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Dear Ofwat,

We welcome the opportunity to respond to the consultation on Consumer Involvement in Company Decision-Making. We are responding in our role as an independent statutory consumer advocate for the Energy and Post sectors. Our cross-cutting consumer advocacy includes research into consumer priorities in the water sector, such as how increasing consumer protections and closing advice and advocacy gaps can deliver sustainable growth¹, and responding to water consultations, such as the Independent Water Commission's Call for Evidence², where we make recommendations for increased consumer support, especially for those who need it most.

We are supportive of Ofwat's efforts to reform the water sector, particularly in regards to consumer trust, which hit an all time low³ following under-investment and rising levels of risk which contributed to increasing customer bills.

We agree with Ofwat's focus on an outcomes-based approach, which should allow for the consumer voice to be prioritised without being overly prescriptive on companies for the way they deliver their engagement. The expectation for companies to conduct a gap analysis is important, as it will help them assess the work they are already doing and where they can build on their efforts. It will also provide them with a structured way of thinking about how consumers are involved in the process and where minimum standards can be set.

¹ Citizens Advice, '[How to deliver tangible growth in consumer markets](#)', July 2025

² Citizens Advice, '[Response to the Independent Water Commission's Call for Evidence](#)', September 2025

³ National Audit Office, '[Regulators have failed to deliver a trusted and resilient water sector](#)', April 2025



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Ofwat should consider learnings from previous price controls and other sectors in its approach to implementing the Consumer Involvement rule. For example, the RII0-2 Challenge Group set up by Ofgem sat above the different Customer Engagement Groups (CEGs) and provided a comparison between companies throughout the period.⁴ Additionally, it should retain Independent Challenge Groups (ICGs) for all companies and allow them to have a broad remit, similar to how Independent Stakeholder Groups (ISGs) operate in the energy sector.

It is vital that Ofwat retains the overall responsibility for scrutiny and enforcement. Though the Consumer Panels will provide a useful challenge to individual companies, Ofwat's responsibilities should not be diffused to these groups, and it should maintain its role in holding companies to account.

We are also supportive of Ofwat's proposed review in 2027. This will provide an opportunity to evaluate how well the Consumer Panels are working to ensure effective consumer representation and improve company performance.

Yours sincerely,

Jess Kleyn, Caroline Farquhar and Alice Williams

⁴ Citizens Advice, [RIIO-2 price control Enhanced Engagement process](#), 2021

Patron HRH The Princess Royal **Chief Executive Dame Clare Moriarty**

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