

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1832

Date of Decision: 20 March 2020

#### Complaint

The customer has a dispute with the company regarding the failure to award a leak allowance or pay compensation following a leak in a supply pipe. The customer asserts that a delay by the company in affecting a repair to the leak resulted in a higher than expected bill and thus compensation is due. The customer also claims to have received a poor level of customer service when dealing with company over fixing the leak. Consequently, the customer requests the company pay compensation in the amount of £1,400.00.

#### Defence

The company states that it advised the customer according to its procedures for dealing with leaks. It offered its services to the customer on a commercial basis with no obligation on the customer to accept the offers. The company believes it made all reasonable efforts to assist the customer, and it notes that the granting of a leak allowance is the sole responsibility of the water wholesaler. The company has not made any offer of settlement to the customer, and believes it has acted in a correct and reasonable manner. The company declines to accede to the customer's claim for compensation.

#### Findings

The customer has not presented sufficient evidence to support the claim that the company should pay compensation. I am satisfied that the company acted in a reasonable manner when offering its assistance to the customer. Consequently, I find the company has not failed to provide its services to the extent to be reasonably expected by the average person.

#### Outcome

The company needs to take no further action

The customer must reply by 20 April 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1832

Date of Decision: 20 March 2020

## Party Details

Customer: [ ].

Company: [ ].

## Case Outline

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

- The customer has appointed [ ] as his Customer's Representative [CR] for this claim.
- The CR claims she has experienced an ongoing dispute with the company regarding the application of leak allowance. Despite the CR's ongoing communications with the company and the involvement of CCWater, the dispute has not been settled.
- The CR states that on 30 July 2019 she received a leak allowance.
- The CR asserts that following the leak she monitors her water consumption by taking meter readings on a weekly basis. The CR records that a reading taken on 02 October 2019 was suggestive of a leak and she contacted the company to advise it. She further records that she was informed that the water wholesaler would not undertake leak detection activities and thus she was obliged to retain her own investigative team at her own expense.
- The CR asserts that the company provided her with contact details of a third-party engineer and that after she contacted him he attended upon her property on 07 October 2019 at a cost of £540.00.
- The CR states that the leak was identified by the third-party engineer and he informed her that he would procure a quotation for the cost of undertaking the repair works. The CR asserts that despite pressing to receive the quotation she was not given the document until 18 October 2019, some sixteen days after the leak was first reported.

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- The CR states that while she was awaiting the quotation an engineer from her water wholesaler visited her property on 13 October 2019 and was advised of the leak and the measures so far taken to identify and repair the problem. The CR states that the engineer informed her that he was previously unaware of her leak problem and had not attended upon her premises for that specific issue.
- The CR records that the wholesaler effected the repairs to the leaking pipe at no cost on 15 October 2019. The CR notes that the leak was fixed some thirteen days after she first advised the company of the problem and she thus queries why the process took so long and why two elements of the same organisation did not liaise together particularly as the wholesaler had engineers in her vicinity searching for potential leaks.
- The CR also records that she believes her most recent bill in the amount of £1,477.66 was unnecessarily inflated due to the ongoing leak, and that if the problem had been identified and rectified sooner the bill would not have been so high.
- The CR claims that she has applied for a leak allowance for the October 2019 leak but has been turned down by the wholesaler as it has a policy of paying only one leak allowance per year to the same property. Notwithstanding, the CR believes she is due compensation to offset her bill which she believes is artificially high due to the delay by the company in repairing the water pipe leak.
- The CR dissatisfied with her interactions with the company, escalated her dispute on 18 December 2019 to CCW who took up her case with the company on her behalf. The CR further records that, despite the intervention of CCW, the dispute is ongoing and the company has not revised its standpoint and CCW are unable to facilitate a resolution between the parties.
- The CR remains dissatisfied with the response of the company and consequently, on 28 January 2020, has referred the matter to the Water Redress Scheme whereby she seeks to have the company pay the sum of £1,400.00 in compensation in lieu of a leak allowance and in acknowledgement of providing a poor standard of customer service.

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

- The company submitted its Defence paper to the claim on 25 February 2020.
- The company notes that the CR, throughout her application, refers to RST and appears to be unaware of the difference between the water retailer and water wholesaler. The company explains in detail the changes to the business water sector since 01 April 2017, and confirms

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that its responsibilities as a retailer are restricted to providing billing, account management and customer service.

- The company also notes that any leak on a customer's supply pipe is not the responsibility of either the wholesaler or retailer. The affected customer will continue to be billed for any water passing through the meter, although this may be offset by the wholesaler applying a leak allowance according to its formal leak allowance policy. The company confirms that retailers do not grant leak allowances.
- The company acknowledges that it was advised by the CR of a potential leak at her property on 03 October 2019. The company confirms it offered to arrange for the detection of the leak at a cost of £540.00 + VAT. The company states the CR accepted and it immediately organised for its approved sub-contractor to execute the search.
- The company notes that its sub-contractor visited the CR's property on 07 October 2019, identified the location of the leak and agreed with a representative of the CR that he would obtain a quote for the physical repair works. A quote was duly provided on 18 October 2019.
- The company asserts that unbeknown to it the wholesaler was undertaking routine leak detection activities in the location of the CR's premises and identified the leak at the property. The wholesaler repaired the leak free of charge on 15 October 2019.
- The company notes that it was only coincidence that the wholesaler's engineers were in the location at the same time, and as both entities are separate companies there is no obligation for them to liaise closely over leaks. The company insists that had it known of the presence of the wholesalers' team in the area it would not have given the advice it did and would not have presented the repair cost estimate of £935.00. As a gesture of goodwill the company states it cancelled the £540.00 detection fee and credited the customer's account with £100.00.
- The company asserts that on 10 December 2019 it advised the CR that the wholesaler's leak policy would not permit the payment of a second leak allowance following the earlier payment she received in July 2019.
- The company further notes that it has not, by any of its actions, been contributory to the size of the CR's bill, and states that it acted timeously, inside forty-eight hours, in following its own leak procedures and providing the CR with a leak detection service in two working days. The company asserts that the withdrawal of the initial leak detection charge means that no financial loss of any sort suffered by the CR is attributable to it.

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- The company also notes that by having the wholesaler repair the leak without charge, at an estimated cost of £935.00, the CR has received a benefit of £935.00 + £540.00, equating to £1,475.00 in total. The company also states that the CR was free to use her own selected operators to locate and repair the leak and was not bound to choose the services offered by it.
- In summary, the company believes it correctly applied its procedures in respect of actions taken and advice given following the notification of the suspected leak. It was unaware of the wholesaler working in the same area at the same time but notes it has no obligation to liaise with it. The company further notes that it does not operate a leak allowance policy, this is the sole responsibility of the wholesaler, and thus is not able to comply with the CR's request.

**The customer's comments on the company's response are that:**

- The CR has submitted comments on the company's Defence document. She states her understanding that the wholesaler will only grant one leak allowance in any twelve-month period but reiterates her belief that she is due compensation for the time delay experienced in having the leak fixed. She reiterates her position that her subsequent bill was so high due to the ensuing delay in fixing the problem.

**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.

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I have carefully considered all the evidence provided. Please note that 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 dispute relates to the CR's dissatisfaction over the company's refusal to apply a leak allowance, or pay compensation for costs incurred due to a delay in repairing a leaking supply pipe. The company asserts that it has followed its own procedures in respect of assisting the CR and that leak allowances are the responsibility of the water wholesaler.
2. I note that this scheme is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it.
3. For the avoidance of doubt from the outset, I record that I am aware that both the water retailer and water wholesaler are referred to in the claim submitted by the CR. The retailer is [ ] Water Services (LKM Water Business) and the wholesaler is RST Water (RST). In this WATRS adjudication decision, [ ] Water Services (LKM Water Business) is defined as the "company".
4. The company, in its Defence paper, has set out the different responsibilities of retailers and wholesalers in respect of business customers. Simplistically, the wholesaler is responsible for the provision and maintenance of the water supply network and the retailer handles account management, billing, customer service etc. The wholesaler bills the retailer in bulk for the water consumed by its customers with the retailer subsequently billing the individual customer.
5. I note that throughout her application submission the CR refers at all times to "RST". It thus may appear unclear at first sight who is the party the CR is claiming against, but I note from the WATRS Scheme application form that the company is named as the defending party.
6. On 03 October 2019, the CR contacted the company to advise that she suspected a leak in a water supply pipe at her property. On the same day, the company offered to assist the CR and provided a quote to search for the leak in the amount of £540.00. I am satisfied that the CR accepted this quotation on 04 October 2019. With 04 October 2019 being a Friday, the company appointed sub-contractor did not attend until the next working day on Monday 07 October 2019 and identified the location of the leak.
7. The sub-contractor, again with the apparent agreement of the CR or her representative, offered to secure a quotation for the remedial works necessary to repair the pipe. From the documents

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submitted to me it is not clear if a deadline was fixed for the supply of the quotation. Ultimately, the parties agree that the quotation was provided on 18 October 2019.

8. I am persuaded that a time delay of approximately nine working days to produce a quotation may be construed as unreasonable. However, I am mindful of the stated position of the company in that the CR was not obliged to use its services which are offered on a commercial basis and that she had the option to use other parties to both locate and repair the leak. On this basis, I do not find a duty of care failure by the company to manage the customer's account with a reasonable level of skill and care.
9. The CR has also questioned why two arms of the same overall organisation did not liaise together more efficiently to affect the pipe repair in a shorter timeframe. I am satisfied from the documents submitted to me that the two organisations are indeed separate companies and as such there is no obligation on them to liaise closely in respect of water leaks. Additionally, I find there is no obligation for the company to inform the wholesaler of leaks or to have the wholesaler submit quotes to repair such leaks. The formation and working practices of the ultimate controlling organisation is outside the jurisdiction of the adjudication scheme.
10. I am also satisfied that the granting of a leak allowance is outside the gift of the company. Notwithstanding, I am conscious that the CR is seeking compensation for her high water bill which she believes has been caused by the delay in repairing the leak, and that "leak allowance" may be a convenient handle on which to hang her claim.
11. I have found earlier in this decision that there was no customer service failing by the company. Its services and assistance were offered to the CR, and she accepted the offers. I am satisfied that she was not obligated to accept the offers of the company and was free to seek out other entities that would have been able to assist her.
12. The CR has based her claim for £1,400.00 in compensation on the provision of poor customer service by the company and on the fact that she believes there are no effective systems in place for liaison between different arms of the overall business. As noted, the business practice and systems of the overall group of companies is not within the jurisdiction of the Scheme. As I have found no customer service failings it follows that compensation is not appropriate.
13. Overall, I am sympathetic to the frustrations of the CR insomuch that she believes she did not have the leaking pipe repaired as quickly as she believed possible. However, I do not find any shortfall in the customer service and assistance provided by the company.

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14. In summary, I find that the CR has not provided sufficient evidence to justify the claim. Thus, I shall not direct that the company amend her bill nor pay her compensation.

15. My conclusion on the main issues is that the company has not failed to provide its services to a standard to be reasonably expected by the average person, and therefore, my decision is that the claim does not succeed.

#### Outcome

The company does not need to take further action.

#### What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 22 April 2020 to accept or reject this decision.
- When you tell WATRS that you accept or reject the decision, the company will be notified of this. The case will then be closed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.



Peter R Sansom  
MSc(Law); FCI Arb; FA Arb;  
Member, London Court of International Arbitration.  
Member, CI Arb Business Arbitration Panel.  
Member, CEDR Arbitration Panel.

#### Adjudicator

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