, one common theme is that when events happen, we are seen to be taking action, communicating clearly with consumers, prioritising the most vulnerable, and helping communities to recover after. The most important aspect of achieving that is our colleagues, community partners and supply chain who work with us. One example of how we take consumer and community needs into account is in our response to major incidents, often a "moment of truth" for consumers when they experience what it is like when water and wastewater services can't operate as normal. We discuss below the work we did with consumers during Storm Goretti earlier this year (see Case study 3).

⁴ [Water Matters 2025](#) – CCW

⁵ [CCW-Household-Complaints-Report-2025.pdf](#) – CCW

Our current approach to consumer involvement

We already use a wide range of data, research and feedback to understand our consumers and to involve them in our decision-making. Our existing approach combines multiple sources of information, including:

- Large-scale consumer research, such as surveys and consultation programmes that fed into PR24 and the most recent Cost Change process, as well as targeted qualitative research, including focus groups and in-depth interviews on topics such as annual billing,
- Consumer feedback, including complaints, calls and digital interactions that have directly influenced our C-MeX improvement plans, focused on right first-time delivery and clearer communications,
- Operational data, such as service performance and incident response where we know we can do more, and
- External benchmarking and insight, including independent studies around brand and consumer sentiment.

This gives us a solid and balanced view, ensuring we understand not just what consumers think, but also what they experience in practice. There are opportunities to build on this further.

We also already have strong foundations for involving consumers in our decision-making. This includes:

- Our WaterShare+ arrangements, an industry-leading model that provides independent review, scrutiny and challenge of Pennon Group plc water companies direct from consumers and, through our independent advisory panel, on behalf of consumers;
- Our consumer research programme, which involves large-scale consumer research, such as surveys and consultation programmes and targeted qualitative research on specific topics; and
- Extensive community and stakeholder engagement, including regular 'town hall' type events on major investments, incidents and high profile issues. Where we are running town hall events wherever possible we run them during the day and early evening, but this often depends on the availability of suitable community locations.

Our robust approach was particularly evident in the development of our PR24 plans, which sets what we intended to deliver for consumers over the five-year period from 2025 (AMP8) and what, in return, it would cost consumers; see Case Studies 1 and 2.

We know, however, that there is scope for improvement in how we involve consumers in our decision-making. Consumer research can always be done earlier and in improved ways so it has the greatest impact. We have started the forward journey with our research for the PR24 cost change process, which we explain further into the document in Case study 7. The format for the WaterShare+ public meetings needs to evolve in order to secure more meaningful consumer input and build trust, and our conversations with our WaterShare+ expert panel can be high level, although we do deep dive into areas of performance the panel are interested. Furthermore, and outside of the PR24 business plan process, we do not always concisely explain or evidence how consumers' views have informed our decisions.

We therefore set out below our strategy for improving how we involve consumers.

Our plans in detail 2026/27

Our strategy for improving consumer involvement

We are building on our existing arrangements and making targeted changes to how we work. This centres around three strategic objectives, which align with the components of Ofwat's rule:

Component 1 Better understanding consumers' views

It is important we understand consumers' views and preference where we make decisions that are relevant and impactful to them and that we consider this alongside other factors, such as cost and staff impact. This relates to Component 1 of the Ofwat rule, which requires companies to, *"put in place, and follow, effective arrangements to appropriately understand the views and preferences of their consumers in relation to matters relevant to this rule"*.

Component 2 Deepening involvement in decisions

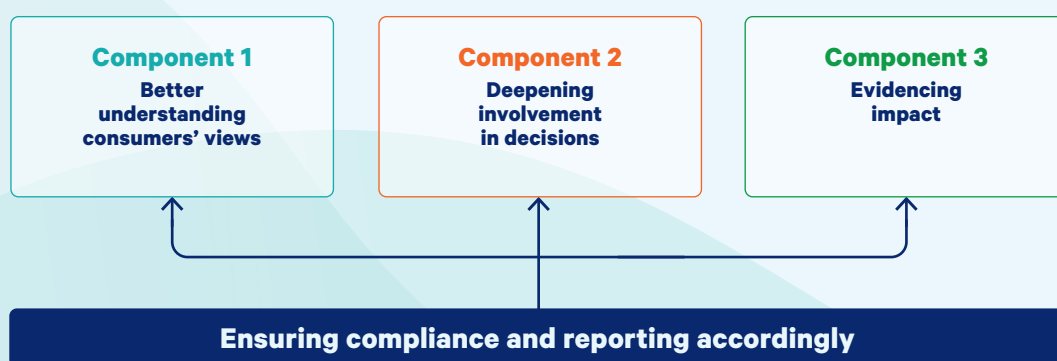
Once we understand consumers' views, we need to ensure we take account of this in our decision-making, including by providing relevant decision-makers with the necessary consumer insight. This relates to Component 2 of the Ofwat rule, which requires companies, *"to ensure the views, experiences and preferences of consumers... are appropriately fed into, and taken into account, in the decision-making process for decisions that are likely to have a material impact on consumer matters"*.

Component 3 Evidencing impact

It is important we evaluate how we are delivering for consumers so that we can take account of this in considering how effective our existing policies and procedures are working for consumers, as well to inform future decisions. This relates to Component 3 of the Ofwat rule, which requires companies to, *"seek feedback from consumers on their experiences relevant to this rule, so that the impact on consumers of past decisions: is understood; is taken into account in decisions affecting current and future consumers; and informs relevant future planning for delivery of this rule"*.

The key elements of our approach are set out in Figure 2, which we discuss in more detail in the sections on each component.

Figure 2: Key elements of our approach to improving consumer involvement in decision-making



Supporting our consumers through Storm Goretti

On 9 January 2026, Storm Goretti caused significant disruption across Cornwall, including a power outage at Wendron treatment works near Helston in Cornwall that lasted until 12 January.

As a result, up to 15,960 properties experienced water supply interruptions for as long as four days, including 1,927 PSR consumers, 99 of whom were consumers on the Core Priority Services Register. During the incident, we received 1,338 consumer contacts, primarily relating to loss of supply (53%) and requests for bottled water (42%). We maintained communication with our consumers throughout, including via SMS, voice messages to landlines, InYourArea (which provides real-time updates on issues with our operations), the website, social media and regional media coverage. We also established three bottled water stations in Helston, Mullion and Marazion, whilst all our Core Priority Services Register consumers successfully receiving deliveries. Following the event, consumers were invited to provide feedback via SMS, with 940 responses received from the 7,322 consumers contacted, including 230 priority services register consumers, representing a 12.8% response rate among those contacted and 5.9% of all affected properties.

How we delivered

Storm Goretti was a major “red warning” storm which particularly affected Cornwall. The predicted path of the storm changed on the 9 January but we had already stood up our incident “Gold” command and completed checks on the generators (such as fuel levels) for both water and wastewater sites. We engaged in advance with stakeholders, such as the Local Resilience Forum, and kept government (Defra, local authorities and MPs) and regulators (Environment Agency, Ofwat and CCW) informed with updates throughout.

The initial impact of the storm, reflected in the ‘red warning’, was that it was unsafe to travel, and that included our staff. Once the initial storm had passed and the weather warning downgraded, there were still very gusty winds and heavy rain to contend with. There were also extensive power outages. We engaged with National Grid on its plans to restore power, as we were aware that when power is restored it can cause sites to stop operating, as generators and plant equipment may trip. Our task is to keep consumer disruption to a minimum, and not to put either water quality or the environment at risk as we do so.

On the Isles of Scilly, the disruption was even more severe than in Cornwall, with one of our kiosks blown away and mains destroyed. There was initially no transport to the

islands, so our staff on the island used local resources to gradually restore supplies until we could put in place a more permanent solution. Restoring sites was not just an issue of power, as the unusual wind direction and strength uprooted trees which then caused water mains to split.

In addition, communication was down to the Isles of Scilly and many areas of Cornwall, including broadband and mobile phones for a significant part of the period, so we had to use broadcast and local communication. We also visited sites that were harder to communicate through normal means. This approach meant our staff were a visible presence to provide reassurance as we restored supplies.

We also had staff and contractors mobilised to provide bottled water. We had identified a number of sites and, when it was safe to do so, we had three bottled water stations covering the area, as well as making bottled water deliveries to priority and vulnerable consumers. The wind and falling trees prevented some of our alternative water supply plans but we had alternatives to put in place when this happened.

Our engagement and learning

No two incidents are the same but, in this case, we could learn from what consumers expect from previous events. In particular, we decided to not put the quality of the water we supply at risk and to bring supplies back steadily in order to keep them restored once consumers have their supply back. It took three days after the initial storm event had ended for all consumers to have their water supplies restored, but this was generally ahead of the power network and mobile/broadband services.

The importance of community connections mattered. Sometimes local councillors and MPs had information on consumers that needed our help and in return we could explain what was happening. Ultimately this was handled locally, and it was recognised by Government that the local services had come together with the community.

The efforts our staff made to contribute to the community reflects a wider culture of consumer service we see as essential to the water sector. The decisions we make in responding to this incident cannot be separated from our wider culture, as our response is reliant on our colleagues.

Case study 3 Supporting our consumers through Storm Goretti continued



Consumer feedback

Overall, feedback from consumers affected by Storm Goretti reflects a broadly positive view of the response, particularly given the exceptional circumstances. Many consumers recognised the severity of the storm and felt the situation was handled as effectively as possible. Consumers were particularly appreciative of the efforts of frontline teams, especially those supporting bottled water distribution and vulnerable consumers. Indeed, consumers generally saw our communications as helpful and reassuring, noting that it was supported by a range of channels and supplementary information such as video updates.

This positive sentiment is reflected in satisfaction metrics, with the highest scores relating to the frequency of updates (63%), followed by satisfaction with the speed and clarity of communications (both 57%), and accuracy of communications (53%). Consumers placed particular value on being kept informed, although there remains opportunity to strengthen clarity and precision. Satisfaction with time to resolution was lower at 39, reflecting the prolonged impact of the incident, while overall satisfaction with the response averaged 5.6 out of 10. Together, this indicates that while consumers valued the efforts, communication and support provided during a complex event, the length of disruption remained a key driver of overall experience.

This feedback was fed directly back into our incident management process for future service and communication improvements.

Ofwat's guiding considerations	Accessibility	✓	Independence	○	Timeliness	✓	Representativeness	✓	Transparency	✓

Case study

1 2 3 4 5 6 7

How we engage communities when delivering investments



South West Water has completed a number of major works in Dawlish as part of a multi-million pound investment to improve water quality by reducing the use of storm overflows in the area. This is being delivered as part of its record £760 million Turning the Tide programme, which aims to reduce the use of storm overflows across the region over the next four years.

This scheme is a good example of how we engage with local communities and consumers when we deliver major statutory enhancement investment programmes. Two new storm storage tanks have now been installed at The Lawn and Sandy Lane which together can store 4.6 million more litres of wastewater. These huge tanks will capture excess flows in the sewer network during periods of heavy rainfall and store them until there is capacity in the treatment works for full treatment.

The work does not just include major infrastructure in a defined location but rather work across the town, such as work to address groundwater entering existing pipework in Dawlish that can place additional pressure on the network, has also now been completed. The timing of the work is important to avoid the peak summer period that local businesses rely on.

Our engagement and learning

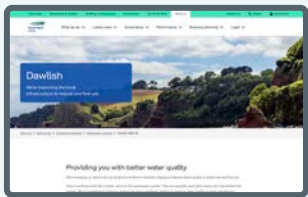
We used a range of engagement and community routes in advance and during the project.

Our approach depends on the nature and location of the work and how significant the impact it is to consumers and the community. For example, we attended two Dawlish Eats festivals to share information about the investment happening in the town. We are attending two more Dawlish Eats Festivals in 2026 to provide an update on the work. We also created information boards which we shared at Toby's Garden Festival.

Councillor Anthony James, Mayor of Dawlish, added:

"This has been a really positive project for the town. Communication from the teams on site has been clear, consistent and proactive throughout, and its been great building a good relationship with the teams on site and seeing this project come to fruition.

"While there have been some temporary inconveniences, the long-term benefits of this work will be significant for our community. It's great to see the storm tanks now in place and the teams working to get the final works completed so this area can be returned back to the town."



You can find out more [here](#).



Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Component 1 Better understanding consumers' views

This section sets out what arrangements we have in place to gather, analyse and use consumer insight, including ongoing research, complaints data and behavioural insight. It addresses Component 1 of Ofwat's rule, which requires undertakings to *"put in place, and follow, effective arrangements to appropriately understand the views and preferences of their consumers"*.

We have a comprehensive strategy to understand the views of our consumers, which draws on three key areas of research and insight:

- Securing the consumer voice,
- Gathering consumer insights through research, and
- Making use of our behavioural and operational data.

In this model, insight is not treated as a one-off input, but as a continuous and evolving loop that shapes decisions, informs delivery, and builds the evidence base for future choices. How we have embedded the consumer voice throughout our decision-making cycle is discussed further below.

What we currently do

As noted above, we already make extensive use of consumer insight and engagement. This includes the WaterShare+ public meetings and regular community and stakeholder events on particular issues (e.g. we recently hosted a series of events to share and inform our approach to addressing sewer flooding at Stithians in Cornwall), as well as on major investments (see Case study 4).

We have also participated in the new CCW-led Accountability Sessions. With one for South West Water and one for SES Water, these take place twice-yearly, are chaired by CCW and made-up of a sub-set of around 12 consumers drawn from CCW's 'Water Voice' consumer panels. Whilst still at a relatively early stage, the meetings to date have provided a very valuable means for us to hear from consumers about their concerns and, in turn, to use this to inform our own priorities and plans, as demonstrated in the published Action Plans (see Deep dive 2).

However, we are going further and putting in place improvements to how we understand consumers' views, as discussed below.

Improvements underway

We are strengthening how consumer insight informs our decisions across all levels of the business by following a genuinely consumer-led decision system. In this model, insight is not treated as a one-off input, but as a continuous and evolving loop that shapes decisions, informs delivery, and builds the evidence base for future choices. The consumer voice is embedded throughout the full decision-making lifecycle, ensuring that what we learn consistently feeds back into how we act. To support this, we will draw on rich and complementary sources of the consumer voice.

Our approach centres around improvement to four key pillars of complementary evidence, as set out in Figure 3 and discussed.

1 Refined approach to consumer engagement platforms

We are making changes to our WaterShare+ public meetings so that we consistently secure the insights we need to inform our understanding, and to ensure WaterShare+ works with the new CCW-led Water Voice panels. Specifically, we are structuring future **WaterShare+ sessions so that they are more insight-led**, focusing on key decisions and priority topics that explore real consumer choices and trade-offs, and so they better align with our upcoming business decisions. This will ensure that engagement is relevant and meaningful, allowing consumer views to influence outcomes at the right time. At the same time, we are modernising how consumers engage with WaterShare+, expanding the online formats to make participation easier and more flexible and running sessions in the evenings to improve representation of attendees. They will continue to be chaired independently, by our WaterShare+ panel Chair.

We have fully embedded the **new CCW-led Water Voice consumer panels** into how we secure (and make use of) consumer feedback. These panels are made-up of around 50 geographically representative consumers for both South West Water and for SES Water, who provide independent, structured feedback on our performance. Water Voice plays an important and complementary role within our overall approach. While our own engagement activities allow us to hear directly from consumers in our regions, Water Voice brings an additional layer of independent insight, challenge and broader perspective, helping ensure our decisions reflect not only local views but also wider consumer expectations. The panels provide external challenge and assurance, helping us to validate our thinking and refine our approach before decisions are finalised.

Importantly, Water Voice also strengthens our ability to reflect a diverse and representative range of consumer views, drawing on participants from different backgrounds and experiences. This helps us ensure our decisions are fair, balanced and aligned with broader societal expectations.

By combining our own engagement, including WaterShare+, with independent input from Water Voice, we are creating a more robust, transparent and well-rounded understanding of our consumers. Together, these approaches ensure that consumer voice is not only heard but is meaningfully embedded within how we make decisions and demonstrate the impact of those decisions over time.

2 Improved consumer research programme

We are developing a **more expansive, structured research programme** to deepen our understanding of consumer needs, expectations and trade-offs, to ensure our approach is comprehensive and can meet the expected focus areas over AMP8. We expect to use more focus groups this year. Although we have used on-going panels previously that repeat sessions with the same consumers on in-depth topics, this can limit the breadth of research and insight we would gain across all of our consumer brands.

As part of our quantitative research to understand consumer views, we have put in place regular consumer surveys to track our consumers' views, priorities and perceptions over time.

This includes a **quarterly consumer survey** to capture overall consumer sentiment and trends over time. However, reflecting our different consumer groups, our surveys also target specific consumer groups, including future consumers, non-household consumers and vulnerable consumers.

We also **track our consumers' views on specific decisions**. For example, we undertake a quarterly survey of consumers participating in tariff trials to ensure our understanding of consumers views on progressive tariffs are informed by lived experience and diverse consumer circumstances (see Case study 5). Similarly, we invite consumers directly affected by incidents (e.g. a supply interruption) to provide feedback on the service they received to ensure learning is based on real consumer experience and supports service improvements.

Where necessary, we are complementing our ongoing quantitative research programme through **project specific surveys**. Reflecting our work programme for 2026/27, we have been surveying consumers on issues relating to charging and billing, investment priorities (to inform the cost change process, see Case study 7), smart metering, and digital services. We discuss in more detail our research programme for 2026/27 in the section on Component 3.

As part of our qualitative research, we are introducing a **structured programme of consumer focus groups and targeted deep-dive engagement** to involve consumers directly in decisions that have a meaningful impact on their bills, services and the environment. Previously, we repeatedly used a single group of consumers to test different topics, but found that this limited the breadth of insights we gained. As such, our revised approach to focus groups will involve 'new' consumers each time. We are also structuring the sessions in such a way that allows us to explore specific topics in more detail, presenting consumers with real options and trade-offs so they can shape outcomes at an early stage. The focus areas will reflect our key priorities and upcoming decisions, ensuring consumer input is timely, relevant and impactful.

We will also continue to make use of the feedback from the WaterShare+ public meetings and **six-monthly Accountability Sessions** as a further, valuable source of consumer insight. This includes regular briefings to staff, the Executive and the Board on the key findings as set out in the Water Voice 'barometer' reports and the Accountability Sessions. Our senior executives and operational managers also attend the Accountability Sessions to ensure that those closest to delivery hear consumer feedback direct (and can embed this in their decision-making, as discussed in Component 2). We have also introduced **new quantitative trackers** for understanding consumer priorities, willingness to pay, and acceptability of plans. These track the key data we obtain from a range of surveys so that when new research is obtained we can assess more easily the factors that affected the research, as well as the quantitative outcomes.

Across all our research, consumers are independently recruited by a third-party research agency using robust sampling methods to ensure a representative cross-section of the consumer base.

To complement our understanding and triangulate our own evidence base with input from others, we also make use of wider sector research. This includes research from, for example, sector partners (e.g. Water UK, UK Water Industry Research, CCW and other consumer groups, and Ofwat. It includes both ongoing research that tracks consumers' views over time over time (e.g. Ofwat's cost-of-living research), as well as topic-specific research (e.g. CCW's research into smart metering in the non-household market), and draws on quantitative research (e.g. CCW's 'Water Matters') and qualitative research.

3 Expanded use of operational insights and behavioural insights

In addition to research, we are keen to **strengthen our use of existing operational insight data**, including complaints, contact data, repeat contacts and social media feedback, to ensure our decisions are grounded in consumers' real, day-to-day experiences. This includes expanding what operational data we collect and how we make use of it, as well as improved analysis of the operational data to identify areas for service improvement. On billing complaints, for example, we have introduced new journey level satisfaction reporting (instead of relying only on channel metrics) to target improvements in our billing processes where poor experience is greatest.

We also make use of behavioural insights from our ongoing interaction with our consumers to inform our understanding of their views and preferences. For example:

- The digital journeys we offer to consumers affects their take up of support and advice, so we learn from this to provide better targeted information.
- We also understand what channels of contact and information provide the right information to consumers in a way we can easily support to meet their needs. As we understand this, it supports making sure we promote the right contact and communication channels to the right consumers.
- We keep an evidence base of past communications and promotions to better carry out communication in the future.

Some of our main operational insights are in areas of vulnerability and affordability. We work with charities to promote vulnerability and priority services to specific groups of consumers with shared interests, such as with Crimestoppers, Age UK and Kidney UK. We also have sophisticated social tariff models that allow us to promote social tariffs to consumers who are most likely to be able to benefit. While contact with consumers to us or through our partners may start with a particular service aspect, through operational insights we can provide a more targeted and tailored package of support to consumers.

4 Enhanced brand tracking and sentiment

Outside of operational data, we are also making increased use of wider measures of consumers' views, including how effective and trustworthy our consumers perceive us to be and how (and why) this changes over time. A key aspect of this is our consumer measure of experience and UK Customer Satisfaction Index scores, as well as other measures of consumer sentiment such as TrustPilot. The new CCW barometers reports are a helpful input to this, alongside our own company-led research.

We set out above the key sources of evidence we are making use of to understand consumers' views. Together, they create a robust and continuous evidence base, ensuring that the consumer voice is not only heard, but actively drives the decisions we make. Across all of the above, we will seek to improve representation across consumer segments, including geography, vulnerability and service experience. We will leverage existing partnerships to help us do that (e.g. Age UK, Kidney Care); see Case study 6.

Underlying all of this, we will also (continue to) triangulate all our research and findings on consumer priorities with what is required of us under the regulatory framework, to ensure there is alignment. This will do this in a way that ensures representativeness, transparency, and auditability.

Our improved approach to securing consumer views is well-underway, as illustrated by our recent work to gather stakeholder views on potential new investment over AMP8 as part of the cost change process (see Case study 7).

We know, however, that securing consumers' views is only part of what we need. Component 2 discusses our approach for how we make use of this insight to ensure consumers are actively and meaningfully involved in shaping decisions in each of the key areas we expect to focus on during 2026–27.

Figure 3:
Embedding consumer voice in decision-making



A key part of our approach is how we take our consumer insight into our decisions. The way we take our existing and improved insight and triangulate between the various sources of evidence is the consumer voice for our business decisions. We are embedding this consumer voice directly into how decisions are made across the business, ensuring it is considered consistently, early, and in a way that genuinely influences outcomes. This means moving beyond using consumer insight as an input, to making it a core part of how we shape priorities, assess options and make trade-offs.

Our approach focuses on the decisions that matter most to consumers, particularly those affecting bills, service, investment and the environment, and ensures that consumer views are clearly visible throughout the process. This includes both structured use of insight and direct involvement of consumers in shaping options and choices.

The key ways we are doing this are set out below:

Material business decisions

We will use what consumers tell us to shape the most important decisions we make. This includes:

- What matters most to consumers
- Where we improve our services
- What consumers see as acceptable in terms of performance and changes.

Impacts of investment choices

Where there are investment decisions that have potential bill impacts, we will test any potential bill changes with consumers to understand what feels acceptable and what doesn't. This includes:

- How much consumers are willing to pay
- What they can realistically afford.

Where there are dependencies from a consumer perspective, we will understand what these are. An example with the recent cost change research is shown in Case study 7. This helps us make sure any trade-offs, like higher bills for better services, are based on what consumers actually think and feel, rather than internal assumptions. Even where the investment choice is driven by statutory programmes where the consumer matters rule does not include such decisions within the scope, it is important that our research considers realistically the impact on other choices we face and consumers views that inform those decisions.

PR29 business plans

We will clearly show how consumer feedback has shaped our future price review business plans. This includes:

- How consumer views have influenced investment decisions
- How we balanced cost, services, outcomes and affordability measures based on consumer views.

We also keep a clear record showing how we moved from research to final decisions, so it's easy to see how consumer input made a difference.

Consumer-led trade-offs and prioritisation

A key part of the approach will be showing that consumers genuinely shape the choices we make. We do this by:

- Talking to consumers about real decisions, using discussions and scenarios to explore:
 - Whether they would prefer more investment or lower bills
 - The balance between short-term needs and long-term improvements.
- Making sure we hear from a wide range of people, including:
 - Consumers with different needs and priorities
 - Vulnerable and harder-to-reach groups.
- Showing clearly how what consumers told us influenced our decisions, rather than relying on overall averages.
- Work towards customers' taking an active role in delivery. This could include schemes in their communities and where there are benefits to the environment from customer involvement. Taking up new tariff options, or supporting community delivery of natural solutions are examples of the potential for this.

In simple terms, we make sure our priorities reflect what matters most to consumers, and how they want trade-offs to be made.

Progressive charges consumer research

Alongside our PR24 Business Plan we undertook extensive consumer research to inform future tariff trials, which involved consumer research through focus group discussions and surveys.

Our work to innovate and modernise the tariffs we set is intended to improve cost reflectivity, sending the right price signals to those who use capacity at peak times and who need to contribute to the solution (to demonstrate the value of water). This is a cornerstone of our future plans to incentivise careful use and ensuring affordable water for life, for all.

We found participants were supportive of our charging principles, with the majority believing that fairness means paying for what you use, with charges reflecting the costs of delivering that water. Overall, however, participants were cautious about changes to charging – few respondents paid much attention to their bills (other than to note the amount payable) – which indicates that we need to make the case for change clearly and carefully. Both value and price are important to consumers. Our focus groups were most supportive of the candidate tariffs that met their view of fairness, are simple and clear, and reward changes in behaviour.

Our learning actions

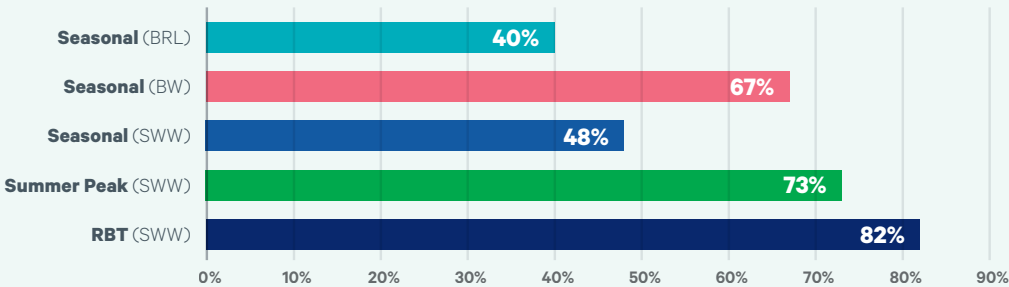
We have been implementing a series of tariff trials, covering Rising Block Tariffs, Seasonal Tariffs and Peak Seasonal Tariffs, as well as community options for meeting water demand targets such as the “Stop the Drop” rebate approach we trialled in Cornwall in 2024. We used expert advice on behavioural science on how to engage with consumers on the trials, and have control groups of consumers to understand the impact of the various options and tariffs we are trialling. We keep Ofwat and CCW informed of our progress and share insight with other companies that are running their own trials.

So far, the trials are confirming some of the findings of our consumer research done in advance. For instance, consumers find Rising Block Tariffs fairer than seasonal tariffs. Consumers can support seasonal tariffs if the higher charges are targeted at those who use excessive water, though consumers struggle to recognise when this behaviour applies to them. All consumers believe their water use is necessary.

The research also suggests that consumer trust can increase with the right innovative tariff and still help to reduce water use with those who are able to do so. The right tariff may also make support consumers in using the water they need to, rather than self-restricting because of the cost. The understanding of the tariff varies by area, which suggests our original assessment that a local and targeted approach to tariffs in the long run may be the best strategy. The roll out of smart metering by 2035 (not just for the purposes of tariffs) will enable this long-term strategy. Consumer insight and research, as well as tariff trials themselves, will continue to drive how quickly we progress the development of potential tariff options for the future.

Customers were generally supportive of tariff trials once they had started, so examples of what has worked already will help with future roll out when we are trialling new approaches that will have a material impact on consumers, and in this case our criteria were clear to stakeholders as to what a positive outcome would be.

Understanding by trial
(at baseline)



Ofwat’s guiding considerations

Accessibility

Independence

Timeliness

Representativeness

Transparency

Case study

1 2 3 4 5 6 7

Partnership with Kidney Care

South West Water, Bournemouth Water and Bristol Water work in partnership with Kidney Care UK to provide practical support to consumers living with chronic kidney disease across the South West. Around 110,000 people in the region are affected by kidney disease, many of whom face higher water usage and increased financial pressure due to their medical needs.



Through this partnership, our Customer Teams visit dialysis units and hospital wards to meet patients face-to-face, enabling direct engagement with some of the most vulnerable consumers. These visits help identify individual needs and ensure patients are made aware of the support available to them, including access to our Priority Services Register, social tariffs and debt support services.

People living with chronic kidney disease often have significantly higher water requirements. Home dialysis, particularly peritoneal dialysis, can use up to 500 litres of water per day, several times the average household usage. In addition, patients who are immunosuppressed, such as those who have received a kidney transplant, must maintain higher hygiene standards to reduce the risk of infection, further increasing water consumption.

By working closely with Kidney Care UK, we can identify consumers who need extra support and to ensure consumers with kidney disease get access to essential services, and reassurance at a time when reliability and affordability of water services matter most.

Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Case study

1 2 3 4 5 6 7

Securing consumer input on our Cost Change submission, May 2026

In May 2026, we submitted plans to Ofwat to bring forward investment that delivers benefit to our consumers now. We developed these proposals in close dialogue with our consumers and stakeholders who acknowledge the need for timely intervention to address asset risk and future pressures.

We drew on existing PR24 consumer evidence and supplemented this with new research focused on the 2026 cost change submission. We used four focus groups (covering the South West, Bournemouth, Bristol and SES Water areas) to explore whether the PR24 findings still applied - this research considered both the 2026 priority asset health areas and our provisional view of what a whole AMP8 cost change process may include. We tested consumer support for the schemes, as well as whether there was a preference for investment timing and the principle of an element of in-period funding allowing a smoother change in bills leading into 2030.

This approach recognised that consumers were surprised by the 2025/26 step change up in bills. Although the PR24 proposed bill increase was supported by consumer research when the plan was submitted and in the long term the bill impact was in line with these plans, implementation coincided with the remove of the £50 Government Contribution, which as a fixed amount meant a larger change in payment requests for smaller sized consumer bills than average bill headlines and research. So for

Case study

7

Securing consumer input on our Cost Change submission, May 2026 continued

the cost change research, it was important to test consumer appetite for accelerating investment from 2030 and whether the support depended on the impact on bill profiles, as well as support for the investment itself.

Their feedback directly informed our decisions on scope, phasing and prioritisation for the investment areas proposed. Overall, the research concluded:

- Consumers overwhelmingly support the notion that the plans should be flexible reflecting the view that circumstances, external factors, and public expectations can change over time.
- When introduced to the process, it initially raises concerns for consumers about the extent bills could change. Consumers want flexibility to stay within reason and controls on how much extra spending could flow through to bills.
- Most consumers want their water company to be open about planned changes.

Consumer views varied by region. SES Water consumers supported more ambitious plans, in part because there had been less ambition on areas such as lead pipes than in the existing Bristol and South West plans. Consumers in the South West wanted tangible improvements to their local area to balance with affordability concerns. Overall though consumers supported investment being accelerated particularly where it would result in a smoother change in bills, as they considered this to be fair and affordable.

This research also highlights the advantages of carrying out consumer research across the Pennon Group in a consistent way. This helps to highlight areas where consumers views vary and how it links to current trust, perceptions and performance which we can take action in how we deliver, not just through investments.

Stakeholder engagement was also undertaken on an early and iterative basis to inform the development of the 2026 cost change submission, including three dedicated sessions with the WaterShare+ Advisory Panel to test the emerging scope, funding approach and consumer impacts, the consumer research approach and the findings ahead of submission.

The panel was satisfied that the supplementary consumer research the company has taken reflects consumer preferences, given its strong triangulation with the more extensive previous consumer research, and that the submission reflects the preferences of consumers in this regard.

Learning points

This was the first cost change submission. We had a limited timeframe within which to plan the investments and undertake the research, which limited our approach. As the cost change process is expected to continue in the future, we will continue to consult our consumers during the development of these plans.

Sewers in tidal areas

What is this? Sewers collect wastewater and take it away from homes and businesses so that it can be treated and safely returned to the environment. Rainwater enters sewers through drains.

What is the trigger for investment? Sewers are one of the asset types which Ofwat has identified as needing improvement across all water companies. Bringing forward investment would reduce risks to service. Sewers in poorer condition may be impacted by infiltration which increases the flows. In tidal areas this can be salt water which has a detrimental impact on the treatment process and can accelerate deterioration. This is increasingly affected by climate change which causes sea level rise and increased flooding.



What is South West Water planning?

- Work covers sewers in three tidal areas in Devon & Cornwall.

What is the benefit to customers?

- Reduced risk of:
 - Pollution from exfiltration or equipment failure.
 - Difficulty treating wastewater due to salt water infiltration and risk of failing quality standards with consequential impact on the environment.
- Reduced flow in the sewers leading to:
 - Less wastewater to pump and treat
 - Fewer spills from storm overflows (one site)

How will they do it?

- Replacing 4.8 km of sewers including the connection to individual properties.

Cost on bill

- This will add **£1.19** to the average annual bill (excluding inflation).

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Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Component 2

Deepening involvement in decisions

This section sets out how we are ensuring consumer insight is systematically and consistently embedded within decision-making across the business.

This involves strengthening how consumer insight informs decisions at all levels of the business, including:

- Operational decision-making (e.g. incident response and service delivery),
- Business planning and performance (e.g. operational contribution to statutory plans, such as the Pollution Incident Reduction Plans),
- Executive and Board-level decisions (e.g. business plans and cost change processes).

What we currently do

We already have good arrangements in place to ensure our decision-making involves consumers and reflects their views. Our WaterShare+ Advisory Panel plays a critical role in reviewing, scrutinising and shaping our work to help ensure that our decisions sufficiently reflect the views of our consumers. As well as working directly with staff members to help inform their decisions, the panel has a direct relationship with our Executive and Board, which further strengthens our approach of ensuring all levels of decision-making reflect our consumers' views. In addition, and for SES Water, our Consumer and Environmental Scrutiny Panel plays a critical role in supporting our decision-making (see Deep dive 1).

Furthermore, and as discussed previously, we – including our CEO and members of the wider Executive team – are participating in the **new CCW-led Water Voice Accountability Session**. As well as providing a valuable source of consumer insight, the Accountability Sessions are helping to inform our own priorities and plans, as demonstrated in the published Action Plans that set out the work we are doing to address consumers' concerns. This is discussed further in Deep dive 2.

However, reflecting our objective of deepening consumer involvement in our decision-making, we consider there is scope for improvement in how we do this and, as such, are putting in place certain changes, which we discuss below.

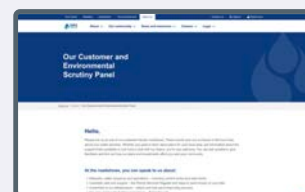
Deep dive 1

The SES Water Consumer and Environmental Scrutiny Panel

The SES Customer & Environmental Scrutiny Panel comprises 11 members drawn from a diverse range of local environmental organisations, including Water Resources South East, Surrey Wildlife Trust, and South East Rivers Trust, as well as individuals with deep expertise in consumer experience and vulnerability. The panel is further strengthened through support from the Environment Agency and the CCW.

Meeting quarterly, the panel provides both challenge and support, helping to ensure that SES Water delivers for consumers and the environment, with decisions grounded in regional insight.

Importantly, this local scrutiny is directly connected to the Group's broader governance: the Co-Chairs of the SES Customer & Environmental Scrutiny Panel sit on the WaterShare+ Advisory Panel, creating a clear line of sight between regional priorities and Group-level decision-making.



Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Improvements underway

To deepen consumer involvement in our decision-making, we want to improve the role of the WaterShare+ advisory panel (including to reflect the new CCW-led arrangements), to refine how we make use of our consumer insights and research in our decision-making and to strengthen regional representation in our decision-making.

1 Enhancing the role of the WaterShare+ Panel in our decision-making

In line with the changes we are making to the WaterShare+ public meetings, **we are evolving our approach to the WaterShare+ panel to help it play a stronger, more integrated role in our decision-making.**

Specifically, we are putting in place certain changes so that the WaterShare+ panel's work is more closely aligned with our wider Research & Insights Programme. We will ensure that discussions with the panel are grounded in robust consumer evidence and that outputs are systematically captured, analysed and fed directly into our decision-making processes. This will strengthen the role of WaterShare+ in helping us evidence and interpret consumer views with greater consistency and impact.

We are also strengthening the WaterShare+ panel's important role within our governance, with enhanced visibility and engagement at Board and Executive level. The WaterShare+ Advisory Panel Chair will now meet with the Board and the Environment, Social and Governance sub-committees at least twice-yearly, which provides the Board with an opportunity to hear direct from our independent experts on how we are delivering on consumer matters. This is reflected in the respective groups' Terms of Reference. Input from the advisory panel is complemented by a wider discussion on our performance to our consumers, which draws on data and insights discussed above.

In addition, we will continue to ensure that there is regular engagement between the WaterShare+ panel and our Executive. This includes twice-yearly meetings between the advisory panel and the Executive, which are scheduled to take place at half-year and end-of-year results so that the panel can review our performance against our performance commitments and our delivery to consumers.

2 Improving how we make use of the consumer voice in our decision-making

We are also strengthening how our consumer insight and research (including from WaterShare+, Water Voice and the associated Accountability Sessions, and our own research and insights work) are used across the business.

We have put in place arrangements to ensure that relevant staff and our Executive are regularly briefed on consumers' views from the Water Voice consumer panels (as well as our wider research and insights work). In addition, and as well as hearing direct from our WaterShare+ advisory panel Chair, we are putting in place arrangements in place to ensure that the Board is sufficiently briefed on consumer matters. The Board receives, for example, summaries of our consumer performance and consumer engagement at each meeting, as well as a summary of the discussion from the Accountability Sessions.

We will also continue to **embed feedback from the Water Voice consumer panels and the Accountability Sessions (as well as our wider research and insights work) in our own priorities and plans**, as demonstrated in our published Actions Plans for South West Water and SES Water. This will ensure there is a clear link between what consumers want and the work/decisions we are undertaking. In Deep dive 2, we discuss the work we are doing to reflect and address consumers' feedback from the first Accountability Sessions.

We are also ensuring that **the consumer voice is a more explicit and deliberate aspect of our decision-making.** Our strategy is not to ensure that our decisions always reflect in full what consumers want, regardless of cost or feasibility. However, we must ensure that our decisions (and decision-makers) consistently and appropriately consider the consumer input and the implications of the decision on consumers alongside other factors (e.g. costs, operational constraints). Ultimately we are accountable for the services we deliver for a wide range of consumers and stakeholders for the long-term. Trust is the most important element, as research shows if we give consumers a reliable service and great experience, they are more likely to accept we are making the right decisions.

As part of this, we are revising our governance templates to require a clearer articulation on whether and how consumer views have been considered in the decision-making. This is intended to provide greater visibility of how consumer input has influenced decisions and to strengthen the link between the consumer voice and the actions we take.

Another key part of our approach is to report back on the consumer voice and Accountability Sessions to the Board and Executive, including when decisions are presented to them. The Board and Executive already receive summaries of consumer performance and consumer engagement, such as being informed of and approving the action plans from the Accountability Sessions.

3 Strengthening the regional voice in our decision-making

Pennon operates across separate licences for South West Water and SES Water, and separate consumer brands for Bournemouth, Bristol and Isles of Scilly Water for some of the areas within the South West Water licence.

We are focused on ensuring our decision-making reflects our different regions, whilst sharing resources where it is efficient and adds resilience, reflecting a “best of the best” approach that underpins Pennon’s approach to our operating model. As part of that, our WaterShare+ panel bring together members from across our different regions, including Devon, Cornwall, Bournemouth, Bristol and the areas that SES Water serve. We operate regional sub groups where this is needed to support consumer understanding and decision-making, so local factors are fully considered whilst consumers still benefit and feel part of the WaterShare+ approach.

We are strengthening the WaterShare+ approach with increasing the deep dive review across the business units so the best of each area is applied across the widest consumer groups as possible.

In the case of SES Water, the Competition and Market Authority’s approval of the merger requires Pennon to maintain a distinct regional challenge group until 2030. This ensures that the specific needs of SES Water consumers and stakeholders continue to be represented during this period of transition. The SES Consumer and Environmental Scrutiny Panel will continue to play a critical role in our decision-making.

In addition, we are strengthening the regional voice within our decision-making through increased engagement between the panel’s regional chairs and our business directors. They will, for example, be expected to meet regularly to discuss the company’s performance in the relevant region.

Deep dive 2

Reflecting the CCW Accountability Sessions in our priorities and plans

11 March 2026

South West, Bristol, Bournemouth Accountability Session South West Water, Bournemouth Water and Bristol Water Panel

The first South West, Bournemouth and Bristol panel focused on rising bills and value for money, sewage pollution and environmental credibility, and how we respond when services fail.

Key take-aways included:

- Consumers want clearer, more transparent bills, with a stronger link between charges and the investments being delivered locally. In response, we have updated our bill explainer content to make this clearer and more accessible.
- Participants highlighted a need for greater transparency around how investment and financial decisions are made, prompting updates to public facing information explaining how funding is allocated. In response, we have updated our webpage with a plain English infographic explaining how investment decisions are made.
- There was a strong emphasis on proactive engagement when things go wrong, including clear expectations on how quickly and how often we should communicate, even in less severe or uncertain situations. In response we have updated our incident communication strategy to set realistic expectations from the outset, keep consumers proactively up-to-date to ensure communication is regular, timely and easy to understand and always provides reassurance that water is safe to drink.

22 April 2026

SES Water Accountability Session Sutton and East Surrey Water Panel

The first SES Water Consumer Panel focused on confidence in water quality, investment, resilience and water pressure, and value for money and consumer experience.

Key take-aways included:

- Consumers want clearer, more accessible information on water quality performance, with opportunities for independent comparison and regular updates showing progress over time. In response, we will more clearly signpost Discover Water from our water quality webpages and embed a consistent “close the loop” approach following incidents and major works.
- Participants highlighted the need for stronger communication on water hardness and its impact in the home. In response, we are reviewing our factsheets to ensure they are clear, practical and consumer-friendly.
- Water pressure was identified as a top priority, with consumers seeking clearer definitions and practical guidance. We will review how this information is presented to make it simpler and easier to understand.
- Consumers expect clearer, more consistent communication about local works and timely updates on issues. In response, we are reviewing our “In Your Area” map and exploring opportunities to enhance digital tools and consumer communications.
- Simpler, easier-to-understand bills remain a priority. In response, we have published an “Understand Your Bill” page with clear explanations, infographics and videos.
- Consumers are interested in incentives for low water use. In response, we are trialling innovative tariff approaches, including seasonal and usage-based tariffs, and will continue to monitor and assess their potential for SES Water consumers.

Shared learning and application

Whilst still in their infancy, the Accountability Sessions to date have been critical in grounding our work in what matters most to consumers and shaping improvements in our work, including how we communicate, explain bills, present our investment programmes, and proactively manage expectations when services are disrupted.

Ofwat's guiding considerations

Accessibility



Independence



Timeliness



Representativeness



Transparency



Component 3 Evidencing impact

This section sets out how we evaluate how our past decisions have affected consumers and how we use this learning to improve future decision-making, requiring new capability, assurance processes and reporting mechanisms.

What we currently do

We are already well-placed to evaluate how we are delivering for consumers, as reflected in the arrangements discussed above. For example, consumer feedback (e.g. complaints data, WaterShare+ public meetings, Water Voice feedback) and challenge from our WaterShare+ panel members provide helpful feedback on where consumers do not agree with our approach (and where they do).

However, there is scope for improvement. For example: we do not always and consistently undertake an evaluation of consumer impact across all material decisions, nor do we ensure that learning from consumer feedback is systematically fed back into future decision-making. It is implicit within our priorities as a business but, to help us further demonstrate to our consumers and stakeholders and to embed Ofwat's consumer involvement rule, we are making this more explicit.

Deep dive 3

Measuring our success

To properly evaluate our decisions, we have developed a clear framework to help us determine how well we are involving consumers in our decision-making.

Ultimately, and in the long-term, we will be delivering against our strategy and meeting our objectives of properly involving consumers in our decision-making when we see:

- Better consumer outcomes,
- Increased consumer trust,
- Improved performance against consumer-facing targets (as discussed above), including consumer measure of experience and developer services measure of experience, and
- Fewer avoidable complaints.

It will not always be possible, however, to draw a direct link between our performance against the measures above and how well we are delivering against our consumer involvement strategy. As such, we will also take account of nearer-term, more input-based measures to determine our success, including:

- Better evidence of consumer involvement in key decisions (e.g. % of project evidencing consumer involvement)
- An increasingly improved and more sophisticated research and insights programme (e.g. improved intelligence from consumer surveys),
- More consistent demonstration from colleagues of consumer input and involvement (e.g. 'right first time' approach to governance papers that reflect the new expectations), and
- Consumer feedback relevant to this rule (as discussed below).

In the very near-term, we will also determine our success by how well we have implemented our new internal arrangements, including learning completed by colleagues and colleague confidence in the new processes (discussed below).

Improvements underway

With respect to **seeking feedback relevant to the rule**, we will make use of our wider consumer research and insights to understand how we are delivering for consumers relevant to this rule, including on the effectiveness of including feedback from the Water Voice consumer panels, our WaterShare+ arrangements and our regular consumer surveys.

We expect that feedback from our WaterShare+ Advisory Panel will also play a key role in informing our understanding of how we are performing against this rule.

We have strengthened our arrangements in this respect to provide the panel with a formal, annual opportunity to look across our approach and what it is delivering to consider how effective it is working and how it could be improved. As we have done for this report, we will seek the panel's independent judgement, which we will include in our public reporting relevant to delivery of this rule (as well as with respect to forward-looking reports).

We will also take account of how we are performing against our consumer metrics given that, at least in the long term, how well we are involving consumers in our decisions should be reflected in how we are performing for them.

We also want to take a more systematic approach to **evaluating how our decisions affect consumers** and ensuring that this learning informs future decisions.

To do this, we will apply a more structured and consistent approach to reviewing consumer outcomes following significant decisions. This will draw on the full range of consumer insight sources, including insights from our Water Voice and WaterShare+ discussions and wider operational and behavioural data. Through this approach, we expect that our WaterShare+ Advisory Panel and SES Water's Consumer and Environmental Scrutiny Panel will play a key role in helping us evaluate the impact of our decisions.

In addition, we will ensure that learning is captured and fed back into future decision-making and that we provide clear evidence of how consumer views have influenced decisions and outcomes. This will strengthen both internal decision-making and external transparency.

To do this we are bringing the consumer matters considerations we describe in Components 1 and 2 more explicitly into the approval process of Board and Executive decisions. Our decision paper template already required a summary of the strategic importance of the decision being presented, in line with the corporate governance duties on directors expected for a listed company such as Pennon. However, we have gone further by updating the template to specifically include consumer matters within that decision paper template, with a reference to the guidance we have produced for our business on how to implement the Consumer Involvement Rule.

Delivering our consumer involvement plan

In this section, we explain our approach and timescale for implementing the changes and future research for our consumer involvement plan.

Our framework to identifying material decisions

In line with Ofwat's approach and to ensure a proportionate approach to involving consumers in our decisions (and complying with Ofwat's rule), we are focusing on decisions that are likely to have a **material impact on consumers**.

Drawing on Ofwat's rule and the associated guidance, as well as our own research and insights on what matters to our consumers, we have developed a high-level methodology for helping colleagues to identify when consumer involvement is likely to be necessary. This is summarised in Figure 4.

In short, a project or decision is likely to be relevant if:

- **It has a meaningful impact on what matters to consumers.** This includes the cost and affordability of bills; the performance of key services (e.g. consumer billing); the service and support when things go wrong (e.g. policy on incident response); and the priorities for improvements and investment. Engagement will cover how we deliver, but will not revisit existing statutory requirement or regulatory commitment as that would not be meaningful. It includes decisions that have a direct impact on communities and their local environment, as well as issues that are raised as consistent themes by our consumers (e.g. as part of the CCW panel arrangements), and
- **It has a material impact on consumers** either because it has a moderate impact on a large number of consumers or a large impact on only a small number of consumers and because of the severity of change in that it affects water quality, financial or bill impacts, consumer support when issues occur, and our ability to meet long-term consumer priorities.

In determining the impact on consumers, it is important that we consider:

- **The number of consumers**, though whether a 'large' or 'small' number of consumers are affected will depend on the issue in question. In some cases, severity or persistence of an issue to a very small number of consumers, potentially even a single consumer, will justify consumer involvement. In other cases, relatively low-impact changes affecting many consumers may be justified. We will make use of existing indicative thresholds (e.g. number of consumers affected by localised service failure) to help inform our thinking; and
- **The different impacts on our different consumer groups, rather than treating consumers as a generic group.** How we segment our consumer group will depend on the decision in question. For example:
 - A weather-related supply interruption incident may require us to consider the physical location of consumers, whether they are a domestic or non-domestic user and whether they are vulnerable (or not).
 - Annual tariff decisions would require us to consider consumers by income group, whether they are vulnerable, the composition of their household (e.g. large number of children) and its tenure type, whether they are on measured or unmeasured tariffs, and whether they are a domestic or non-household consumer, and
 - For new investment projects, we would want to consider the physical location of consumers who may benefit from the project.

A key aspect of considering the impact of our decisions will focus on vulnerable consumers.

The dedicated teams we have looking after escalated consumer contacts already use insight and have a role in joining the different parts of our work together to resolve consumer issues. This process and the decision-making tools will allow their day-to-day work to be fully understood over a wider number of colleagues – the consumer voice being strengthened in our day-to-day decisions and interactions.

We have produced a simple two-step process, as illustrated below.

This approach helps to make sure that the consumer voice, our evidence base and future research needs are targeted at the right decisions wherever they are being made in the business in a practical and traceable way.

The most important element of this is providing guidance on what decisions are material. Most decisions are made through our existing corporate governance framework and result in explicit Executive or Board decisions, the approach to which we describe for Component 3. For other decisions at an operational level, we have decided to align the materiality threshold for the consumer impact rule to the point at which we notify stakeholders that there is a potential consumer impact, such as during an incident.

We use these criteria flexibly, but for the purposes of providing guidance to the business, we have defined material impact as:

- Water impacts: affecting 1,000+ households for six hours or more or 500+ households (24 hours or more); or
- Wastewater impacts: c.50+ properties affected
- A billing issue or problem that affects significant numbers of consumers (1,000 consumers or £50,000)
- Individual consumer, wider community or infrastructure impact that means the incident could be seen as more significant, even if above thresholds are not met. This often means sustained interest from media, local councils or MPs as an indication of a potential consumer matters decision we should be alive to.

The last criteria allows for the right cultural focus and also tends to pick up the “worst served consumer” scenarios. Through these criteria we are trying to anticipate the impact on consumer trust by approaching our decision-making from the perspective as if the impact was directly on us as members of the community. Whilst the other criteria are precise thresholds, the latter one allows the members of our team most worried about the potential current or future impact to allow the consumer and community voice to be heard through the decision-making process.

Figure 4: Identifying material decisions – our internal guidance to colleagues

Tick yes (✓) or no (x) to the following questions to help determine whether project has a material impact on consumers.

1. Does the project impact one or more of the following...

- ☐ **Cost and affordability of bills?**
- ☐ **Performance of key services (e.g. customer billing, water quality)?**
- ☐ **Service and support when things go wrong?**
- ☐ **Priorities for improvements and investment?**
- ☐ **Does it have a direct impact on communities (e.g. disruption from major local works)?**
- ☐ **Does it have a direct impact on the environment (e.g. reduce pollution)?**
- ☐ **Consistent issue / theme raised by customers e.g. through CCW customer panel?**

2. Does the project have a material impact on customers in the following ways...

☐ **Moderate impact on a large number of customers***

***Guidance on material size of customer impact** – There are no firm rules for deciding whether the number of customers impact constitute “material”. However, the Ofwat incident thresholds for informing Ofwat/CCW can help inform this i.e.

- Water incidents: affecting 1,000+ households for six hours or more or 500+ households (24 hours or more); or
- Wastewater incidents: c.50+ properties affected

In addition, individual customer, wider community or infrastructure impact that means the incident could be seen as more significant, even if above threshold not met (using media, local council or MP sustained interest criteria as proxy).

☐ **Large impact on a small number of customers****

****Consider impact on different customer groups, rather than treating all customers as a generic group**

How we segment customers will depend on the decision in question, but it is especially important to consider impact on vulnerable customers even where there is only a small number of customers impacted.

Delivery through existing business processes

A key principle of our approach is that consumer involvement is delivered through **existing business processes**, rather than through the creation of new standalone structures.

In practice, this means that:

- Our **Consumer Team** provides specialist expertise, research and challenge to support decision-making and to ensure that the overall 'consumer journey' is working effectively.
- **Business units** are responsible for ensuring consumer considerations are embedded in operational and service decisions. The Consumer Team ensure our insight supports these decisions. The process we describe above has been developed so it can be used practically and consistently across our business units.
- The **Regulation Team** provides high-level oversight of the organisation's delivery against the rule, and leads on our reporting against it.
- **Executive forums and the Board** are supported by clear and relevant consumer insight when considering material issues,

This means that consumer considerations are therefore embedded into operational incident management and response, business unit performance reviews and planning cycles, investment and programme delivery decisions, and Executive and Board governance. This approach ensures that consumer insight is integrated into how we run our business rather than treated as a separate exercise.

Supporting effective implementation

To ensure consistency and quality, we are:

- Providing practical guidance and training for colleagues. This includes training targeted at over 3,000 of our colleagues across the organization on the importance of consumer-centric decision-making, as well as targeted 'practitioner' training for our project managers and leaders on what is expected of them. This is being delivered largely through our new online e-learning platform ('H2Grow'),
- Introducing revised governance templates for our Executive and Board decision-making to support structured consideration of consumer views,
- Maintaining light-touch monitoring and coordination across material decisions, and
- Facilitating cross-business sharing of insight and learning.

These arrangements are designed to support colleagues in making better decisions, ensure compliance with Ofwat's rule and support our reporting to Ofwat on how we have delivered against the rule and what we intend to do for future years.

One key aspect is how the evaluation of our decision-making feeds back into understanding customer views and future engagement with them. As well as customer service metrics, and the on-going engagement with the Watershare+ Advisory Panel, the SES Customer & Environmental Scrutiny Panel, we also for specific projects build in success factors (some examples in Figure 5) that are used to assess impact and allow for continuous improvement.

Internal engagement

An important part of a feedback loop from better use of insight from customers and involvement in decisions is how we support our colleagues in making sure the customers at the heart of those decisions. Our organisation is full of committed individuals to the essential service we provide to customers and the environment.

As well as providing a simple pathway for understanding what decisions are material, and the Board and Executive leadership we describe above, we have used the opportunity of this rule to set out for our colleagues the importance of customer-centric decision-making and how the new expectations affects their roles.

Our commitment

 We involve customers in decisions because it leads to better decisions, better outcomes and greater trust. It helps us understand what matters, test our thinking and design solutions that work for customers.

Our approach is:



Purposeful
We involve customers to inform and improve decisions, not just to consult.



Inclusive
We hear from a diverse range of customers, including those less heard.



Insight-led
We use high quality evidence to shape and challenge our thinking.



Accountable
We act on what we hear and show what changed as a result.

We do this because...



Better decisions
We make decisions grounded in what customers need and value.



Better outcomes
Solutions are more effective, accessible and sustainable.



Greater trust
Customers see we listen, act and put them at the heart of our decisions.



Stronger futures
We build long-term value for customers, communities and the environment.

 **Customer involvement is not an extra step. It is an essential part of good decision making at Pennon.**

We include key examples of what is likely to be material, plus support from our dedicated Customer Team who will make sure the customer voice commitment is delivered.

 Does this affect customers?

YES

Could it affect any of the following?



Service experience



Affordability



Trust & reputation



Vulnerable customers



Environmental outcomes

YES

 **CUSTOMER INVOLVEMENT SHOULD BE CONSIDERED**

Likely Material

- Investment programmes
- MyAccount redesign
- Service standard changes
- Affordability support
- Water efficiency initiatives
- Incident communication approach
- New charging arrangements
- Customer policy changes

Not Normally Material

- Internal restructures
- Office moves
- Routine procurement
- Internal HR policies
- Team operating models
- Internal reporting changes

 If you're unsure, engage the Voice of the Customer Team early.

There are a number of tools we are using. We are structuring this in a way that is accessible to our colleagues depending on the decision or project they are facing. This turns our framework into practical and measurable outcomes.

WHAT DO YOU NEED?	BEST APPROACH
 Understand what we already know	 Insight library Use existing research, complaints, metrics and feedback.
 Quick feedback or sense check	 Pulse survey Fast, targeted feedback from a wider audience.
 Test an idea, concept or option	 Focus group Explore reactions and gather views on specific proposals.
 Explore in depth or understand needs	 Interviews One-to-one or small group conversations for deeper insight.
 Challenge assumptions and shape strategy	 WaterShare+ Strategic challenge and co-created recommendations.
 Independent customer voice and perspective	 WaterVoice Independent challenge and assurance from customer experts.

 **Start with existing insight before commissioning new research.**
Good decisions make the most of what we already know.



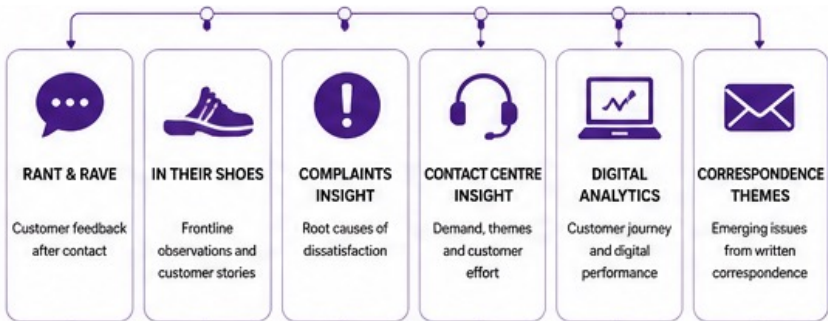
Consumer involvement in decision-making · Our plan for 2026/27

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The forward plan we set out below has been supported by examples from the key focus areas for 2026/27.



Data and insight is a key part of the feedback and learning process.



Finally, the independent challenge and scrutiny process is something else our colleagues are involved with, particularly deep dives on topics they are directly developing, to support the Executive and Board engagement with challenge groups and receiving reports on research, such as with consumer focus panels.



Focus area for 2026/27

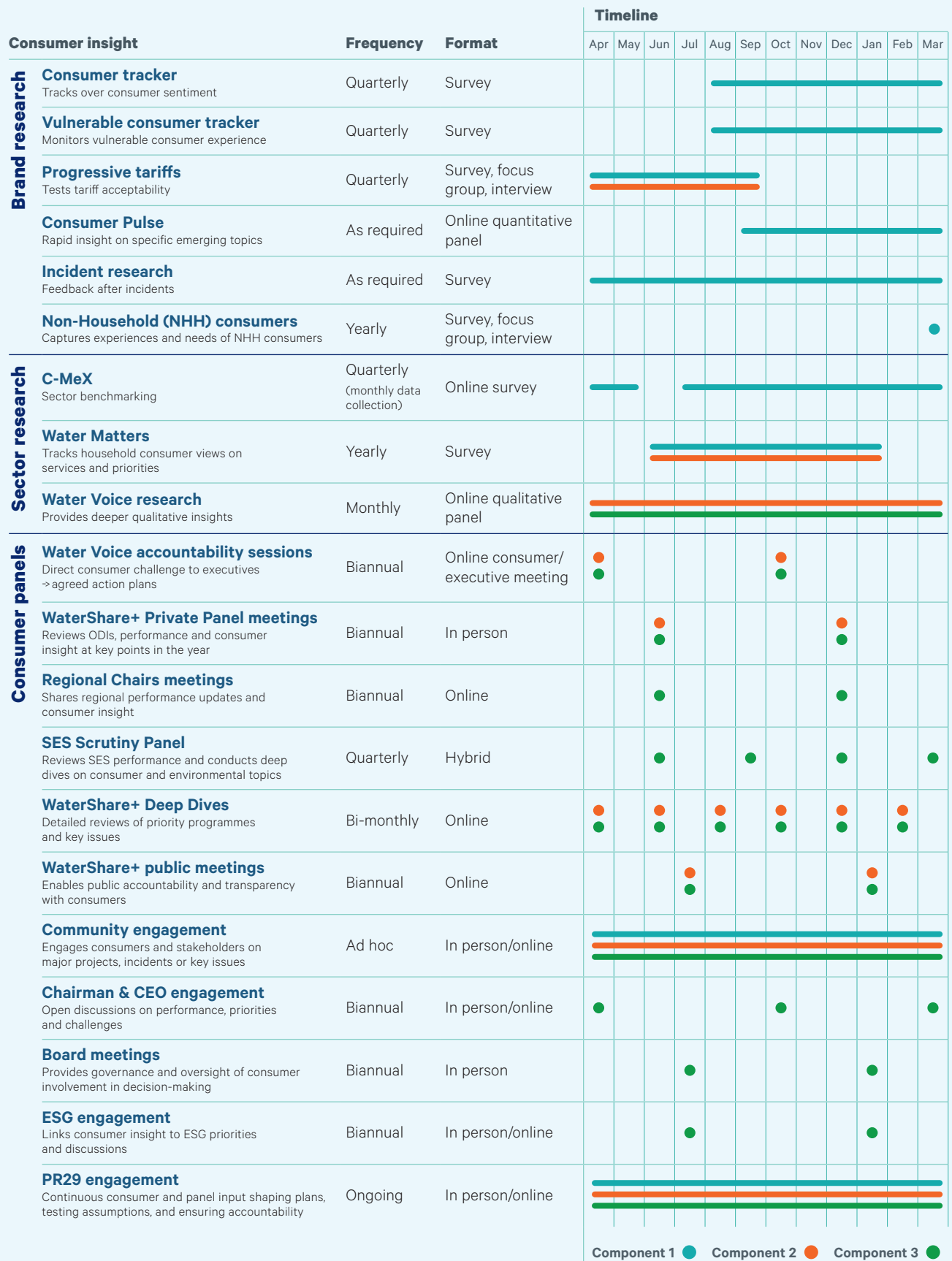
Below, we set out the specific work we are undertaking to involve consumers in decisions that have a material impact on them over this year.

This draws on our framework for identifying material decisions (as discussed above), as well as our priorities for this year. This serves to illustrate how we are making use of the arrangements we discuss in each component. More importantly, however, it also provides our consumers, stakeholders and regulators with an overview of how we are involving (or intend to involve) consumers in particular decisions that matter to them.

In some cases, this work is already underway or, in the case of our cost change research (see Case study 7), is complete. In other cases, the work is at an earlier stage and we expect our approach will evolve as we engage further with consumers and develop the consumer insight further. Table 3 sets out our key focus areas to involve consumers identified at the start of 2026/27, the insight we will need, the involvement approach and the measures of success we are likely to use in our evaluation to feed back into future decisions. The planned timeframe for the involvement processes is shown in Figure 5.

Table 3: Approach to involving consumers in key consumer voice focus areas for 2026/27

Focus areas for 2026/27	Relevant decisions	Component 1 How we will understand consumers' views	Component 2 How we will involve consumers in our decision-making	Component 3 How we will evaluate the impact of our decisions
Charges & bills (2027/28)	Setting future charges, including how costs are shared amongst consumers	Survey, focus group (to explore options and trade-offs), Water Voice feedback	- WaterShare+ Advisory Panel review - Board and executive decision papers	- Consumer satisfaction - Value for money - Billing complaints
Affordability and tariffs	Design of new tariffs, including progressive tariffs and support schemes	Evaluation of exiting trials (incl. consumer research and quantitative research), focus group (incl. testing of different tariff options and consumer feedback and affordability)	- WaterShare+ Advisory Panel review - CCW and Ofwat engagement - Executive leadership of Tariff - Steering Group including Chief - Consumer Officer and Chief - Financial Officer	- Delivery of PR24 Affordability commitments - Zero water poverty - Water efficiency progress - Tariff trial evaluation against criteria
Investment priorities (including cost change process)	Understanding consumer views on where investment should be focused	Focus groups to test priorities and acceptability of bill changes, existing (PR24) research	- WaterShare+ Advisory Panel review - Early PR29 research plan - Cost change submission	Regulator supervision of our cost change research plans and delivery
Smart metering & future services	Supporting consumers through new technology and services	Journey mapping, trials, consumer testing	WaterShare+ Advisory Panel deep dive topic	- Smart meter project roll out - KPIs will include consumer metrics monitoring impact
Environmental programmes (e.g. catchment management and water efficiency)	Improving environmental outcomes in our regions	Community engagement, local partnerships, consumer feedback	- Opportunities for participation in the programme - SES Customer & Environmental Panel review of SES PR24 priority delivery	- Stakeholder and consumer engagement involvement in programme - Delivery on time and budget
Digital services	Design of websites and online services	Consumer testing and feedback on design and usability	- Direct consumer testing - WaterShare+ Advisory Panel deep dive review	- British Standards Institute accessibility review - Consumer take up of digital services (incl. tariff incentive)
Leakage & service reliability	Improving network performance and resilience	Engagement on priorities, service expectations and consumer preferences	Using consumer insight to target areas of future service risk	- Consumer complaints - Volume of interruptions and leakage

Figure 5: Schedule of consumer and panel engagement




How consumers can get involved

The best way to get involved is to join in at our [**WaterShare+ events**](#).

SES Water consumers can sign up for one of our roadshows [**here**](#).