### **Affinity Water**

# Customer-friendly statement of significant change 2025-26

Changes to water charges and impact on bills
January 2025



## Customer-friendly statement of significant change: changes to water charges and impact on bills

We understand that changes to your water charges are important, and we want to ensure you're well informed about the reasons for these changes and the support we offer to help manage them. Here's an overview of the key changes to our <u>water charges for 2025/26</u> and how they'll affect your bills.

#### Why are charges changing?

Our price increase reflects the significant investment we're making over the next five years to ensure a sustainable and resilient water supply for our customers. This includes improving our network, reducing leaks, and protecting the environment, all while maintaining excellent water quality. For example, we are investing £119 million to install 400,000 smart meters covering one third of all customers by 2030, which will help customers spot leaks, save money by reducing consumption, and protect the environment.

The increase in our charges reflect a few factors:

- Inflation (CPIH): The increase in living costs, which affects the cost of running our services.
- Regulatory Price Control: Our allowed revenue is set by the regulator Ofwat every five years and reflects our operational costs and the capital investments we need to make to meet our performance commitments and deliver high quality and sustainable supplies of water.
- Changes in Tariffs: We also make certain adjustments to individual tariffs to ensure that they remain fair and cost reflective.

For detailed information on drivers of bill increases and their impact on bills, please refer to the Statement of Significant Changes 2025-26.

#### How will my bill be affected?

For the majority of customers, the changes will result in bill increases that are larger than seen in previous years. The increase will be higher for unmetered customers, who pay based on their property's rateable value. Here's a breakdown:

- Metered customers will see a 19.3% increase on a typical bill.
- Unmetered customers will experience a 29.4% increase on a typical bill.
   Unmetered charges are increasing more than metered charges to take account of greater water consumption by unmetered customers. We offer unmetered customers the option to request a meter and reduce the impact of their bill increase.

#### What are we doing to help?

We understand that these changes might be challenging, especially during times of financial strain. That's why we have <u>several support options available</u>:

- 1. Social Tariffs: If you're eligible, you can benefit from our Low-Income Fixed Tariff (LIFT), which offers a discount of up to 60% on your water bill.
- 2. Financial Assistance: We're allocating £3.0m to help customers who are at greater risk of struggling with their bills. This could mean a credit of £50 or more, depending on your circumstances.
- 3. Additional Support: We'll be proactively reaching out to customers, via email, text, and social media, to let you know how we can support you.

#### Understanding the impact of these changes

These changes are necessary to ensure we can continue to provide a reliable water supply, improve our services, and meet the challenges of climate change. We know this might be a lot to take in, so here's how we're making it easier for you to understand:

- We'll provide you with information about your bill explaining the reasons behind the increase.
- We'll also offer guidance on how to save water and lower your bills, as well as information on how to apply for social tariffs.

#### Looking ahead

We're committed to making these changes as manageable as possible for our customers. In the coming months, we'll keep you updated with any further support available, and we'll work to ensure that any adjustments we make are done in a fair and transparent way.

If you have any questions or need support, please don't hesitate to get in touch. We're here to help you navigate these changes.

Thank you for being a valued customer, and for your continued support as we work towards a more sustainable future.