River Action Launches Legal Challenge Against Ofwat Over Water Bill Hikes

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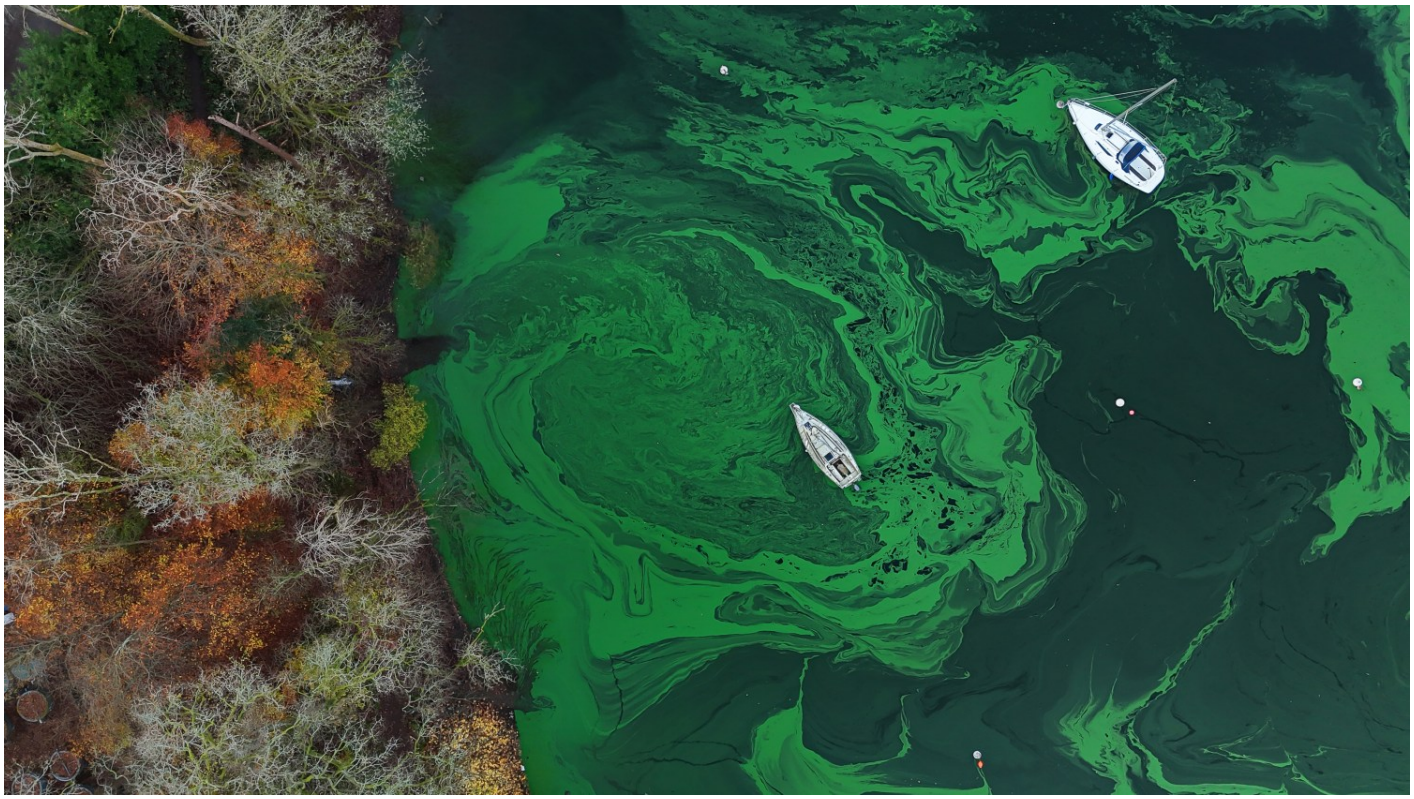
River Action has filed a landmark **legal challenge** against Ofwat, accusing the regulator of unlawfully allowing water companies to pass the cost of their own failures onto customers. The case comes as **water bills rise by an average of £123 a year**, forcing households to pay for decades of underinvestment by the water industry.

The challenge, filed with the support of **Leigh Day law firm**, targets **Ofwat's Price Review 2024 (PR24)**, which granted **enhanced funding** to water companies like **United Utilities** without

sufficient safeguards to ensure the money is spent on new water and sewage projects. Instead, River Action warns that customers will be left footing the bill for past infrastructure neglect, paying twice for the same failing systems.



Lake Windmere, Algea blooms | Matt Staniek ©

Paying Twice for Polluted Water?

The legal action stems from investigations by **environmental campaigners** Matt Staniek and **Windrush Against Sewage Pollution (WASP)**, which exposed severe regulatory failings.

In **August 2024**, United Utilities requested extra funding to upgrade treatment works and pumping stations in the **Windermere area**, following 6,000 hours of raw sewage discharges into the lake that year alone. Ofwat approved the request under **PR24**, but River Action argues that the regulator:

> Relied on **hydraulic simulation modelling** rather than real-world pollution data, which **failed to reflect the true environmental damage**.
> **Ignored key evidence** of widespread sewage discharges when assessing funding needs.
> **Lacked a clear mechanism to regain funds** if companies misused the additional investment.

As a result, **customers could be forced to pay twice**: first through water bills that should have covered infrastructure maintenance, and again through new hikes aimed at fixing the same problems.

Lake Windermere in cleaner times | Image by Pete from Pixabay

A Call for Reform

River Action is demanding **urgent regulatory reform** to stop water companies from passing the cost of their mismanagement onto the public. The financial burden of repairing the UK's crumbling water infrastructure must fall on **the companies and their investors**, not customers.

Emma Dearnalely, Head of Legal at River Action, said:

"We need a root and branch reform of the failing water sector and its regulators to prevent water companies from prioritising profits over customers and river health. Our legal case highlights systemic issues with Ofwat's approach relying on modeled data instead of reality. This is simply not good enough. We need to have full confidence that Ofwat will meet its promise that customers will not pay twice after decades of mismanagement."

"This is why we're demanding immediate reform to ensure regulators do their job and water companies are not let off the hook. The cost of fixing our crumbling water infrastructure should fall on these companies and their investors—not the British public."

Emma Dearnaley,
Head of Legal & Policy at River Action

Holding Ofwat Accountable

River Action's legal challenge also raises broader concerns about **Ofwat's oversight and accountability**, questioning whether the regulator has the necessary powers or will to prevent water companies from profiting at the public's expense.

Ricardo Gama, solicitor at Leigh Day, commented:

"Ofwat has provided repeated assurances that it won't let price rises be spent on fixing historic issues, and that customers won't be expected to pay twice. But in documents seen by River Action, it appears that Ofwat hasn't sufficiently investigated whether the extra funding that United Utilities has been allocated will actually be used for that purpose. River Action believes that this is indicative of a wider lack of due diligence undertaken by Ofwat over many years, which has resulted in money not being spent on maintaining infrastructure."

"In launching its legal challenge, River Action is calling for Ofwat to take regulatory action to ensure that water companies do not pass the cost of their own failure onto customers."

Ricardo Gama,
Solicitor at Leigh Day

Fighting for Clean Water

River Action's legal challenge is part of its broader mission to hold water companies and regulators accountable. The group continues to campaign for **stronger enforcement**, **greater transparency**, and a **financial and governance model** that prioritises people and the environment over profits.