

Thames Water to start fundraising talks in coming weeks amid cash crisis



Our unmissable weekly email of all the gossip, rumours and covert goings-on inside the Square Mile

Sign up

I would like to be emailed about offers, event and updates from Evening Standard. Read our [privacy notice](#).

Thames Water has said it will kick off the process of raising more money from investors over the next few weeks.

The struggling water giant said that while it has been in talks with potential funders since July, it will launch its formal “equity solicitation process” in the coming weeks.

That process is expected to drag on beyond December, when regulator [Ofwat](#) publishes its final verdict on water firms’ proposed plans for raising consumer bills from 2025 until 2030.

Thames Water, which serves about 16 million people, is in the grip of a funding crisis, and has only enough cash to continue operating until May 2025.

It also has more than £15 billion of debt, and Ofwat has said it intends to appoint an independent monitor to supervise the company as it attempts a turnaround.

If Thames Water does not raise fresh cash, it faces a potential nationalisation next year, something the Labour Government has said it is keen to avoid.

Thames Water is at the centre of a public row over steep proposed hikes to water bills, which have sparked outrage amid a growing crisis around firms' polluting of waterways with sewage spills.

As of August 31, the company had about £1.57 billion in cash. However, £380 million of that is currently locked up as "reserves" under its current funding agreements.

It said on Friday that it has asked its creditors to allow it to access that £380 million, otherwise it will "enter standstill" by the end of December.

In that case, it would still have two further sources of potential funding to see it through to May.

One is in the form of £420 million of Class A and Class B "undrawn committed facilities", which are a type of credit agreement.

Another is a £550 million pot of "undrawn reserve liquidity facilities", it said.

All the funding combined will see it through to the end of May 2025. The fresh fundraising which it plans to start in the coming weeks is designed to extend beyond that point.