

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1733

Date of Decision: 06/01/2020

#### Complaint

The customer had a leak at his property that he repaired. The company has granted only a partial leakage allowance. The customer requests a full leakage allowance on the basis that the water meter was found to be faulty. He also requests £1,000.00 for distress and inconvenience.

#### Defence

The company was contacted by the customer on 1 August 2018 about a leak and it advised the customer to contact a plumber. It challenged the wholesaler's decision to not grant a leakage allowance. The wholesaler's policy is to grant an allowance of 50% of the excess charges for a maximum 6 month period. The wholesaler has granted this. It did challenge the calculation on the customer's behalf but the wholesaler declined to make any amendments.

#### Findings

The customer is responsible for all water recorded on the meter, even where it is lost due to a leak. The fault with the meter was not clearly identified but it does not appear to have been over recording usage. There were grounds to challenge the wholesaler's calculation of the allowance as it did not take into account an actual meter reading prior to the leak being repaired; however, the final decision about the allowance rests with the wholesaler. The company had fallen below the standard expected of a water retailer; however, its compensation of £80.00 was proportionate. The majority of the customer's distress and inconvenience related to the wholesaler rather than the company.

#### Outcome

The company needs to take the following further action:

Contact the wholesaler to dispute the calculation of the leakage allowance on the basis given in paragraph 11.

The customer must reply by 03/02/2020 to accept or reject this decision.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1733

Date of Decision: 06/01/2020

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

### **The customer's complaint is that:**

- The customer had a leak on his supply. The leak was found and repaired but the meter was 'stuck' on a reading of 9297. The customer could not have known that he had a leak on the supply. The wholesaler has offered a 50% leak allowance; the customer wants the company to apply the full amount for the disputed period of 18 April 2018 to 1 January 2019. The company deducted the sum of £4788.91 from his bank account on 13 July 2019, which was returned by the customer's bank when he queried this. The customer also requests compensation for distress and inconvenience as the customer was precluded access to clean drinking water.
- The customer requests a full leakage allowance, rather than the 50% offered, for the period 18 April 2018 to 1 January 2019, and £1,000.00 in compensation for distress and inconvenience.

### **The company's response is that:**

- The customer contacted it on 1 August 2018 to advise that he had a water burst. The company advised the customer to contact a plumber and to complete a burst allowance form. The customer advised on 12 September 2018 that he had been contacted about a replacement meter. The company was unsure what the reference numbers related to as the meter had not been replaced. It was also unable to locate the leak allowance form that the customer advised he had returned. The company sent the burst allowance form to the wholesaler when it received this. The meter was confirmed to be faulty and require replacement, and that new meter readings would be required to calculate an allowance. The company chased the wholesaler for a

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

response on 20 December 2018. The wholesaler responded on 14 January 2019 and advised that the meter had been replaced. On 2 April 2019, the wholesaler advised that it would not grant an allowance as the customer took longer than 28 days to repair the leak. The company resubmitted the claim with an explanation for the dates and escalated the matter when the wholesaler rejected this a second time. The wholesaler then agreed to provide an allowance of 50% of 582m<sup>3</sup>, for the period 18 April 2018 to 18 October 2018. The company challenged this with the wholesaler but was advised that the allowance was correct and no amendments would be made. The allowance has been granted based on the wholesaler's policy and is not something that the company is able to amend. The company accepts that there have been some service failings and it has provided £80.00 as a gesture of goodwill for this. It submits that the service failings did not have a material impact and did not influence the outcome for the customer.

### How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

1. Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
2. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing by the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on a balance of probabilities that the company has failed to provide its services to the standard one would reasonably expect and that as a result of this failure the customer has suffered some loss or detriment. If no such failure or loss is shown, the company will not be liable.

I have carefully considered all of the evidence provided. If I have not referred to a particular document or matter specifically, this does not mean that I have not considered it in reaching my decision.

### How was this decision reached?

1. The customer has disputed the amount of a leakage allowance granted to him following a leak on his supply. It is helpful at this point to set out the limits of the scope of the Water Redress

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

Scheme in respect of the company. The company is a water retailer, billing the customer for the water services provided by the water wholesaler, Severn Trent Water. In order to make a decision in this dispute, I must clearly distinguish between actions taken by the wholesaler, and the duty owed by the retailer, the company, to its customers. Since the water market in England opened up to retailers in April 2017, all non-household customers and accounts have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, the adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, a party to the case, has responsibility, but not those things for which the wholesaler has responsibility.

2. The retailer is under a duty to bill the company in accordance with the wholesaler's policies and schedule of charges. I note that the wholesaler has a policy under which it will grant a leakage allowance to customers. I find that it is a matter for the wholesaler to determine whether the customer is entitled to an allowance and to calculate this. The company is only able to request the wholesaler reconsider its calculations; it is not able to override the wholesaler's decision in relation to the grant or calculation of a leak allowance.
3. I find that the company is entitled to bill the customer for all water use as recorded on the water meter, whether used by the customer or lost through a leak. This is due to all pipework located after the water meter being the customer's private supply and his responsibility. I note that the wholesaler's policy in respect of leaks is to grant an allowance of 50% of the excess water that passed through the water meter for the single worst-affected period and for a maximum period of 6 months.
4. The company's defence shows that a meter reading of 7645 was taken on 18 April 2018 that was significantly higher than anticipated, indicating that there was a leak on the customer's private supply pipework. The company issued an invoice showing this meter reading on 13 July 2018. The company has billed to an actual meter reading taken on 1 August 2018 of 9274; it appears that the customer provided this reading to the company. The customer completed the repair to the pipework on 14 August 2018. The next meter reading was taken on 1 January 2019 and read 9370.
5. I note that the wholesaler initially declined a leakage allowance on the basis that the customer had taken more than 28 days to repair the leak. The company challenged this decision with the

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

wholesaler, advising that the invoice issued on 13 July 2018 was not sent out until the 17th of that month. After the matter was escalated, the wholesaler agreed to grant a leakage allowance.

6. The dispute relates to how the leakage allowance has been calculated. The customer requests a full allowance for the leak for the entire period 18 April 2018 to 1 January 2019 on the basis that the water meter was found to be faulty.
7. The company's defence confirms that the customer's water meter was found to be faulty. However, neither party has confirmed the nature of the fault. The customer's submissions indicate that the meter was 'stuck' on 9297; however, the company's defence confirms that the readings continued to increase suggesting it was not frozen on one reading. I am also mindful that the wholesaler has used actual meter readings to calculate the estimated reading from which it based the leakage allowance.
8. I am mindful that a common fault with water meters is that they under-record the amount of water passing through them due to wear and tear on the meter. In view of the wholesaler's willingness to use the meter readings when calculating the leakage allowance, the clear age of the water meter, and the customer's comments that the meter was 'stuck', I find on the balance of probabilities that the issue with the customer's water meter was one of not recording all water passing through it, rather than over-recording. The customer will therefore not be disadvantaged by the wholesaler using the meter readings to calculate an allowance as the customer will have additionally benefitted from the meter under-recording the amount of water lost.
9. I am not persuaded that the customer is entitled to a leakage allowance for the entire disputed period, 18 April 2018 to 1 January 2019. The allowance can only be provided in accordance with the wholesaler's policy and this limits the period of the allowance to a maximum of six months.
10. However, I am mindful that it was a period of roughly four months from the first meter reading showing the leak and the leak being repaired. Whilst no meter reading was taken on 14 August 2018 to confirm the reading at the time the leak was repaired, the company has billed to an actual meter reading of 9274 taken on 1 August 2019. It is unclear why the wholesaler has calculated the allowance for a six month period on the basis of an estimated meter reading for 18 October 2018, calculated by reference to the recorded average daily use between 18 April 2018 and 1 January 2019, when the period affected by the leak was only around four months in duration and an actual meter reading was taken during that period.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

11. I consider that it would be more equitable for the leakage allowance to be calculated on the basis of the actual meter readings of 7645 on 18 April 2018 and 9274 on 1 August 2018, with an estimated reading being calculated for the date the leak was repaired, 14 August 2018, based on the recorded average daily use between 1 August 2018 and 1 January 2019. This would ensure that the allowance covered the excess water loss confirmed to have taken place within the first six month period, and also ensure that the customer did not receive an allowance for periods after the repair had been completed.
12. However, the customer must be aware that I am not able to direct the company to recalculate the leakage allowance without the agreement of the wholesaler. The allowance is a matter for the wholesaler to consider. I am only able to direct the company to escalate the matter of the calculation of the allowance with the wholesaler and request that the allowance is recalculated on the above basis. In the event the wholesaler refuses to recalculate the allowance, no further action can be taken by the company and the resulting bill will be payable by the customer.
13. The customer has also requested £1,000.00 in compensation for distress and inconvenience. I find that I am only able to review the distress and inconvenience caused by the actions of the company; I am not able to consider any distress and inconvenience caused by the wholesaler or decisions under their remit.
14. As above, the company is responsible for billing and providing customer service to the company, including representing the customer's position to the wholesaler. I am satisfied from the evidence that the company provided appropriate advice to the customer in relation to the leak and that he needed to contact a plumber and complete a burst allowance form. The company was unable to find the completed allowance form although the customer advised that this had been returned by email. I also note the customer's submissions that he would receive an 'undeliverable' message at some points when emailing the company. I accept, on the balance of probabilities, that the company did experience technical issues that meant that not all communications from the customer were received by it.
15. The company also took a payment by direct debit of £4,788.91. In reviewing the payments and charges on the account, I find that this related to the July 2018 invoice and that the payment was taken on or around 28 July 2018. I note that the customer first contacted the company on 1 August 2018. I find no failure in the company's duty of care in that it took this large payment as

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

the balance had not been disputed at that time and payment was taken in accordance with the invoice.

16. I find that, once the company received the burst allowance form, it acted in the manner expected of a water retailer by contacting the wholesaler, raising the required meter replacement job, and chasing the wholesaler for a response. I am satisfied that the company also acted in the manner expected of a reasonable water retailer when it challenged the wholesaler's refusal to grant an allowance without needing to be prompted by the customer. I am mindful that the company's efforts did result in the wholesaler agreeing to grant an allowance, albeit that the decision has found that there remain grounds to challenge the calculation of this.
17. I note that the customer is claiming compensation for his cattle and sheep being precluded access to clean drinking water. It appears from a review of the Consumer Council for Water documentation that the wholesaler may have removed the water meter and left the customer without a connection; however, where this is the case, I find that the distress was caused by the wholesaler and not the retailer. I find no evidence that the company delayed in raising a water meter replacement job with the wholesaler or that it was otherwise responsible for any period in which the customer may not have had an active water supply.
18. I accept that the customer has been caused some distress and inconvenience by the company; however, I find that this is limited to the communication issues relating to it not receiving all of the customer's correspondence. I am satisfied that the company did largely provide customer service to the standard expected. The company has provided the customer with £80.00 in recognition of the service failings. I consider that this is reasonable and proportionate in the circumstances and I am not persuaded that the customer has been caused distress and inconvenience by the company that would warrant any further payment.

#### **Outcome**

The company needs to take the following further action:

Contact the wholesaler to dispute the calculation of the leakage allowance on the basis given in paragraph 11.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

## What happens next?

- This adjudication decision is final and cannot be appealed or amended.
  - The customer must reply by 03/02/2020 to accept or reject this decision.
  - If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
  - If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
  - If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.
- 



**Alison Dablin**, LLM, MSc, MCI Arb

**Adjudicator**

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*