

## The case for water nationalisation is growing

Published: January 12, 2026, 9:44 pm

---

I did an interview yesterday morning for a specialist financial organisation during which I suggested Thames Water was in more trouble than it claimed because although we knew it had sought £1.5 billion in new funding, it had only actually raised £0.5 billion. At the time, I was unaware of the matters referred to in an FT report on yesterday's hearing at parliament on its finances. [They report:](#)

*Thames Water needs billions of pounds more in cash at a time when investors lack the "appetite" to put more money in the industry, the water regulator said on Tuesday.*

*David Black, chief executive of Ofwat, told a House of Lords committee hearing that Britain's largest privatised water utility was struggling to secure £1bn in the short term, after a year of trying to do so.*

I also [note from the FT](#) that Thames Water's debt is trading at around 60p in the pound. In other words, it can be bought right now for well below its face value precisely because of the risk inherent in it that it might not be repaid.

Yesterday [I wrote a long post / Twitter thread](#) on nationalising the water industry in which I suggested that whilst the notional value of shares and debt in the industry might be £96bn at present the required fair value compensation due on nationalisation might, given all the facts, be a lot less than that, suggesting a figure of around £60 billion, or roughly sixty per cent of the total. It looks like that might have been generous given that matters are going to get worse in this sector as the realisation that they need to raise a lot of new capital dawns on investors.

In that case, the value of bonds to be issued to nationalise these assets might well fall further, and so be more affordable out of the income streams the sector generates.

The case for nationalisation is growing, in other words.