

It really is time to nationalise water

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There are occasions when it is important to recall just why privatisation was supposed to have taken place in things like the UK water industry.

The claim was that private capital would deliver additional funds and market efficiencies that would improve the performance of these sectors way beyond the levels that could be achieved by the state.

In this context, an article in the Financial Times is of interest this morning. [They note](#):

Thames Water's creditors, who are providing a £5bn backup rescue of the utility, are demanding waivers that would exempt the UK's largest water company from key environmental laws. The lenders are calling on the government and regulator Ofwat to grant licence changes and even emergency legislation to shield Thames Water from laws and regulations, according to documents seen by the Financial Times.

The FT has added:

They also want fines removed, including those already imposed.

And they also suggest:

The creditors are also asking for changes to Thames Water's licence, which would provide added protection against Ofwat fines and penalties and would also allow them to raise prices at any time before 2030.

The claim being made is that unless these changes are made, then Thames Water is not "investable".

The obvious conclusion, which should be apparent to everyone, except perhaps OfWat and our government, is that what this makes clear is that Thames Water is not "investable".

In fact, it is anything about that. What is apparent is that to make Thames Water investable, it must, apparently, be both above the law and able to charge prices that are completely unaffordable by those to whom it is supposed to supply competitive services.

I cannot avoid asking the question, yet again, about why these discussions are continuing. The evidence that there is no future for a private water industry in the UK is now overwhelming. Surely it is time to get on with nationalisation and deal with the real problems that we face, including a lack of investment in water infrastructure, imminent and long-term water shortages, sewage in our rivers and on our beaches, and the risk that we face that this essential supply might not exist unless action on these issues happens.