

Oh shit

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As [the FT has](#) noted this morning:

At least half of Thames Water's sewage plants lack the pipes and tanks to process enough waste water, leading untreated effluent to spill into rivers and waterways across its network, according to the company's own data.

They added:

Some 181 of the utility's 351 waste water plants did not have enough capacity to treat incoming material last year, with some able to process only a third of the quantity required by local residents.

They also noted:

The company, which serves a quarter of the UK's population, failed to provide data for about a third of its plants, meaning the overall number of sites that do not have enough capacity and therefore spilling waste material may be far higher.

In the circumstances, I think my headline is more than justified.

I also think that this news justifies something else that I have said for a long time, which is that the cost of nationalising Thames and all the other failing water companies (because you can be sure that others are sinking in the same way) would be very low. That is because they are failed businesses. In that case, their shareholders would be owed nothing, whatever value existing regulation has artificially created for them.

As for their loan creditors, they would have to take a considerable 'haircut' on the value of their loans precisely because they took the risk of lending to these companies and will have to accept that the price of doing so was that they might not be repaid if those businesses failed, as they very clearly are. If they cannot do the job that they were legally required to perform then that fact cannot be argued with.

Let me also stress that any price paid would not be in cash but would be in the form of

new government bonds, with the cost being spread over decades and being more than covered by the returns water could make.

There is a substance to be dealt with here, which the government is shying away from whilst arguing about the legal form of any bailout. The substance in question is shit, and the fact that there is more of it than these companies are able or willing to handle.

Who cares about the legal form of the debate when our health is being threatened? Now is the time to act on water - because we have no choice but to do so, and the price of getting what we need is that privatised water companies be swept away.